Youth employment index
Understanding how organizational impacts can drive systems change
Executive Summary

We know that being young and unemployed is at the core of many societal issues, increasing the risk of poverty, low self-esteem, deskilling, social exclusion and mental health problems. Data also shows there’s an increased risk of loss of talent and skills to support Canada’s advancing skilled labour force, especially within the digital and information technology sectors. This is a real issue for our clients and for our firm.

Our Young People Project has been designed to help address the issue of youth unemployment in Canada. Our goal is to use technology to provide digital literacy training, coaching and meaningful mentorship experiences to at least 10,000 young people across the country by 2020.

We’ve developed a Youth Employment Index to track the year-over-year impact of our Young People Project. The index can be applied at an organizational or ecosystem level, and it may be useful for not-for-profit boards, management teams or funders looking at multi-stakeholder collaborations.

This document sets out the methodologies that we’ve designed to create the index. We provide an in-depth review and comparison of measurement frameworks and methodologies and provide recommendations for how to strengthen systems change initiatives and funder collaborations.

We invite feedback and participation from those people and organizations who wish to join us on the journey toward understanding large scale and longer term societal impacts.
Youth employment index
Understanding how organizational impacts can drive systems change
Our commitment to addressing youth unemployment in Canada

We know that being young and unemployed is at the core of many societal issues, increasing the risk of poverty, low self-esteem, deskilling, social exclusion and mental health problems. Data also shows there’s an increased risk of loss of talent and skills to support Canada’s advancing skilled labour force, especially within the digital and information technology sectors. This is a real issue for our clients and for our firm.

Statistics Canada defines youth as between the ages of 15 and 24 years, and it benchmarks the national youth unemployment based on those who are actively seeking work but not employed. According to its 2018 National Employment Survey, youth unemployment remains stable at 11.7%—almost double the general unemployment rate of 6.0%. This rate is consistent across every province and territory.

Our Young People Project has been designed to help address the issue of youth unemployment in Canada. Our goal is to use technology to provide digital literacy training, coaching and meaningful mentorship experiences to at least 10,000 young people across the country by 2020.

As part of this commitment and through the PwC Canada Foundation, we’ve selected seven not-for-profit organizations that will receive a combined CA$750,000 in unrestricted funding over a three-year period. This funding will be augmented by sharing our firm’s skills, expertise, networks and relationships.

Working in collaboration with the selected organizations, we’ll create an ecosystem of diverse strategies, programs and services that will augment other networks and initiatives across the country to help scale and drive systems change. This project will not take place in isolation. It will build on leading practice.

Our aspiration is to nudge the national youth unemployment rate and strengthen a young person’s potential for economic and social resiliency.

We’re excited about this commitment, but we face the same challenge as many of our peers: How do we know our investments are making an impact?

Donors and investors are looking for evidence that helps them better understand the efficiency and effectiveness of their financial investments. They want to feel part of the solution and to feel that progress is being made. There’s an opportunity to help reframe the way we deliver insights to tell a better story.

How do we create a consistent and easy-to-understand way for everyone to learn how impacts can be achieved within an organization and at a systems level?

To answer this question, we’ve developed a Youth Employment Index to track the year-over-year impact of our Young People Project. The index can be applied at an organizational or ecosystem level, and it may be useful for not-for-profit boards, management teams or funders looking at multi-stakeholder collaborations.

This document sets out the methodologies that we’ve designed to create the index. We also provide recommendations for how to strengthen systems change initiatives for those who wish to join us on the journey toward understanding systems transformation.

Figure 1: The status of youth unemployment in Canada

Boys & Girls Clubs of Calgary
Boys & Girls Clubs of Canada
Eva’s Initiatives for Homeless Youth
Fusion Jeunesse
Outward Bound Canada
School for Social Entrepreneurs
Youth Assisting Youth

How can we show our investment is making a difference?

Ecosystems are complex and dynamic. They involve a myriad of stakeholders and systems with competing points of view and expectations of success. That’s why we’ve made the decision to fund and scale a small ecosystem of organizations that we feel has the highest potential to work together.

We assessed the organizations based on a number of factors, including their intended impact and role within the youth employment ecosystem. Given the complexities related to comparing information across all organizations (including PwC Canada) and understanding how our collaborations would make a difference at a local, regional and national level, we made the decision to apply elements of our own Total Impact Measurement and Management (TIMM) methodology. We did this with an understanding that our firm would provide the underlying technical skills and expertise to our not-for-profit beneficiaries throughout this analysis. The cost benefit was clear and an important level of trust was established. The steps of the TIMM methodology, as applied to the Young People Project, are shown in Figure 2.

