



**MDC**

# **Made in Durham**

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## **Executive Summary**

**Building an Education-to-Career System**

**October 2012**



This report was written by Cay Stratton, senior fellow; Max Rose, program associate; Abby Parcell, program manager; and Julie Mooney, project director. Al McMahon, consultant and former executive director of School & Main Institute, provided expertise on policy and operational issues. Three interns, Sarah Nolan, Peter Janulis, and Demetrius Walton, provided valuable research and insight. We are especially grateful to the MDC Panel on Disconnected Youth, introduced in the preface, which provided wise guidance and constructive challenge throughout the research and development of this report.

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# Preface

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Late last year, David Dodson and the MDC Board of Directors invited us to join a panel on Disconnected Youth in Durham. Since then, we have met regularly to help guide research, challenge assumptions, and, we hope, enrich emerging recommendations with our experience and expertise. We are a diverse group from business, academia, criminal justice, community and economic development, and social enterprise. But we share a passionate commitment to Durham and a conviction that every Durham youth and young adult is entitled to a first-rate education—an education that prepares them for successful adulthood and the good jobs in our labor market.

We are struck by a Durham paradox. We have shed our image as a crime-ridden place of forgotten tobacco jobs. Today we are a center of culture and creativity, of science and medicine, of new businesses, social enterprise, and community action. We have, as the local campaign admonished us to do, “found our cool.”

Yet, some of the facts behind this image are deeply troubling. As our report makes clear, too many of our youth and young adults are struggling to make it through education and into a rewarding career. Too many are ending up as members of the working poor. Too many have disengaged from school or disconnected from our economic and social networks altogether. Most disturbing, the victims of Durham’s opportunity gap are mostly young men and women of color. The situation belies Durham’s recent designation as the nation’s most tolerant city.

Our report addresses both system and program improvements that are critical to serious and sustained change over the next five years. We propose an education-to-career system that serves *all* Durham youth and young adults—those on track, those who are behind, and those who are disconnected—because, they are *all* entitled to the best education, training, and personal support that we can provide. At the same time, given the deep concern we have for the most disconnected youth, most of whom are African American and Latino, we believe strongly that the basic yardstick of the system’s value must be that it works as well for the most disconnected young person as it does for the most privileged.

The education and career system we envision cannot be achieved by one sector or institution alone. Its success will depend on our public and elected officials, our business executives, our faith and community leaders, and our program operators and grassroots activists working together with determination, creativity, and courage. It will require strategic investments of resources—funds, people, expertise—from the public, private, and philanthropic sectors. And it will require the active leadership of our youth and young adults in shaping the programs and services that will, in turn, shape their own futures.

Throughout this initiative, we have sensed a strong appetite for change—a sense that this is a special moment in time, and that Durham must act now before we place another generation of our young people at risk. We hope you will join us in this important undertaking.

*Elaine Bushfan, Judge, North Carolina Superior Court, District 14B, Durham County*  
*Arnold Dennis, Executive Director, Juvenile Justice Institute of North Carolina Central University*  
*Martin Eakes, CEO, Center for Community Self-Help*  
*Michael Goodman, Vice President for Real Estate, Capitol Broadcasting Company*  
*Ivan Parra, Lead Organizer, Durham CAN (Congregations, Associations, Neighborhoods)*



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# Executive Summary

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Durham is thriving. We have a strong employer base, we are not short of good jobs, and our employment growth rate is projected to outstrip the state and the U.S. by 2021. Yet too few of our young people are getting these good jobs, and too few have the academic and workplace skills to compete with more qualified candidates from other cities and states. We may not be able to change the market, but we can build a system that equips our youth and young adults with the skills necessary for rewarding careers in the Triangle. We can build a “Made in Durham” pipeline of education and training that assures our young people are as qualified as any newcomer.

We are far from that position today. Roughly 40 percent of Durham’s youth and young adults are not on-track to complete high school, achieve a postsecondary credential of some kind, and gain employment by the time they are 25. A substantial number will struggle in the process and some will not make it at all. There are now between 4,500 and 6,000 disconnected youth—enough to fill four Durham high schools—who are either at significant risk of dropping out of high school or who are not pursuing any education, training, or employment. All of them have talent and the aspiration for a better life. Together, they represent a source of workforce skills, civic participation, and taxpayer revenue that Durham can ill afford to waste.

