



TO: Office of Management and Budget (OMB)  
FR: America Forward, Nonpartisan Policy Initiative of New Profit  
RE: America Forward & New Profit Advancing Racial Equity Policy Recommendations  
DT: July 4, 2021

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**ABOUT US:**

[New Profit](#) is a venture philanthropy organization that backs breakthrough social entrepreneurs who are advancing equity and opportunity in America. Since 1998, New Profit has partnered with over 150 social entrepreneurs who have created powerful ideas, organizations, and movements to turn the tide on entrenched social problems and advance opportunity for millions of underserved people across America.

[America Forward](#) is New Profit's nonpartisan policy initiative. America Forward unites social entrepreneurs with policymakers to transform local impact into national systemic change. Our Coalition of over 100 organizations advocates for public policies that advance equity, foster innovation, and reward results, and to date we have leveraged \$1.7 billion for social innovation. Our members work in over 15,000 communities across America, touching over 9 million lives every year. This year, America Forward released a 2020 policy playbook for the current presidential cycle, with thirty-five unique and detailed policy recommendations that reflect in-depth input from our Coalition members. A list of our Coalition members is [here](#) (and a one-page summary of America Forward with an up-to-list of Coalition members is also attached).

I. **Overview**

This memorandum is presented in response to a U.S. Office of Management and Budget (OMB) [Request for Information \(RFI\)](#) released on May 5, 2021 (Document Number 2021-09109). The RFI seeks to “identify, by July 2021, effective methods for assessing whether agency policies and actions (*e.g.*, programs, services, processes, and operations) equitably serve all eligible individuals and communities, particularly those that are currently and historically underserved.” The RFI provides further context that “as part of this effort, agencies are directed to consult with members of communities that have been historically underrepresented in the Federal Government and underserved by, or subject to discrimination in, Federal policies and programs, and to evaluate opportunities, as allowable, to increase coordination, communication, and engagement with community-based and civil rights organizations. Through this request for information (RFI), OMB seeks input, information, and recommendations from a broad array of stakeholders in the public, private, advocacy, not-for-profit, and philanthropic sectors, including State, local, Tribal, and territorial areas, on available methods, approaches, and tools that could assist in this effort.”

In response to this opportunity to provide feedback and input on this critical and urgent topic, America Forward and New Profit have compiled key relevant recommendations below. Our recommendations reflect our close work with a diverse range of nonprofit and social entrepreneurial leaders who share a common goal of advancing equity and lifting up proximate voices from the communities they serve, with a particular emphasis and focus on communities of color. These recommendations also reflect our work



with a broad network of stakeholders from across the public, private, philanthropic, nonprofit, academic, and advocacy sectors.

In responding to this RFI, we considered in particular the following structural challenges specifically highlighted in the RFI:

- Barriers that underserved communities and individuals may face to enrollment in and access to benefits and services in Federal programs;
- Barriers that underserved communities and individuals may face with respect to participating in agency procurement and contracting opportunities, grant programs, or other forms of financial assistance;
- Opportunities in current agency policies, regulations, and guidance to address affirmatively and equitably the underlying causes of systemic inequities in society, and engage with and empower marginalized, vulnerable, or underserved communities more directly to advance equitable policymaking;
- And other related opportunities for this Administration to pursue policies and practices that may more generally help reduce racial, geographic, economic, or other inequities, including taking steps to more affirmatively uproot, disrupt, and dismantle structural racism across America.

## II. **Framing the Challenge**

To provide context for our recommendations and frame the current challenges our recommendations address, we begin by highlighting the deep, structural inequities prevalent in America today:

- In 2021, America remains a profoundly unequal society with [inequities](#) and structural racism deeply ingrained in communities across the country.
- [Inequities persist across our education system](#), fueled by a complex and persistent combination of poverty, income inequality, structural racism, and the lingering effects of segregation.
- Inequities persist across our economy and workforce. [Unemployment](#) and [poverty](#) dramatically, disproportionately and persistently affects people of color, especially Black, Indigenous and People of Color (BIPOC) Americans. BIPOC workers are [disproportionately](#) likely to hold low-wage jobs, and face [enduring and widespread bias](#) from hiring managers. The net worth of an average white family is [nearly ten times greater than that of a Black family](#).
- A [gender wage gap](#) also persists, and is [wider](#) for Black, Indigenous, and other Women of Color. Women-headed households comprise [over half](#) of all low-income households with children in the United States, BIPOC families making up a [disproportionate](#) share.
- The COVID-19 pandemic [widened](#) nearly all of these inequities. Now communities face the real risk of “K-shaped” recovery (where different parts of the economy diverge) that could leave Americans who are further from opportunity even further behind, further widening these gaps.

As America Forward framed the challenge in our [2020 Policy Playbook, United to Move America Forward](#):

“Nearly half of Americans who grow up poor remain poor, while less than 1% of Americans who were never poor as children are poor in middle age. Black, Latinx, and Native children are much more likely to live in poor families than are White children. Although only 14% of children in the

U.S. are Black, more than half of the children who experience persistent poverty are Black, and a disproportionate share of persistently poor communities are rural. Only 3% of children who spend half their childhoods in poverty will go on to graduate from college. And despite many efforts across five decades, poverty levels, as measured by earned income, have barely budged and remain unacceptably high.”