There are many ways to measure impact. Our TIMM framework is aligned with globally recognized principles of impact assessment, such as the five dimensions of impact set out by the multi stakeholder collaborative ‘The Impact Management Project’: What?, How much?, Who?, Contribution, and Risk. Our framework provides a systematic approach to assess the activities of an organization against the five dimensions of impact (see Figure 3) and establishes the foundations for quantitative measurement of impact.

Figure 2: The steps of the Young People Project impact measurement framework

Understand the youth employment landscape
What’s needed to get a job and the broader context of the issue?

Identify the impact drivers of not-for-profit
How and where do the not-for-profit generate impact?

Measure and track change
What data do the not-for-profit collect and how is it useful?

Improve and iterate
What are the assumptions, and where can we improve our understanding of impact?

Figure 3: The five dimensions of impact adapted from ‘The Impact Management Project’

1. What?
   What are the impacts created by the not-for-profit partners and how do they relate to reducing youth unemployment.

2. How much?
   How much of a change has been created? What is the depth of impact?

3. Who?
   Who experiences the impact? How diverse demographics and geographies of youth experience it differently?

4. Contribution
   To what extent can the impacts felt by the youth be attributed to the not-for-profit partner?

5. Risk
   Are there risks involved that may affect delivery of impact targets? Are there any unintended negative consequences?
We conducted a comprehensive literature review and spoke with experts in the not-for-profit sector and academia working with and alongside youth-serving agencies. This work builds on existing thought leadership papers from the PwC Canada Foundation regarding systems change efforts related to not-for-profit capacity-building and addressing the important issue of not-for-profit overhead.

We heard that young people, particularly those facing multiple barriers to employment, are dealing with the compounding challenge of unprecedented technological disruption that is demanding new skills and capabilities while rendering others obsolete. As they look to make long-term investments in education and training paths, a blurred vision of the future of work and opportunity is one example of the risk dimension of impact.

In the context of the diversity of Canadian society and the workforce of the future, workplace bias and discrimination remain a work in progress, despite changing attitudes and increased awareness. This reality further affects many young people already facing other barriers. Health, well-being and a sense of security are required before successful entry into the labour market can be achieved.

After analyzing and synthesizing our research findings, we identified five key factors that are essential to accelerate a young person’s journey to employment, underpinned by the organizational supports from service providers:

i. **People and leadership skills:** Soft skills like self-esteem, confidence, perception of leadership ability and teamwork are instrumental to obtaining and retaining employment.

ii. **Access to networks:** Regardless of technological advancement, the ability to meet people, build relationships and develop social capital are critical to identifying and attaining employment.

iii. **Formal qualifications:** Be it a diploma, certificate or degree, a formal recognition of ability plays a significant role in a young person’s ability to become employed and pursue advancement.

iv. **Relevant experience:** Direct work experience demonstrates the capability employers are looking for and is a significant component to a successful bid for employment.

v. **Practical job application skills:** Young people not only require access to employment opportunities but also the ability to navigate through the application process.
2. **Identify impact drivers and logic models**

To understand what not-for-profits do and how they make a difference in the lives of young people, impact pathways (also known as theories of change or logic models) can be developed to map out an initiative’s long-term goals and connect them to the necessary preconditions required to ensure a successful program. An example is included in Figure 4.

Impact pathways were developed by the organizations we funded as our case study for this report. They focused on each of their youth-serving programs. Each pathway included a causal chain that illustrated the linkages between the interventions and the intended impact of the actions taken. It provided a depth of analysis to better understand if a program was helpful in setting up a young person for success, focusing on the who dimension of the impact.

There are many factors that can influence any analysis involving a complex ecosystem. We considered various scenarios in order to understand the contribution dimension of impact in this report. For example, if a not-for-profit is a significant contributor to specific outcomes (versus the individual beneficiary), how would this impact the motivation, support required and investment within the pathways that are the most important to measure and track?

> “The experience of building the impact pathway helped us to think about all the different stakeholders who are impacted by our activities. This meant we could think about how to improve program design to maximize impact to all groups.”

—Young People Project grant recipient

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**Figure 4:** An example impact pathway for a youth employment initiative

- **Activity**
  - The action taken by a not-for-profit organization, for example, an entrepreneurship program offered to high-school students.

