

Citi Foundation



Pathways to Progress: Insights from Six Years of Programming

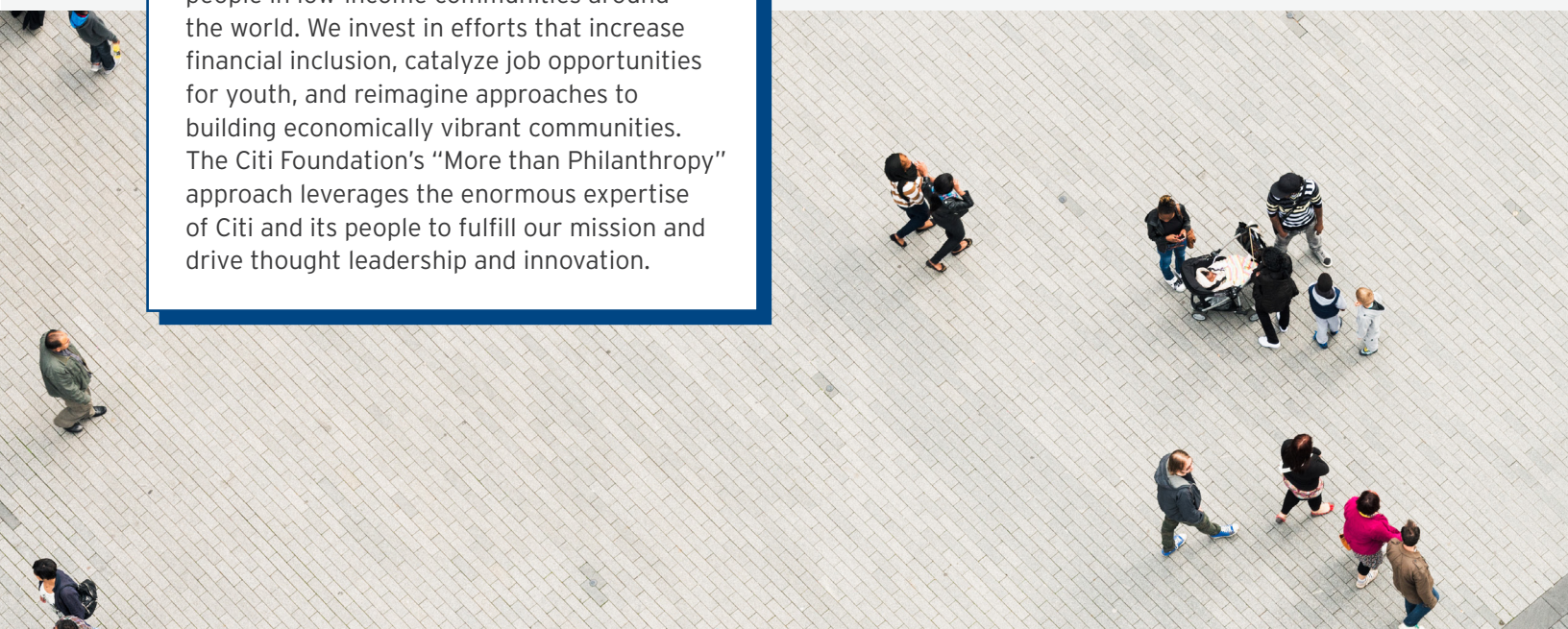


Table of Contents

Letter from President of the Citi Foundation	1
Program Evaluation and Impact Summary	2
Five Insights	
Young People are Solutionists	4
Financial Capability is Key to Economic Inclusion	6
Leveling the Playing Field Requires a Multi-Stakeholder Approach	8
An Entrepreneurial Mindset Can Open Doors	10
Relationships Matter	12
Conclusion	14

ABOUT THE CITI FOUNDATION

The Citi Foundation works to promote economic progress and improve the lives of people in low-income communities around the world. We invest in efforts that increase financial inclusion, catalyze job opportunities for youth, and reimagine approaches to building economically vibrant communities. The Citi Foundation's "More than Philanthropy" approach leverages the enormous expertise of Citi and its people to fulfill our mission and drive thought leadership and innovation.