Moreover, income inequality and systemic poverty continue to drive a range of other related inequitable outcomes. Again, as we framed the challenge in our [2020 Playbook](#):

“Low-income people, especially those who live in predominantly low-income communities, experience worse health outcomes than people with more resources; in fact, on average, they live 15 years less than their wealthy peers. Two-thirds of people who file for bankruptcy cite medical issues as a key contributor to their financial difficulty. Researchers have found that transportation is another major factor affecting income—the longer an average commute, the worse the chances of low-income families moving up the ladder, as a broken-down car can mean the loss of a job. Even minor legal infractions—such as a traffic ticket—can balloon to thousands of dollars when fines, processing fees, court costs, and collection costs are added to the original penalty, with jail time a possible result of failure to pay. Given that the average family has less than \$9,000 in savings, and that research shows more than four in 10 American adults couldn’t cover an unexpected \$400 expense, financial stability is out of reach for far too many . . .

. . . The reasons for the profound, stubborn inequality and inequity in our nation are many and complex. Some go back decades, some centuries. But they are refreshed every day when a child attends a low-performing school or cannot go to college. Or a working family needs food, housing, and medical care but can’t afford all three. Or adults facing obstacles, struggling to turn their lives around, have little hope for a second chance at a successful future. And it’s not the America we have to accept.

We can’t change the past. But we can secure a future that meaningfully stands for inclusive, equitable opportunity, if we embrace what’s best about America rather than what’s worst. That means confronting historical injustices while building a culture of equity, empathy, responsibility, ingenuity, innovation, accountability, excellence, and progress. It means saying goodbye to division, gridlock, and greed. In the words of the late civil rights activist Congresswoman Barbara Jordan, ‘we need a country as good as its promise,’ in order to start a new chapter in the American story. And it’s clear that, in the words of late Senator John McCain, ‘our shared values define us more than our differences.’”

All of this remains true. We have so much work we can do, together, to forge a more equitable country as good as its promise. And reforming federal government practices is an important step. In that spirit, we offer the following recommendations:

III. **Key Recommendations**

**A) Create a New White House Office of Inclusive Impact and Innovation**

- The Biden-Harris White House should create a new Office of Inclusive Impact & Innovation to lead efforts to improve government through equity-based social innovation, prioritizing deep engagement with community stakeholders, nonprofits, and philanthropy. Key federal departments should do the same. The mission of the new Office would be to advance inclusive impact and innovation by: prioritizing proximity in policy-making, promoting outcomes-oriented funding strategies that support programs that advance equity, and coordinating place-based initiatives and cross-sector partnerships.
- **Summary of Proposal:** We call for the creation of a new **White House Office of Inclusive Impact & Innovation**, led by a Chief Innovation & Inclusive Impact Officer reporting directly to the President, with the authority both to help set budgetary priorities through OMB, and to convene and direct policy through the Domestic Policy Council (DPC). This proposal builds on the breakthrough work of the Obama-Biden Administration’s White House Office of Social Innovation and Civic Participation. The focus of the new office would include elevating proximate voices in policy-making; advancing equity, innovation and evidence, and deepening engagement with the private and nonprofit sectors. Similar offices should be established at DOL, HHS, ED, AmeriCorps, Treasury, HUD, DOJ and USDA, and replicated at the state and local levels. The Office would help drive the priorities contained in the President’s [“Plan to Build Back Better by Advancing Racial Equity Across the American Economy”](#) by ensuring that policies and resources throughout the federal government measurably advance racial equity, include proximate leaders in policymaking, and achieve inclusive impact of government programs in communities.

Specifically, the Office of Inclusive Impact & Innovation would play a leadership role in the new Administration’s efforts to:

1. **Dismantle Barriers to Equity**, championing projects to reduce racial disparities
2. **Prioritize Proximity in Policy**, leveraging the catalytic potential of proximate leaders
3. **Coordinate Place-Based Initiatives**, tackling persistent poverty in underserved areas
4. **Reimagine Talent Strategies**, calling a new generation of diverse talent to public service
5. **Facilitate Outcomes-Oriented Funding**, focusing on results to redress inequity
6. **Develop Cross-Sector Partnerships**, including with businesses, nonprofits, and philanthropies, building on over \$32 billion that companies and foundations are already committing toward racial equity.

Taking this step will help ensure that efforts to promote equity and innovation across government will succeed. This Office and its leadership will play a coordinating role with agency heads and other senior officials. The Inclusive Impact & Innovation Office staff with working knowledge of government, business, and the nonprofit sector, as well as lived experience in under-resourced communities, will bring the perspectives necessary to make government work better, and more equitably, for everyone. Finally, this proposed new office should coordinate its agenda closely with other senior White House staff (in particular at DPC) charged with advancing racial equity.