- **Output**
  - The result of the activity undertaken, for example, students given training on developing business plans.

- **Outcome**
  - The change derived from the activity, for example, the creation of new business.

- **Impact**
  - The benefits of the change, for example, youth gains relevant experience and enjoys direct economic benefit from business income.
Performance reporting has traditionally focused on disclosing inputs and outputs (see Figure 4), including the overhead cost to run, for example, a training program, along with the number of attendees or participants. While these proxies are important, we shouldn’t use overhead ratios to tell us how the extent of an organization’s impact. We understand that overhead must be looked at in the context of the not-for-profit’s activities and the impact they create. With increased donor requests for information and greater insight into program efficiency and effectiveness, there’s a critical need to move beyond output reporting and measure outcomes and impacts. Why does this matter? The impact pathways show there are multiple avenues to achieve impact as related to any one investment.

Not-for-profits are facing resource and capacity constraints that limit the collection and interpretation of large data sets. As a result, balance is required to help all stakeholders identify what information is critical to report and what’s unnecessary in the context of understanding the achievement of a social mission. Within our case study, we worked with the not-for-profits in our ecosystem to understand the data they currently capture, as well as how the impact pathways could be used to help focus time and effort. To do this, we mapped out how specific data points related to each organization’s most significant impact pathways. We also showcased how these data points could drive even greater value for analysis.

The data points we collected from each not-for-profit are different, so there may be opportunities to streamline data collection across the board. But for the purposes of the Young People Project, we wanted to understand our impact at a system level. Our goal was to design a tool to help at the micro and macro levels. To overcome the challenge of data comparability, we mapped all the data to our cross-cutting set of youth employment factors that were consistently observed.

We then applied a consistent set of assumptions to determine whether or not a data point signified that a change had been experienced by a participant.

The result of this is that we are able to aggregate information across the not-for-profit entities and report on proxies related to how much change had occurred in any one of the youth employment factors presented. This information can be tracked year over year (at the micro level) to support better decision making and financial investments within the organizations. It was used to create the Youth Employment Index (at the macro level), which can help us understand our progress across the ecosystem that has been designed in collaboration.

### Understanding how the Youth Employment Index can drive greater efficiency and effectiveness

The index brings together various data points collected from the not-for-profits in the context of their impact pathways, creating an aggregated score of year-over-year improvement. This can support board and leadership teams at not-for-profits, helping them better understand how their financial investments are driving progress toward a social mission or program. Within the youth unemployment scenario, every data point has been mapped to a program with a related impact driver. From this, we’re able to make conclusive statements about their effectiveness connected to the organization and the ecosystem.

The index deepens our understanding of where change is taking place. It also provides insight into what might be driving that change. We can consider if the quality of the program is increasing or if the program is managing to reach more young people. Most importantly, we can consider how they might be connected to help amplify impact.

This information can be even more valuable if year-over-year program delivery costs are considered. It provides leadership teams (not-for-profit and funders alike) with the knowledge required to help better understand the highest and best use of financial resources, and in a way that focuses investments tied directly to an organization’s programs and mission. Is it more cost effective to increase the impact index through investing in measures to increase program quality, or investing in expanding the reach of the program itself? In either scenario, the not-for-profit is on board.

We have illustrated how the index can provide insight through the example on the following page.
In the program’s first year, there are 10 participants in the Job Skills Program cohort, and 40% of the participants report experiencing a positive change as a result of the program. This translates into an index of four (representing the estimated quantity of youth positively impacted in that year), with an impact quality score of 40%.

In the program’s second year, the not-for-profit doubles program participation. There is no change in the percentage of participants reporting a positive change, so the estimated total number of youth positively impacted in the second year is eight. This increases the index to 12, but the impact quality score remains constant at 40%.

In the third year of the program, there’s no increase in cohort size, but survey results indicate 60% of participants experienced a positive change. This means the index increases to 24 in the third year, with an impact quality score of 60%.

Visualizing the index across the youth employment landscape

Applying the Youth Employment Index model across the five impact drivers of the youth employment landscape allows us to visualize how our investment is creating impact in a holistic way. The bars represent year-over-year increases in the overall impact index. The lines represent the year-over-year change in program quality. Layering the quality information over the total impact information allows the reader to understand if change is being driven by quality increases or by increases in program participation (quantity increases). An illustrative example of a leadership skills program lets us show how the index works:

- The program is primarily focused on people and leadership skills, but the activities also affect other impact drivers like job application skills and relevant experience.