Letter from our President



When we launched Pathways to Progress in 2014 the global economy found itself in a fragile state as it recovered from the Great Recession. Just when it seemed that we had left the lows of the recession behind us, we are battling a global pandemic that will undoubtedly have long-lasting and profound effects on every aspect of our lives. While it's too early to tell what the long-term ramifications will be, we're already seeing short-term impacts with high unemployment rates and limited job opportunities as the post-pandemic world takes shape.

One thing is clear to me- there is an urgent need to help narrow the gap between the skills and knowledge many young people have and what they need to succeed in this new world.

New ways of working are taking shape and high-opportunity fields, such as healthcare and technology, are continuing to evolve and present tremendous opportunities for youth.

We, philanthropists and practitioners alike, need to adapt our approaches to best help youth

capitalize on these evolving opportunities and mitigate the economic impacts of COVID-19. Innovation is essential as we look to confront the new challenges that lie ahead.

As we complete our current Pathways to Progress commitment and look to the next evolution of our work, it is important that we also look back to reflect on the things we have gotten right and those on which we are looking to improve.

The pages ahead dive into those insights and offer a snapshot of how, over the past six years, we have worked in tandem with our community partners to help youth prepare for 21st century jobs through Pathways to Progress. We are applying these insights in reimagining our approach to helping young people succeed in the new world that lies ahead.

A handwritten signature in black ink that reads "Brandee McHale". The signature is fluid and cursive, written on a white background.

Brandee McHale
President, Citi Foundation



The Pathways to Progress initiative is designed to help close the job-skills mismatch in response to the persistent, global issue of youth unemployment.

We believe that empowering young people, providing early work experience and financial knowledge, incubating an entrepreneurial mindset, creating networks and access to role models, and driving systemic and structural changes to the field of work are each integral to helping the next generation build stronger futures for themselves, their families and their communities.

The Evolution of Pathways to Progress

March 2014

The Citi Foundation launches Pathways to Progress in the U.S., a 3-year \$50MM initiative to unlock economic opportunity for 100,000 low-income youth in 10 cities.

November 2015

Release of Accelerating Pathways research containing an index comparing the efforts of 35 cities to contribute to young people's economic prospects. More than 5,000 youth were surveyed about their ambitions as part of the project.

February 2017

Pathways to Progress expands globally with a three-year \$100MM commitment to prepare 500,000 young people for the competitive job market. Global initiative aims to prepare young people for the world of work through first jobs, internships, business training, and leadership development.

December 2016

Completion of 3-year, U.S. commitment, having invested more than \$53MM to reach over 110,000 youth across the United States.

February 2017

Global Youth Survey released. Conducted by Ipsos, the survey found that despite political, economic, and social upheaval, young people around the world are optimistic about their career prospects, but face the reality of limited economic opportunities.

December 2019

Three year global commitment completed. Having invested more than \$140MM and reaching more than 740,000 youth globally.

Pathways 6-year Impact Summary

850,000+ YOUTH REACHED

\$194MM+ INVESTED

80+ COUNTRIES & TERRITORIES

32,000+ YOUTH-LED BUSINESS
CREATED OR EXPANDED

370,000+ YOUNG PEOPLE
MENTORED

12,000+ CITI VOLUNTEERS ENGAGED
AS MENTORS AND COACHES



1 Young People are Solutionists

Young people today are confronted with a vast array of challenges, including lack of quality education and jobs, increasing economic inequality, climate change and increasing political tensions. In communities across the globe, young people are disproportionately impacted by these challenges and can offer insightful perspectives on how to solve them.

Philanthropy does not always consult the individuals it aims to serve, especially young ones. When creating Pathways to Progress (Pathways), we made it a priority to hear from youth and apply what we heard to our programming. In 2015, we commissioned the Economic Intelligence Unit to conduct research that evaluated the economic environment for youth in 35 cities across the world. Part of the research included a youth survey that revealed that youth- while optimistic and entrepreneurial - struggle to find employment, access to technology, pay equity and support networks that can help them thrive. The result, [Accelerating Pathways](#), offers a comparative snapshot of youth perceptions of their economic prospects in 35 cities around the world and identifies which factors contribute most to an enabling economic environment for young people.