#### **Further Context:**

Changing the long-standing practices of government requires the active leadership of the executive. The White House Office of Social Innovation and Civic Participation and the Social Innovation Fund, two



Obama-Biden Administration efforts deeply supported by New Profit and America Forward, created breakthrough models for how government can effectively collaborate with social entrepreneurs and nonprofits delivering results in communities across the country. Since then, we have pioneered and advocated for new game-changing models that link public, private, and philanthropic dollars to measurable outcomes, championing a data-driven public sector approach grounded in equity.

Before the onset of COVID-19, New Profit launched [Inclusive Impact](#), an initiative to drive unprecedented capital and support to some of our nation's most promising innovators -- Black, Indigenous, and Latinx social entrepreneurs. As our nation confronts a long overdue national reckoning on racial injustice, the realities of structural racism, intergenerational poverty, and entrenched inequities in our politics and decades-old policies, we have focused on two imperatives. First, the need to more rigorously consider policies and programs through an equity lens; and second, the importance of engaging proximate leaders who arise from the communities they serve and have the deep experience, relationships, data, and knowledge essential for developing solutions with measurable and sustainable impact. The time is ripe to bring all of these approaches together under one roof, and under one unified new vision of leadership in President Biden's Administration.

As we prepare to recover from a debilitating pandemic that has exacerbated inequities, particularly for BIPOC communities, the Biden-Harris Administration's focus on addressing [racial disparities](#) and advancing racial equity should expand to include a robust engagement strategy with nonprofits, philanthropy, and social entrepreneurs. The new White House Office would drive a federal government-wide strategy to ensure that federal dollars go to high-poverty areas that have long suffered disinvestment; apply the principles of Congressman Jim Clyburn's [10-20-30 plan](#); and generally drive a holistic, government-wide vision and agenda that puts equity, innovation, and results at the center of the federal government's work.

Our full proposal for the White House Office of Inclusive Impact and Innovation (with further background and context on these six key areas) is linked [here](#), and attached, as an addendum to this comment.

**B) Prioritize Proximity: Understanding the catalytic potential of this approach more deeply**

As we argue above, structures across federal, state and local government must do more to empower and better leverage the [catalytic potential of proximate leaders](#), including in particular a new generation of Black and Brown social entrepreneurs and systems disruptors.

In a break-through [Stanford Social Innovation Review article](#) published late last year, co-authors Tulaine Montgomery (New Profit's Co-CEO), Dr. Angela Jackson (the head of New Profit's Future of Work Initiative), and John Kania (a leading thinker on systems change, and a former New Profit leader), argued in detail for the power of proximity, and for lifting up and empowering proximate leaders. They wrote:

“Being a proximate leader is about much more than being exposed to or studying a group of people and its struggles to overcome adversity. It's about actually being a part of that group or being meaningfully guided by that group's input, ideas, agendas, and assets.

Leaders who are proximate to the communities and issues they serve have the experience, relationships, data, and knowledge that are essential for developing solutions with measurable and sustainable impact. Importantly, proximate leaders also have the ability to recognize and leverage assets within communities that are often overlooked or misunderstood when viewed through a dominant culture lens.”

We recommend that OMB reviewers of RFI proposals read this short article (*attached, as an addendum to this comment*), as it includes a number of powerful examples showing how an intentional focus on proximate leaders can be catalytic to begin addressing underlying structural inequities. The co-authors lift up several examples of proximate leaders, the organizations they have founded, and the changes they are catalyzing, including [GirlTrek](#), [UpTogether](#) (previously the Family Independence Initiative), and [Flikshop](#).

Community engagement and human-centered design can be powerful tools in the hands of leaders who have already demonstrated the ability to develop grassroots high-impact strategies and solutions that have had a transformative effect on their communities. We believe that across the federal government, the Biden-Harris administration should engage proximate leaders directly, and explore avenues to provide those change agents with resources to scale solutions that are working.

In particular, we recommend that OMB, DPC, and departments across the federal government incorporate a more intentional focus on proximate voices, proximate leaders, and proximate communities into their methodologies for designing, refining, and implementing policies and programs across government. **We call this concept “proximity labs.”**

The invaluable feedback of proximate leaders and proximate communities must be systemically incorporated into federal policies and programs. Put more simply, “nothing about us, without us.” Given the scale of the impact that federal funding, policies, and programs can have on communities across America that are historically held furthest from opportunity, it is essential that, going forward, these communities have more input into how these programs are managed and how they evolve.

The principles of proximity in policymaking are highly compatible with a set of core principles that Code for America (CFA) recently developed, through their “[Delivery Driven Government Framework](#).” These five principles, as defined by CFA, are:

1. **Build equitable systems;**
2. **Put people first;**
3. **Empower for action;**
4. **Inform with evidence; and**
5. **Improve continuously**

[As CFA explains](#): “Practicing delivery-driven policymaking means bringing user-centered, iterative, and data-driven practices to bear from the start and throughout. It means getting deep into the weeds of implementation in ways that the policy world has traditionally avoided, iterating both on policy and delivery. By tightly coupling policy and delivery, governments can use data about how people actually experience government services to narrow the implementation gap and help policies get the outcome they intend.”