In 2008, MDC explored this issue in a report for GlaxoSmithKline entitled *Disconnected Youth in the Research Triangle: An Ominous Problem Hidden in Plain Sight*. While some significant steps occurred following the release of that report, after almost five years we are still without a coherent education-to-career system that gives all youth and young adults the skills and credentials they need to succeed in the 21<sup>st</sup> century economy. In August 2011, following MDC’s move to Durham, our board of directors challenged us to examine what such a system should look like: its goals, programs, structures, and priorities. This report, *Made in Durham*, is about the action that Durham’s leaders— across all sectors—must take to achieve the vision that every young person in Durham has the opportunity to achieve a postsecondary credential and begin a rewarding career by the age of 25.

The central premise of our report is that all Durham’s youth and young adults are entitled to a first-rate education and training system that prepares them for successful adulthood and the good jobs in our labor market. Equally, we believe that *the measure of this system’s value must be that it works as well for the most disconnected young person as it does for the most privileged.*

## A Dual Customer System

There are two complementary goals of an education-to-career system: to prepare youth and young adults for rewarding careers, and to meet employer demand for a skilled, productive workforce. A high-performance system must be equally good at achieving both objectives and meeting the needs of both customers.

## YOUTH AND YOUNG ADULTS

Durham's young people are a widely diverse group. They vary in age, ethnicity, culture, and family status; in aptitude, aspiration, and motivation; in academic and vocational proficiency. Many face barriers of language, poor housing, a criminal record, abusive relationships, or adolescent parenthood. Too many face hardships related to poverty, race, and class. Some are emotionally vulnerable, but most are surprisingly resilient with optimism about the future. To better understand who should be served through an education-to-career strategy, we have used rough estimates to segment young people into three broad, overlapping groups:

- *The On-track (60%)*: High school students and those enrolled in postsecondary education or training who are close to their age group.
- *The Behind (25%)*: Youth and young adults who are behind their age group in high school and/or postsecondary education.
- *The Disconnected (15%)*: Youth and young adults who are far from achieving a high school diploma or work readiness and face serious barriers to further education and employment.

Put another way, 40 percent of Durham's youth and young adults are off track. The long term cost to these young people is significant: high school dropouts make \$14,000 less annually than those who attended even one or two years of college and they experience nearly three times the poverty rate. The cost to taxpayers is equally severe. According to one study, each disconnected youth costs taxpayers \$14,000 per year, or \$250,000 over a lifetime. Much of that cost, including policing and loss of property taxes, occurs at the local level. In other words, the disconnected youth in Durham cost local, state, and federal taxpayers between \$63 million and \$84 million per year. For every 500 youth that Durham reconnects, taxpayers will save \$7 million annually.

## EMPLOYERS AND THE DURHAM LABOR MARKET

Durham employers are as diverse as our young people. They include major corporate headquarters and small neighborhood businesses, large public and educational institutions, and cultural and nonprofit organizations. They cover roughly 180,000 jobs—including over 50,000 middle-skill/middle-pay positions—in science and technology, entertainment and the media, management, manufacturing, and services. However, few young Durham residents are securing these jobs because they don't have the applicable credentials or work-readiness skills; because they don't have access to the necessary transportation, career knowledge, or social networks.

## Findings and Recommendations

The findings outlined in our report are based on research and interviews with more than 90 leading experts and staff working on the frontlines of youth development. In essence, we found that there is no education-to-career *system* for Durham's youth and young adults—that the odds of low-income youth, particularly young men and women of color, moving smoothly through the existing institutional infrastructure to productive adulthood are slim. Certainly, there is no robust system of support to keep them on-track and recover them when they fall. More fundamentally, there is no sense of community-wide commitment—backed by leadership, focus, and resources—to guarantee that every Durham young person has a fair shot at making it out of poverty and into the civic and economic mainstream of North Carolina.

Our recommendations are based on six assumptions, drawn from national research and what we learned about Durham:

- The prospect of a good job and a meaningful career is a powerful motivator for young people to stay in school and complete postsecondary education and training.
- Most employers will only engage at scale if the system meets their business objectives and candidates meet their standards for job readiness.
- With limited financial resources, reform of Durham’s system must use existing funds better and leverage them to attract additional private and public investment.
- It is better to build on Durham programs with demonstrated good performance than to start from scratch.
- An education-to-career system is not the responsibility of any one organization; rather, it is the shared responsibility of all community partners.
- A clear definition of the system’s purpose, goals, scope, and measures should be the first step in reform.