Upon the global expansion of Pathways in 2017, we commissioned research by IPSOS to gain a better understanding of how young people were preparing for their future and the barriers they face. [The Global Youth Survey 2017: Economic Prospects and Expectations](#) polled more than 7,000 young people in 32 countries and found that despite political, economic, and social upheaval, young people around the world were



“The Program provided me with all the necessary skills to run my business effectively. I now teach over 100 students and employ six teachers.”

Rabia
Lahore, Pakistan

optimistic about their career prospects, but faced the reality of limited opportunities and, when opportunities were available, lack of the right skills. Furthermore, youth felt strongly that apprenticeships and internships were critical for career success. Informed by these findings, the global expansion of Pathways increased investment in programming that connected more than 198,000 young people to real world work experiences over the last three years.

Across the world, young people are stepping up to create solutions to some of the biggest issues facing their communities, and we support programs that empower them with resources to bring their solutions to life.

In 2017, the Citi Foundation partnered with the UN Development Programme (UNDP) to launch Youth Co:Lab, which harnesses the leadership, entrepreneurship, and innovation of youth to tackle social challenges across Asia, where about half of the world's unemployed young people live. Youth Co:Lab is strengthening the ecosystems for young entrepreneurs and ensuring that young people have what they need to rise above their challenges and create opportunities for themselves, their families, and their communities.

Youth Co:Lab provides young people with the resources needed to create low-cost, high-impact, high-quality solutions that economically uplift their communities. In its first two years, Youth Co:Lab helped 2,500 young people develop 21st century skills, and enabled the creation or expansion of over 500 social enterprises, from an online sign language interpretation tool that enhances communication for the 9 million deaf people in Pakistan to an AI-enabled mobile device that helps the visually impaired. Youth Co:Lab empowers young people to use their voices and ideas to shape the solutions of the future.

In addition to empowering youth to solve community challenges, Pathways programs are

also connecting youth to opportunities where they can learn to amplify their voices. In the U.S., for example, the Citi Foundation supported the placement of 10 millennial public policy fellows at New America, a think tank focusing on public policy issues, to help them gain professional development skills as leaders, critical thinkers, and policy entrepreneurs.

At the end of their year-long fellowship, the fellows were tasked with developing specific policy concepts that addressed an area of need for young adults and hosting a symposium to facilitate public discourse on their [policy recommendations](#).

These are just a few ways we have intentionally listened to and consulted with young people through Pathways. Moreover, we have supported thousands of young people who are creating and implementing solutions to the challenges they face in their community. Young people need to be recognized as solutionists and the philanthropic sector, including us at the Citi Foundation, need to continue to engage and listen more closely to youth.

YOUTH CO:LAB PROJECTS

Arooga Health is a technology start-up that is innovating in the emotional and mental healthcare industry in the Philippines. The company matches individuals with the appropriate care providers based on their health objectives, financial budget, available schedule, and preferred medium of virtual interaction. Arooga Health was the Regional Social Enterprise Award Winner at the 2018 Youth Co:Lab Summit in Bangkok.



2 Financial Capability is Key to Economic Inclusion

Providing young people with opportunities to develop early positive financial behaviors can be transformational. According to the Jim Casey Youth Opportunities Initiative, learning good financial habits at an early age helps young people achieve personal and professional goals, including enrolling in college and graduating, and instills in them confidence and drive. Yet, low- to moderate-income youth are less likely to have opportunities to acquire these life skills and they face a steeper climb to economic prosperity without them.

This is why we believe in incorporating financial capability skill building into employment and entrepreneurship programming. In addition to empowering young people to access jobs, oftentimes their first, many of our programs also teach youth how to manage their paychecks and take control of their own financial future at an early age.

Employment and entrepreneurship programs that build financial capability into their programming models enhance the formative experience of earning a first paycheck, starting a business, or preparing to enter the workforce. Relevant financial empowerment services such as financial education and coaching, access to safe and affordable financial products, budgeting, credit building and savings opportunities, help young people gain entry into the financial mainstream with long-lasting skills. They learn to evaluate products and services based on their needs and understand the impact of their financial choices. Financial skills building, coupled with work experience and work skills training, gives young people the



"I learned the importance of saving a percentage of your money for future endeavors."

Nneka
Washington, D.C.,
United States

opportunity to build positive habits that can last a lifetime, rather than merely learn abstract concepts to be remembered and applied later.