We support CFA's delivery-driven government framework - and we think it can drive even greater equitable impact in government if the power of proximity is fully incorporated into this framework and this methodology. This means, at a minimum:

- 1. Incorporating proximate leaders more comprehensively and continuously into policymaking and program management.** Across the board, federal departments, agencies and offices should build more intentional stakeholder feedback loops into their decision-making process, and pull a diverse range of proximate stakeholders more systematically into that process. This will look different for different agencies and across different programs, and there is significant room for flexibility, adaptive management, and iterative design as this process unfolds. Federal agency leadership should prioritize making sure that proximate feedback is fully built into programming and policy design.
- 2. Highlighting the value of proximate social entrepreneurs.** For reasons articulated in the [SSIR article](#) referenced above (and attached), proximate social entrepreneurs can often add fresh thinking and new perspectives to the policymaking and program implementation process. Federal departmental leadership should go to greater lengths to cultivate robust networks of proximate social entrepreneurs and systems thinkers, going well beyond a more traditional and less imaginative "short list" of established stakeholders who traditionally have a seat at the table and a voice in the room. New Profit and America Forward, and the many proximate social entrepreneurs we work with, are eager to help connect OMB and other leaders in the Biden-Harris Administration with a wide range of voices that can add value and perspective here. As an initial starting point, we are including a list of diverse, proximate social entrepreneurs and systems thinkers (**attached**) in our expanded network to this RFI response. While it is by no means exhaustive, this list of dynamic leaders presents a helpful starting point for discussions with the Departments of Labor, Education, Health and Human Services and Justice, as well as AmeriCorps.
- 3. Putting proximate leaders into government leadership positions.** As catalytic as the above two steps will be, the Biden-Harris Administration should go beyond taking feedback from proximate communities, and work toward deeper structural change by elevating proximate leaders into positions of senior leadership within government itself, including in particular by nominating them to fill a larger share of the roughly 1,200 positions that require Senate confirmation, with a particular emphasis on more senior roles at the higher levels of the executive branch. The more these proximate leaders are entrusted with policy, bureaucratic, and political power, the more they will be able to drive more systemic structural positive changes for communities.
- 4. Ensuring proximity drives real-world equitable impact by tethering these structures to disaggregated data to measure community outcomes.** Data-driven government process without proximity fails to meaningfully engage key communities and stakeholders and misses opportunity for impact. At the same time, lifting up proximate voices without meaningful engagement with data and measuring real-world impact can risk veering into the territory of tokenism, with government agencies performing perfunctory or symbolic work around diversity, equity, and inclusion without actually engaging in meaningful and structural change. The right approach is "both/and." Proximate leaders need access to accurate, timely, and disaggregated data about

real-time impact of government programs in order to advocate for and design better policies and programs. Agency leadership, in turn, need continuous feedback from proximate leaders, and real-time, data-driven dashboards to measure progress toward key equity goals that are crafted, shaped, and managed jointly with proximate leaders, in order to drive change. to fully realize the vision of proximity laid out in this section, government agencies need to build their capacity not just for engaging with proximate leaders, but also to build up data systems, data collection processes, evaluation structures, and systems for comprehensively measuring outcomes and impact. They must also ensure this data is broken down comprehensively by as many different dimensions as possible. Specifically, this means ensuring that systems across federal agencies can measure impacts by gender, race, ethnicity, sexual orientation, immigration status, past legal system involvement, and geographic community (with as much granular detail as possible on geography, as the nature of a community in different parts of even the same city or same county may vary wildly). These systems need to also be designed with an eye on the importance of intersectionality. For example, being able to measure a policy or program’s impact specifically on Black participants and on women is important, but the ability to focus specifically on a category like Black women may expose deeper health or economic inequities that must be addressed in order to achieve meaningful change.

### **C) A more equitable vision for federal procurement and federal grant-making**

#### **Background:**

Under [current law and policy](#), Congress has established a government-wide minimum procurement goal for small businesses of 23 percent, and of 5 percent specifically for small businesses owned and controlled by socially and economically disadvantaged individuals.

As the White House [recently underscored](#), “just roughly 10 percent of federal agencies’ total eligible contracting dollars typically go to small disadvantaged businesses (SDB), a category under federal law for which Black-owned, Latino-owned, and other minority-owned businesses are presumed to qualify.” The share of government contracts going to one critical category of businesses and enterprises, 8(a) so-called “disadvantaged businesses and enterprises,” has [actually declined](#) over the past three years. The U.S. Minority Business Development Agency [reports](#) the median share of local and state government contract dollars awarded to minority owned business enterprises is “just 19% of their overall shares of available businesses in the relevant product and geographic markets.”

These statistics underscore the profound, structural barriers that minority-owned businesses, enterprises and nonprofits face with respect to accessing federal, state, and local resources through procurement and grant-making processes.

As one important step forward, we fully support President Biden’s [recently announced goal](#) to “use the federal government’s purchasing power to grow federal contracting with small disadvantaged businesses by 50 percent, translating to an additional \$100 billion over five years, and helping more Americans realize their entrepreneurial dreams.”