- In Figure 5, the larger bright red bar under ‘People and leadership skills’ shows more youth were affected in the second year that the first year. But the increase in impact was largely because the program intake increased rather than the quality of the program improving, as shown by the difference between the pink line (Quality measure) and the orange line (Engagement measure).

- It’s interesting to note that under the ‘Relevant experience’ driver, there is relatively little change in program participation but an increase in the quality measure, this led to an increase in impact despite the same-sized cohort. This may prompt the not-for-profit to investigate what is happening in this part of the program and seek to understand this trend, so the opportunity to create impact with these youth can be maximized.
Figure 5: PwC’s Youth Employment Index (illustrative results only)

- **Year 1 – Quantity measure**: Number of youth who experienced positive impact in each specific driver.
- **Year 2 – Quantity measure**: Number of youth who experienced positive impact in year 2, cumulative with year 1 along each driver.
- **Quality measure**: The increase or decrease attributable to changes in program quality as measured by surveys.
- **Engagement measure**: The increase or decrease attributable to participation.
4. Improve and iterate

Transforming information into knowledge

The index relies on applying a consistent set of assumptions to bring together the widely varied data points collected by the not-for-profits. The analysis could be strengthened if the data sets were collected by each organization in a consistent, comparable way. We recognize the practicality of this is limited, given the size and complexity of standards.

Moving toward the standardization of measurement in the broader context of creating systems change can be powerful. Understanding how this may be achieved in the context of our ecosystem, where many people are working together to shift the needle on youth employment, requires a common language to figure out one another’s impacts. This is an aspiration moving forward.

In reviewing the variety of data collection techniques and processes, we identified some tweaks and adjustments that could be made to the survey questions, helping each organization derive significantly better insights from each question. These adjustments could enhance the overall time spent on data collection. Information could be repurposed in a way that would fulfill multiple reporting requirements based on an impact pathway tied directly to value creation, addressing the social mission of the organization.

For organizations that want to maximize the insight gained from each question, we’d recommend the following structure (see Figure 6):

1. Alignment:

Questions should be aligned to the priorities identified in the organization’s impact pathway or theory of change. This would mean the most relevant outcomes are being measured and tracked. Questions must make sure to focus on only one issue at a time so that change for each specific outcome can be measured.

2. Measuring change:

To properly measure change, a question must be asked before and after the activity. This allows us to measure change resulting from the activity. This also means we can understand how the activity itself contributes to the journey to employment factors over time.

3. Getting insightful answers:

The format of the answers presented to survey respondents is equally as important as the way the question is asked. The answer options must provide an opportunity to not only assess whether a positive change was experienced, but also the depth of that change. This means moving beyond “yes” or “no” survey responses and into the use of scales.

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**Figure 6: Question design – Maximizing insights**

**Example question**

I feel confident at leading a team and speaking in public

Better questions

Thinking back to before the program, how confident did you feel about leading a team?

1. Not confident
2. 3
4. 5 Highly confident

Reflecting on the program, how confident do you now feel about leading a team?

1. Not confident
2. 3
4. 5 Highly confident

**How to improve**

- Only ask about one impact per question. No double-barrel questions.
- Make sure questions can be asked before and after programs to allow for change to be measured.
- Changing the way the question is answered can give you more detail and insight.
How can you act with impact?

As the information demands of society evolve, so must our understanding of reporting and measurement. This paper has demonstrated what level of impact assessment is possible by utilizing existing data collection by those not-for-profits in our ecosystem and those tied directly to solving the issue of youth unemployment in Canada. This is a powerful statement for boards and leadership teams to consider, especially when looking at the current time and effort spent on impact reporting and understanding the highest and best use of time. The approaches within this report might also help communicate to funders in a way that builds trust, while monitoring and managing existing initiatives that create an intended impact in the most cost-effective way. Not-for-profits can move away from trying to prove a point. They can illustrate their processes and societal impacts based on a strong logic model that is difficult to dispute.

Whether you’re trying to create impact on youth employment or any other societal issue, you can take the following steps to understand and communicate how your investment is creating change:

1. Identify your impact drivers and logic models
   Understand the wider issue and context within which you’re operating. Map out where and how your activities could create impact.

2. Measure and track change
   Collect data that substantiates your impact pathway by asking the right questions. Track your data over time.

3. Improve and iterate
   Report and communicate your activities as well as how you’re driving change. Engage others to share lessons learned along your journey to create a positive impact.

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