Through Pathways, we have equipped more than 500,000 young people with financial knowledge, and more than half of them have made positive changes to their habits and behaviors.



CITIES FOR FINANCIAL EMPOWERMENT FUND: SUMMER JOBS CONNECT

Summer Jobs Connect (SJC) is a unique effort that enables urban youth across the U.S. to build 21st-century workplace skills, secure first jobs, and develop positive financial behaviors. Through SJC, Cities for Financial Empowerment Fund (CFE) works with municipal governments in eight cities (Chicago, Los Angeles, Miami, Newark, New York City, St. Louis, San Francisco, and Washington D.C.) to provide paid summer jobs to low-income youth while ensuring that, as part of their experience, participants receive financial education and access to safe and affordable financial tools to help create a platform for their financial future. Since 2014, the program has directly supported summer jobs for over 13,500 young people and connected almost 600,000 additional municipal summer job participants with access to financial education and banking services.

While traditional summer jobs give young people work experience and regular (if short-term) paychecks, research shows that many young people are ill-prepared to manage their earnings. An SJC survey of participants in four cities found that 64% of youth opened a bank account because of the program, and 11% came from households in which no member had an account. Thus, building financial capability is especially important for youth from low- to moderate-income households that are the target population for many youth employment programs.

IN 2019 ALONE...



13,000

summer job participants opened their first checking and savings accounts.



41,000

opted to receive their pay through direct deposit.



2,600

deposited a portion of their paycheck into a savings account

The program has received numerous awards and recognition, including from the U.S. Department of Housing and Urban Development, and has sparked local and federal interest in how cities can leverage existing resources to support economic opportunity for low-income youth. To date, under CFE Fund's leadership, SJC has expanded to eight additional cities across the United States.

3 Leveling the Playing Field Requires a Multi-Stakeholder Approach

Enabling youth to succeed is not just about providing them with a skillset and connecting them to the world of work.

Through our partnerships and grant investments, we have found that programs that effectively engage a wide range of stakeholders, including employers, are more impactful in the long-term. More specifically, by having employers engage with the program from an early stage and on an equal footing with participants, partners, and funders, they gain a better understanding of the problems low-income and underrepresented youth face on the job and can better tailor their role in the solution.

Internships, apprenticeships, and other hands-on work experiences are essential tools in helping youth gain skills and should be major components of workforce development programs, yet often these kind of experiences are unpaid. In the U.S., an estimated half of internships are unpaid, which disproportionately impacts the most vulnerable youth who cannot afford to work for free.

We are in a position to work with partners, employers, and multilateral institutions to ensure work is fair. In 2017, the Citi Foundation became the first corporate foundation to sign on to the [ILO's Pledge for Decent Jobs for Youth](#), demonstrating our commitment to creating fair and decent employment for young people through our philanthropy. In addition, to reinforce the need for paid work experience, the Citi Foundation made additions to our grant application review process. To further the dialogue and understanding in the field, [we also](#)



“When I interviewed with companies, they told me I didn't have enough experience or that they would rather hire a man.”

Mery
Lima, Peru

[commissioned](#) Research Triangle Institute (RTI) to research the internship and apprenticeship landscape and methods to make compensation an innate part of those opportunities.

The global study highlighted case studies from El Salvador, Lebanon, South Africa, and the U.S. to reflect the state of paid internships across different regions and sectors. While each country and industry has a unique context, the report found promising practices in making paid internships the standard, such as providing employers with multiple ways to contribute, engaging governments as large scale partners, using project-based learning as gateways to long-term internships and apprenticeships, and using philanthropic funds as “seed investments” that help validate models for employers.



LABORATORIA

In Latin America, more than 35 million women are currently unemployed or working in the informal sector. At the same time, the tech industry in the region is growing exponentially, with more than 1.2 million software developers needed by 2025. Laboratoria works to close the skills gap by training and connecting low-income young women for careers in technology. Since 2016, the Citi Foundation has enabled Laboratoria to build its organizational capacity as well as train and place over 600 women as web developers in Brazil, Chile, Mexico, and Peru, contributing to their social, economic, and financial inclusion and bringing gender diversity to the sector.