In addition, we recommend that the Biden-Harris Administration pursue the following steps:



1. **Use federal purchasing power to drive employment of individuals who are hard to employ by creating procurement incentives for employment social enterprises and youth corps**, both of which provide support that makes it possible for individuals to develop work experience and skills that can lead to jobs and careers. [Employment social enterprises](#) are mission-oriented businesses that provide paid employment, training, and wraparound services to individuals with barriers to employment, such as incarceration, substance abuse history, and homelessness. Youth corps are national service programs that combine service with job and civic skills training to young people – often opportunity youth who are unenrolled in school and unemployed. Increasing these “bridge building” opportunities can improve the economic potential of individuals who face barriers to employment. As the share of federal contracts awarded to small businesses expands dramatically under the Biden-Harris Administration’s proposals, phase-in a related goal to provide a growing share of these contracts to entities that will increase equity, such as employment social enterprises and youth corps.
2. **Develop a pilot process to certify entities that are led by and employ individuals with “lived experience” proximate to communities served.** Begin with grants and contracts related to COVID-19 vaccine outreach and other health-related outreach, provision of security and maintenance services for federal entities, and training providers charged with supporting participation of underrepresented groups in federal programs.
3. **Ensure that policies limiting employment of individuals with a criminal history in entities seeking federal contracts are consistent with EEOC guidelines** (i.e. such policies are narrowly targeted and clearly job-related).
4. **Simplify and expand access to the procurement processes.** Although the government is meeting its 23% procurement goal for small businesses, it has done so with a shrinking pool of small businesses. A [2018 analysis](#) by the Center for Strategic and International Studies found a 72% drop in the number of new small business entrants into federal contracting between 2005 and 2016. To expand participation, particularly among underrepresented groups, it is essential to simplify procurement processes, increase outreach, and provide training and technical assistance to prospective government contractors. To understand the perspectives of underrepresented populations, conduct focus groups, host town halls, and develop advisory boards to elevate the voices of proximate leaders and affected communities relevant for government procurement to identify areas for improvement. Create feedback loops to allow for continued voice and influence of such communities in fostering ongoing improvements.
5. **Track better data with respect to procurement, DEI, and minority-owned and led entities.** To assess progress and make necessary adjustments, track and disaggregate statistics related to procurement by a wider range of demographic categories. Incorporate these metrics into dashboards provided to senior agency officials and OMB. Set goals related to participation by demographic groups, and prioritize achievement of these goals at the highest levels of government.
6. **Take additional steps to build firm capacity and make the contracting process more accessible.** Building on many of these recommendations, we support the solutions and key recommendations identified by authors Audrey Murrell and Ralph Bangs in [“Reducing Disparities for Women and](#)



*Minority Business in Public Contracting Work: A Call for Social Virtuosity.*” These thoughtful recommendations focus in particular on better supporting the capacity-building of minority firms and reforms to make the contracting process more accessible for minority led firms.

**D) Additional specific policy recommendations to increase equity**

The United States has over [18 million](#) working-age individuals and over [10 million](#) children living in poverty. Black and Latinx Americans are between [two and three times](#) as likely to live in poverty.

As is highlighted in greater detail in America Forward’s [2020 Policy Playbook](#):

“Unfortunately, the system put in place to help low-income families includes a maze of 126 separate programs by one count, managed by six different federal agencies with varying eligibility requirements, access points, and application procedures. While more than half of the total population has incomes below 200% of the poverty line, and is likely eligible for some form of assistance, just a quarter of these families receive help from a federal program. What’s more, many low-income Americans may enroll in just one or two of the many programs for which they qualify, likely due to program complexity and the stigma associated with public benefits. The lack of coordination across programs means that people make rational trade-offs with dire consequences. For example, accepting housing assistance may mean moving away from a support network, free child care, or easy transportation to a job. And modest success can be easily reversed when a family starts to get ahead and then loses eligibility for programs it still depends on due to an increase in income.

You and your children may not have professional networks that will help you to access resources and jobs, and the systems that have been set up to provide assistance are complex, confusing, and confounding. If you find a service that’s available, it may not be what you need, or the government gatekeepers controlling access to that assistance may make assumptions about you and what you should receive.”

To address these structural and interconnected challenges, America Forward and New Profit propose the following additional policy steps to advance racial, economic and societal equity in the coming years:

**1. Connect the dots to build an inclusive workforce development ecosystem.**

*Assess, improve, and integrate all the systems that prepare and connect people to work, including the perspectives of both clients and employers.*

Any effort to change the circumstances of those now left out of the economic mainstream—and reverse the negative impact on our overall economy—demands that we rethink the way we invest public resources in the workforce development ecosystem. We use the term “ecosystem” intentionally. Too often the workforce development system is defined too narrowly, excluding the higher education system, omitting the role that national service programs play, and discounting many external factors that drive who participates and who benefits from the system as a whole.

Looking at the workforce development ecosystem broadly highlights important inequities. Many higher education institutions are designed for full-time college students right out of high school and do not work well for adult full-time workers who may wish to pursue a part-time degree. The federal government invests \$139 billion in postsecondary education, mostly for financial aid for undergraduate degree programs. However, today's students are increasingly older, with family or job responsibilities, and prefer short-term or part-time education options. In addition, the majority of the \$170 billion that employers invest in formal training each year goes to workers who have already earned bachelor's degrees and work in higher-paying professional and managerial positions.