We recommend that the principal system and governance changes include:

- In the next year, Durham should establish a goal for increased postsecondary attainment and full-time employment for young adults, along with annual public measures to track progress toward this goal.
- The systemic and programmatic reforms proposed require leadership with the authority, credibility, and commitment to effect institutional and cultural change in both the public and private sectors. To achieve this, the Durham Education and Employment Alliance (the Alliance) should be established to oversee the design and implementation of an education-to-career system for the city and county.
- Young people should be engaged directly in the design, monitoring, and evaluation of programs and services within the education-to-career system. A Youth Consumers Council should be established, reporting to the mayor and the Alliance.
- Data are pivotal to the planning, management, performance, and evaluation of an education-to-career system. Durham should invest in two data systems: (1) a cross-sector data sharing system that tracks individual and organizational progress and (2) a modern labor market information system.
- With declining budgets for education, job training, and social services, Durham will need to do more with less. To increase efficiency savings and attract new funds, Durham should undertake a project to track all existing funds (“follow the money”); increase program alignment through cross-sector planning and contracting; and create a Performance and Innovation Fund supported by local foundations and employers.

## **PROGRAM DESIGN RECOMMENDATIONS**

Key measures of success for Durham’s education-to-career system will include both how many young people gain a postsecondary credential with economic value and work that pays living wages, and how efficiently they progress through the system. Because youth and young adults start in different places and move at different rates, the system must be accessible, flexible, well-coordinated, and cost effective. It also must draw on employer resources and expertise as strategic leaders, as co-creators and technical advisors of programs, and as consumers providing work experience, mentors, and employment.

To achieve its objectives for both customers, we recommend that the design of Durham’s education-to-career system be based on five program features:

*Multiple pathways:* The diverse needs of at risk young people require a flexible system of multiple pathways that allow them to enter or re-enter at different points on the education continuum and progress in different settings, at their own pace, to a diploma or GED, a postsecondary credential, and employment.

*Blended learning and work:* Integrated education and work (summer jobs, internships, work-based learning) from middle school through postsecondary education and training provides relevance and rewards for young people, and the prospect of a good job is a powerful motivator to finish or return to high school and college.

*Demand-led training:* The interests of an education-to-career system's two customers, youth and employers, are the same: the better the system meets the needs of Triangle employers and the economy, the better prepared Durham's young people will be to compete for good jobs in the labor market. The most successful career and sector-based programs are designed from the "outside in" to meet employer standards for work readiness in academic, occupational, and soft skills.

*Adult guidance and advocacy:* It is easy for Durham's youth and young adults to get lost in the complex maze of more than 100 programs and services. Skilled case managers and coaches are important in helping them to navigate and in providing personal support to keep them on track. The more vulnerable the young person, the more important it is to have this support in place.

*Cross-sector collaboration:* Few of the federal and state regulatory frameworks that drive the behavior of Durham's large public institutions provide tangible incentives for cross-agency coordination and collaboration. Without common goals, funding, data, and performance incentives it is difficult for even the most willing institutions to align their curricula, expand their eligibility criteria, pool services, share information, and streamline administration.

## **Priorities for Implementation**

Full implementation of an education-to-career system will require a concerted effort in the coming years. At the same time, it is important that Durham's leadership signal its commitment to invest time and resources in this issue now. We recommend that Durham adopt a two-pronged approach that combines several important first steps of system-building with strategic investments in programs to produce early and visible wins.

- Establish the Durham Alliance for Education and Employment as a business-led public/private partnership immediately and charge the Alliance with the development of an operational blueprint for systems change over the next five years.
- Complete an analysis of current federal, state, county, city, and private funds that Durham receives for all youth-related services.
- Design client-tracking and labor market information systems, considering relevance to policy and operational needs, user-friendliness, and costs.
- Work with national experts and local partners to develop a transitional employment program for older disconnected youth that will immerse them in full-time education and paid employment.

- Develop a 2013 youth summer jobs program, in the context of a broader employer engagement strategy, to at least double the existing opportunities and provide the basis for expanded high school CTE and work experience.
- Expand and enrich Durham Public Schools career academies that blend learning and work in high-growth sectors of the Triangle economy.
- Work with Durham Technical Community College to develop demand-led, sector-based programs for students' entry to middle- and higher-skilled jobs in the Triangle.
- Analyze the accessibility and adequacy of services for Latino young people and set priorities for measurable improvements.

## Conclusion

Today, we are at risk of writing off a good share of our youth and future workforce on the premise that we simply can recruit from other counties and states. This strategy is unjust, socially divisive, and economically unsound. As our report documents, the costs and consequences of inaction are high. Durham must act now if we are to fulfill our most fundamental responsibilities to our young people and preserve our reputation as a healthy, forward-looking community. We must assure that every youth and young adult who grows up in Durham is as educated and skilled as those who move here. We must assure that being "Made in Durham" also means prospering in Durham.



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