NPOWER

NPower creates pathways to economic prosperity by launching digital careers for young adults and military veterans from underserved communities. NPower envisions a future where the technology workforce in the United States is diverse, and clear pathways exist for all people regardless of ethnicity, gender, or socio-economic background to succeed in a digital economy. Its Tech Fundamentals Program is a 22-week foundational information technology workforce development program that recruits, trains, and places disconnected youth into in-demand quality technology jobs. With more than \$2MM in Citi Foundation support, NPower has connected more than 500 youth to in-demand quality technology jobs and has committed to placing 2,400 young women in tech jobs by 2022.



4 An Entrepreneurial Mindset Can Open Doors

Our investments in entrepreneurship are underpinned by our belief that the characteristics of an entrepreneur - confidence, critical-thinking, drive, and vision - are key to preparing young people for the future, whether they start a business or not. Entrepreneurship programs are particularly positioned to bring this mindset out in a young person - a well-rounded individual who can go out in to the working world feeling equipped to leverage the hard and soft skills that can bring them a brighter, more economically secure future.

Additionally, these programs have the ability to demystify the world of work for youth through direct exposure to the issues that come up when running a business. While entrepreneurship programs can be a great generator of self-started jobs, the success of these programs should not be measured only by the number of businesses started. Through entrepreneurship training, youth learn to become resourceful and adaptable, gain interdisciplinary skills, hone a positive attitude, develop a creative mindset, sharpen their persuasion skills, and develop the motivation, drive, tenacity, and perseverance to overcome adversity.

For youth who have their sights set on becoming their own boss and who are able to access capital to launch and sustain a business, there is a positive economic ripple effect. Enterprises can create multiple jobs, which have the power to transform livelihoods for entire families and local communities.



“Our business aspirations are to create a sustainable business that can be up-scaled into multiple franchises in major centers and hopefully across the continent.”

Mpumelelo and Lawrence
Johannesburg,
South Africa

As noted, access to skills, networks and capital to launch an enterprise is crucial for young people wishing to start their own businesses. The Foundation has been working with organizations to ensure that access to this field is inclusive. Through our partnership with Echoing Green and support of their Inclusive Social Entrepreneurship Initiative, we are providing financial and leadership development support to young social entrepreneurs of color to amplify their solutions for society's most challenging issues as well as their voices and stories. Nowhere is the need for social entrepreneurship greater than in marginalized communities, and Echoing Green engages front-line leaders who deeply understand the problems they are trying to solve to create opportunity, improve lives, and increase economic participation.

TECHNOSERVE

The Citi Foundation works with TechnoServe to support young entrepreneurs as they establish thriving enterprises and catalyze local job creation across nine countries in Africa and Central America. This entrepreneurship initiative, a cornerstone of Pathways to Progress flagship activities in these regions trained 2,700 youth microentrepreneurs and small business owners in business development skills, including product and service development, marketing, seeking financing, and crafting growth plans, as well as financial management skills. Graduates of the program received one-on-one mentoring and demonstrated improved business and financial management skills that helped them achieve sustained business growth, including a 25% average increase in annual sales.

NFTE

Together, the Citi Foundation and Network for Teaching Entrepreneurship (NFTE) have activated the entrepreneurial mindset and built startup skills in young people from low-income communities since 2014. Combining the efforts of NFTE-trained educators and Citi employees as volunteer coaches, mentors, and judges has set thousands of young people on a path to success that only the entrepreneurial mindset can empower. The results are clear: NFTE students and alumni achieve more academically, go onto greater career success, and start new enterprises at markedly higher rates. With the future of work being increasingly uncertain and more reliant on entrepreneurial skills than ever before, NFTE is uniquely preparing young people for this future.



5 Relationships Matter

For young people from underserved communities, the relationships they build can be the difference between graduating from high school on time or dropping out; beginning on a career path or falling into a low-paying job; receiving support during difficult times or facing enormous obstacles alone.

Too often, young people from low- to moderate-income communities lack the social support to help guide them through key milestones on their path to adulthood. Mentors can play a critical role in helping young adults secure internships and jobs, identify education and career goals, and can even be resources for basic needs like housing and clothing. These wide-ranging roles that mentors serve in the lives of their mentees require that mentorship programs provide the platform to build meaningful relationships that can support the social, emotional, educational, and financial areas of a young person's life.