A [recent report](#) by the Strada Institute for the Future of Work and Entangled Solutions surfaces key recommendations to build an inclusive workforce development ecosystem that align with the America Forward Coalition organizations' experiences. These include building systems with employers in mind, including implementing "try before you buy" outsourced apprenticeship models to reduce risk for employers and develop sustainable revenue streams; positioning on-ramps as robust talent pipeline solutions for employers, rather than corporate social responsibility efforts; extending support services beyond job placement for retention and advancement; and incorporating data measurement systems to guide decisions by learners, employers, and providers.

A critical element is having effective organizations focused on connecting adults without postsecondary credentials to a broader range of economic opportunities. These organizations are guided both by the desires of learners to pursue goals that they define for themselves, as well as the needs of employers of all types, not just those from the business community. They ensure that learners are able to ramp up foundational literacy and math skills, get technical training and pursue certifications for a particular industry, have relevant information to make good choices about the education or training they will pursue, and ensure that the choices are available. These options include foundational skills training, traditional and short-term workforce development and credential programs, as well as two- and four-year higher education programs and national service. Organizations also offer or connect future workers to options for supports that will help them succeed, such as English language learning, remedial education, career counseling, mental health services, financial planning, housing, and transportation. They work closely with employers to ensure that program completers will have both the specific technical and content-based skills employers require and the competencies for workplace success they desperately desire. Crucially, these organizations all develop strong employer partnerships and commitments to hire through apprenticeship and internship models, as well as through proactive job placement services.

In most cases, these connector organizations already exist in one form or another. But they aren't resourced or mandated to approach their work in this way. Technical assistance and training is needed, as well as a robust data system and feedback loop to learn what works where.

Only by re-envisioning the workforce development ecosystem can we ensure that it adequately serves all populations, including adults with lower levels of education facing multiple barriers to employment.

## **2. Invest in bridge-building work experience, including social enterprise and national service.**

*Expand opportunities for individuals with barriers to employment to develop workplace skills through well-supported employment and service experiences.*

A second key component of an inclusive employment system is a network of organizations that provide bridge-building work experiences, offering opportunities to broaden learners' essential workplace skills, including critical thinking, creative problem solving, communication, teamwork, persistence, self-efficacy, and professionalism. Organizations may also offer support services, ranging from remedial education to substance abuse counseling. Beyond traditional apprenticeship and on-the-job training, which qualify as bridge-building work experiences in some cases, we see strong promise in two strategies worthy of increased public investment: employment social enterprises and national service. (*We also include extensive additional recommendations on improving equity across national service in a set of attached recommendations on Equity in National Service, submitted as an addendum*).

### **3. Create supportive service pools for trainees and low-wage employees.**

*Support common wraparound support systems that can be accessed by low-income people looking for—or training for—work, as well as workers who do not receive a living wage.*

Although existing workforce programs allow for funding to be used for supportive services such as transportation, child care, mental health support, and assistance with housing for eligible recipients, research by the Institute for Women's Policy suggests that many supportive service needs have been unmet. In addition, research by Race Forward suggests that less than half of One-Stop Career Centers and community-based organizations provide wraparound services for workers of color. Furthermore, once individuals become employed, they may lose eligibility for these services.

We propose a different system, where existing funding for these supports is pooled, matched by a national or state fund, made available to all individuals in bridge-building or other workforce development programs, and extended to them on a sliding scale until they achieve living wage employment. The pool would function like an HMO, modeled on innovative portable benefit structures or union benefit plans in trades where individuals commonly move between jobs.

### **4. Develop an equity-focused measurement system.**

*Change the way we measure outcomes of workforce development policy to incorporate race and gender outcomes as well as the quality of jobs.*

While existing workforce development policy measures success based on employment, earnings, and credential or degree attainment, the measures do not speak to inclusive and equitable participation or mobility. Knowing how different racial and ethnic groups, court-involved individuals, and men and women are progressing—as well as the race and gender divisions and upward mobility potential of the career tracks they are pursuing—is essential to understanding the true impact of workforce development policies.

A new system should incorporate a measure of job quality, proposed by the Center for American Progress (CAP) and based on the system used by the European Union and other OECD countries, as well as “multiple measures of data analytics to help account for how much structures and policies mitigate—or reinforce—employment bias.” These measures would help drive a process of continuous feedback, with a focus on collecting and sharing data that inform and potentially transform workplace structures. CAP proposes the use of existing data platforms, such as Equal Employment Opportunity Commission data or a tool such as

Equity Indicators (developed by the City University of New York Institute for State and Local Governance and funded by the Rockefeller Foundation), which measure the disparities faced by disadvantaged groups.

#### **5. Remove barriers to employment faced by individuals who have been involved in the criminal justice system.**

*Address the unfair impacts of criminal background checks, qualifications for professional licensing, and eligibility requirements that discourage or prevent court-involved individuals and returning citizens from securing education and employment.*

Today, 4.5 million Americans are on parole or probation, and 70 million have a criminal-arrest record of some kind. Given the size of this population, it's obvious that the ability of court-involved individuals to secure employment is critical both to an inclusive workforce system and our economy. However, returning citizens, as well as those with criminal records for even minor offenses, experience significant barriers to employment. In fact, returning citizens are unemployed at a rate of over 27%—higher than the total U.S. unemployment rate during any historical period, including the Great Depression. While bridge-building programs like YouthBuild and social enterprises help, much more must be done to expand employment and education opportunities for a broader range of individuals with criminal justice system involvement. We suggest the following policy changes:

- Implement policies to make it illegal to ask about criminal records on initial job applications, and develop systems to track and mitigate the impact of these policies, including increases in racial bias.
- Conduct a comprehensive review of professional licensing requirements and remove inappropriate barriers to individuals with criminal histories.
- Enact automatic expungement of juvenile records for individuals after a specific number of years.
- Remove barriers to entrepreneurship as a pathway to economic justice for currently and formerly incarcerated individuals, including starting ventures from inside prison.
- Revise legislatively mandated extreme criminal background check requirements for AmeriCorps service that are unrelated to actual program requirements and best practices to protect people who are served, and that deter people from applying for positions that are in fact open to, or even designed to engage, court-involved or returning citizens.

#### **6. Create and Support “[Social Innovation Zones](#).”**

*Building on existing place-based and results-focused efforts, provide funding for governor-designated zones of high and persistent poverty, combined with expert technical assistance and waivers to pool federal funding with fewer restrictions, based on a community-designed plan.*

Over the last half century, place-based “zone” programs have been implemented to aid communities experiencing persistent poverty. Some have focused on physical infrastructure or coordinated service delivery, while others have taken a market approach, seeking to incentivize investment on the theory that economic interventions can drive change.

Most place-based initiatives focus on a neighborhood or other well-defined location over a period of years, offering a comprehensive array of strategies to improve lives as measured by various socio-



economic indicators, such as affordable housing, social services, small business assistance, educational reform, and workforce development. These place-based initiatives, whether undertaken by the philanthropic or public sector, tend to require a single nonprofit service organization or community development corporation to act as “lead agency,” coordinating other organizations to work toward common outcomes. They sometimes blend economic development and human service strategies. And they often call for resident empowerment and cross-sector collaboration involving government, business, nonprofits, and civic associations.

Performance Partnerships make it possible, in communities where there are multiple initiatives overlapping in the same geographic area, to pool resources across government agencies if doing so will lead to better outcomes for at-risk youth. The Consolidated Appropriations Act of 2014 authorized the establishment of up to 10 “Performance Partnership Pilots,” each of which is represented by a coordinating body comprised of the nonprofit agencies and other partners engaged in the overlapping initiatives. The Departments of Education, Labor, and Health and Human Services, and AmeriCorps permit pilot sites to seek waivers of specific program requirements that inadvertently hamper effective services for youth, as well as pool a portion of their funds for unrestricted use. Subsequent annual appropriations bills enacted in 2015 and 2016 expanded the list of participating federal agencies to include the Departments of Justice and Housing and Urban Development. In exchange for flexibility, the selected jurisdictions are held accountable for a higher level of performance in meeting a set of hard, measurable outcomes.

In recent years, a set of Pay for Success pilots as well as Performance Partnerships have taken place-based strategies to a new level by tying funding to outcomes and loosening restrictions on public dollars. Our Social Innovation Zone strategy would combine both of these approaches to make scalable both place-based strategies and flexible, results-focused funding.

Through this initiative, governors would designate zones of persistent poverty, ideally building on existing place-based and results-focused efforts. These communities would receive waivers to pool federal funding with fewer restrictions, and use it, based on a community plan, to change outcomes for the whole population. Communities able to exceed a threshold share of their federal dollars in these zones explicitly tied to an outcome or set of outcomes would receive additional federal incentive dollars to further augment their service array in these zones, and would receive additional federal dollars to scale the approach if the services actually met or exceeded those target outcomes, as measured by validated administrative data.

The community plan would set specific measurable outcomes relating to upward mobility and well-being, along with strategies to achieve them. It would be developed with residents of the zone at the table as full partners with businesses, higher education institutions, schools, and local government. Plans could flexibly combine relevant federal and state funding streams, consistent with safeguards to prevent the misuse of funds. Federal agencies would provide clear guidance to enable local officials to combine federal dollars, starting with the Social Services Block Grant, higher education and workforce programs, TANF, WIOA, Perkins V, Child Care Development Block Grant funds, and other mandatory spending based on local plans.





High-quality technical assistance would be provided to help selected communities develop plans and to set up measurement systems that integrate data across a variety of sources. Additional federal dollars would be provided for evaluations. While the initial plan would be for a multiyear period, it could be adjusted annually as the community learns what works and what doesn't. The plan could include additional incentive funding for communities to participate.

In implementing this proposal, the federal government would need to develop carefully tailored guidance and guardrails to ensure that communities selected for this initiative use this additional flexibility to enhance rather than reduce services for families most in need. Regulations will need to prevent the practice known as "creaming," whereby providers or local governments can artificially produce better outcomes by serving lower-risk populations. The antidote to creaming is the use of good, comprehensive data to clearly identify the high-risk individuals a program aims to serve, and requirements that communities selected for this initiative continue to robustly serve those individuals. Finally, communities selected for "zone" status would need to first meet a set of minimum requirements, demonstrating a commitment to successfully using data to measure and track key outcomes.

Because practice pilots are often slow to become widespread policy even if they are successful, we propose that scaling potential be built into the initial design of the program. Therefore, if a zone shows promise after the first two years of implementation, additional zones within the state can be added and additional technical assistance, investment, and evaluation funding would be provided. The proposal would include strong incentives for governors to scale efforts that come near to achieving—or exceed—the initial outcomes targets.

Finally, the initiative would include funding to support staff, evaluations, technical assistance, data system modernization and integration, and other types of "outcomes infrastructure" essential to make outcomes-based innovation viable and sustainable.

#### **E) Additional attachments with further information, background, or recommendations**

Finally, for further reading, we enclose the following additional resources on this subject:

- A proposal from America Forward and New Profit to **build greater equity through national service**. We see national service as a powerful tool to support students, increase opportunity, grow the capacity of nonprofit organizations, and address a variety of needs in under-resourced communities. Now, at a time when the nation must marshal its resources to address profound inequities, we believe that policymakers should embrace the transformational potential of national service to advance equity and move all of America forward (*see attached*).
- **Invest \$1 Billion in an Education Equity and Preparedness Initiative and Task Force**: establishing our proposed **Education Equity and Preparedness Task Force** would bring relevant experts to the table, and be a critical piece of the White House-led initiative the President has called for to identify evidence-based solutions that address gaps in learning, mental health, social and emotional well-being, and systemic racial and socioeconomic disparities in education exacerbated by the pandemic. The **Education Equity and Preparedness Initiative** would include funding to invest in research and advance evidence-based innovation to help guide us as we continue to

respond to this crisis, and then pivot to standing up a stronger, more resilient education system that helps all students succeed in a post-COVID-19 world. Read more about this proposal [here](#) (and see attached).

- **Advance Whole-Learner Education:** As we emerge from COVID-19, taking a comprehensive approach to supporting our students is more important than ever. The science of learning and development tells us that taking a holistic, integrated approach to preparing students with a breadth of skills helps empower every learner to thrive. As President Biden’s proposal to support community schools and close educational equity gaps exacerbated by COVID-19 acknowledges, inequities in both material and non-material resources currently make it difficult for schools in many communities to meet the needs of all students. Based on this need, we propose the following recommendations to advance whole-learner approaches in our education system:
  - **Reimagine and Support the Remodeling of Our Education System:** Prioritize the adoption of evidence-based whole-learner approaches across funding streams that support both early and K-12 education, to spur innovation and the adoption of best practices. Read more [here](#).
  - **Foster Successful Systems Through Effective Partnerships:** Leverage national service corps members and partner with higher education institutions to provide additional capacity and expertise for the implementation of whole-learner approaches. Read more [here](#).
  - **Support [educators](#), engage [families](#), and leverage [science and evidence](#)** to advance holistic, comprehensive supports that create high-quality learning environments for all students, including establishing the Office of Whole Learner Education in the U.S. Department of Education.
  - **Create a safe, positive, equity-focused, student-centered school climate** by preserving and re-issuing rescinded federal guidance and trainings that support healing-centered policies to address exclusionary disciplinary practices, affirm Title IX protections, and protect our most vulnerable students, including undocumented immigrants and students of color.

You can read more about our overarching Whole-Learner recommended policy priorities [here](#).

- **Create a new Equitable Opportunity Impact Fund** to build evidence for and scale workforce development, post-secondary, health, wellness, and other economic mobility approaches that successfully increase access to economic opportunity, pay for improved wage outcomes, and incentivize data-driven performance management. (A one page summary is attached).
- **Engage with a set of Diverse, Innovative, Forward-Thinking Social Entrepreneurs and System Change Advocates and Convene Conversations on Policy and Personnel Decisions.** We urge the new Administration to hold conversations with key thinkers, doers and innovators about the priorities we’ve summarized above. You can review the America Forward Coalition of over 100



members [here](#). A diverse mix of social innovators and systems thinkers lead these organizations. We are glad to connect the Administration with any of these thinkers and doers, organized by issue area on any of the policy priorities we summarize above. *(We are including, as an attachment, a non-comprehensive list of some of these social entrepreneurs, systems change advocates and leaders across multiple sectors on driving greater diversity, equity and inclusion).*

- **Stanford Social Innovation Review (SSIR) Article on Proximity:** As referenced earlier in our response above, we are also attaching a full copy of “Effective Change Requires Proximate Leaders,” the October 2020 Stanford Social Innovation Review article co-authored by Angela Jackson, John Kania & Tulaine Montgomery.
- **Full White House Office of Inclusive Impact & Innovation:** As referenced earlier in our response above, we are also attaching New Profit and America Forward’s proposal for a new White House Office of Inclusive Impact & Innovation (*see attached*).
- Finally, an America Forward and New Profit [briefing](#) highlighting policy proposals for the **Department of Labor (DOL) to pursue in the first year of the Biden-Harris Administration** is available for your review [here](#).