To help young people build this kind of relationship, the Citi Foundation partnered with community organizations like iMentor and Management Leadership for Tomorrow (MLT) to engage mentors that serve as sources of support, advice, and guidance for young people as they navigate the challenges and opportunities they face. As part of these efforts, we purposefully engage Citi volunteers to play the role of mentor. iMentor's model pairs high school students from low-income backgrounds with trained adult volunteers who, through a series of guided one-on-one in-person and online meetings, help to develop



"In today's complex environment, we need leaders of both genders to bring their respective strengths and styles together to help mentor our future leaders."

Gary
Citi Risk
Management
Singapore

college and career aspirations, assist with the college application and financing process, and coach mentees throughout their post-secondary academic years. This requires a significant investment of time from volunteers who agree from the onset to make a three-year commitment to mentoring a student. Since 2014, support from the Citi Foundation has created 25,000 new mentoring relationships; increased the number of high school students served in NYC by 65%; and helped iMentor expand into two new markets (Chicago and San Francisco).

MLT Ascend matches low-income, first-generation college students with a mentor to help them persist in college and graduate prepared to pursue professional careers.

As a result of the Foundation's support, to date, more than 1,300 first-generation, low-income college students of color have been paired with a mentor. The Citi Foundation also supported MLT as it conducted an independent, third-party evaluation to assess the program's impact on college and career trajectories for minority students, and further expanded the program into two new cities.

Both iMentor and MLT have identified the value of mentors in successfully helping their students (most of which are first-generation college students) to successfully complete high school on-time, enroll in college, and complete college within 4-6 years. Mentors help young people who are often the first in their families to navigate complex education systems achieve their post-secondary aspirations.

CITI COLLEAGUES AS YOUTH COACHES AND MENTORS

Knowing how important mentoring and a caring adult can be for young people, in 2017 as part of Pathways, Citi committed to engaging 10,000 Citi employees as volunteer mentors and coaches to young people over three years. Citi employees stepped up and surpassed our goal. More than 110,000 Citi volunteers from across the world engaged in Pathways programming throughout 2017-2019.



Conclusion

Progress, in part, comes from the ability to look to the past to help guide our future decisions. So, as we re-imagine our new commitment, we are using these learnings to inform the next iteration of Citi Foundation's Pathways to Progress programming in 2020 and beyond.

We remain committed to empowering young people by providing opportunities for them to use their voice, investing in early work experience and the financial habits that can grow from it, elevating the power that an entrepreneurial mindset can have on a young person's confidence, and connecting youth to networks and role models. Importantly, we remain committed to learning from young people, practitioners, academics and peers so that together we can create stronger pathways for all young people to reach their full potential.

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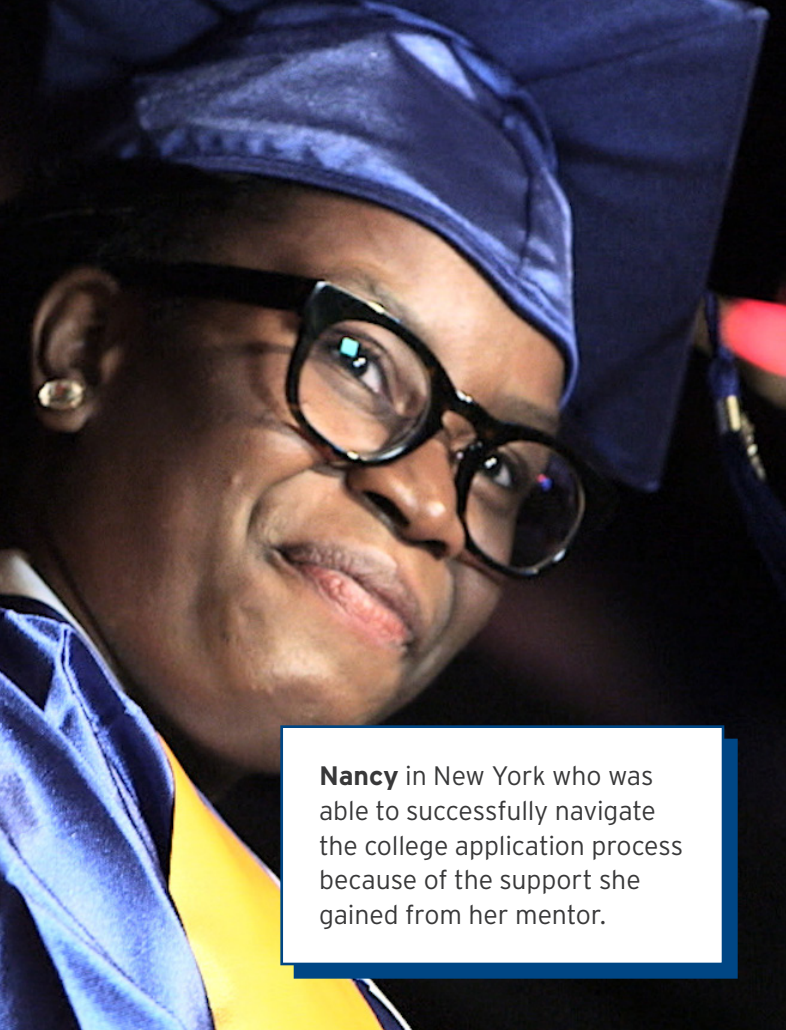
Throughout the last 6 years, we have helped amplify the voices of young people across the world. We have shared their stories on our website (www.citifoundation.com) and on social media through #Pathways2Progress. These stories include the voices of:



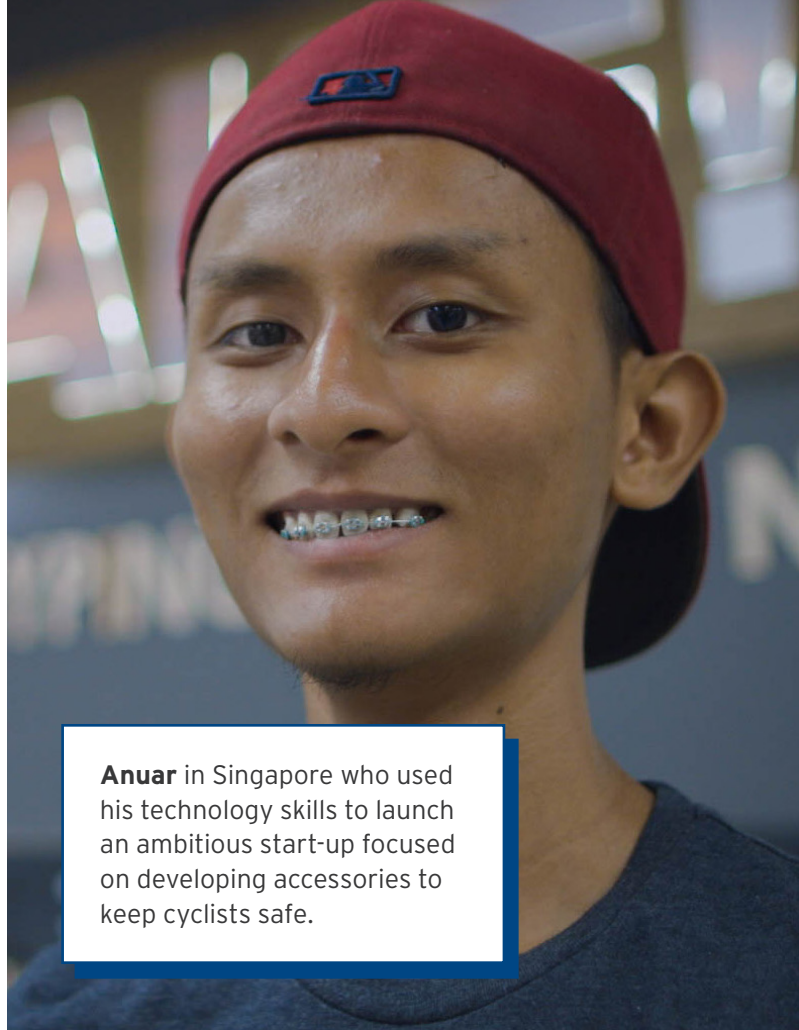
Davian in London who was able to learn key career skills and increase his confidence in the workplace.



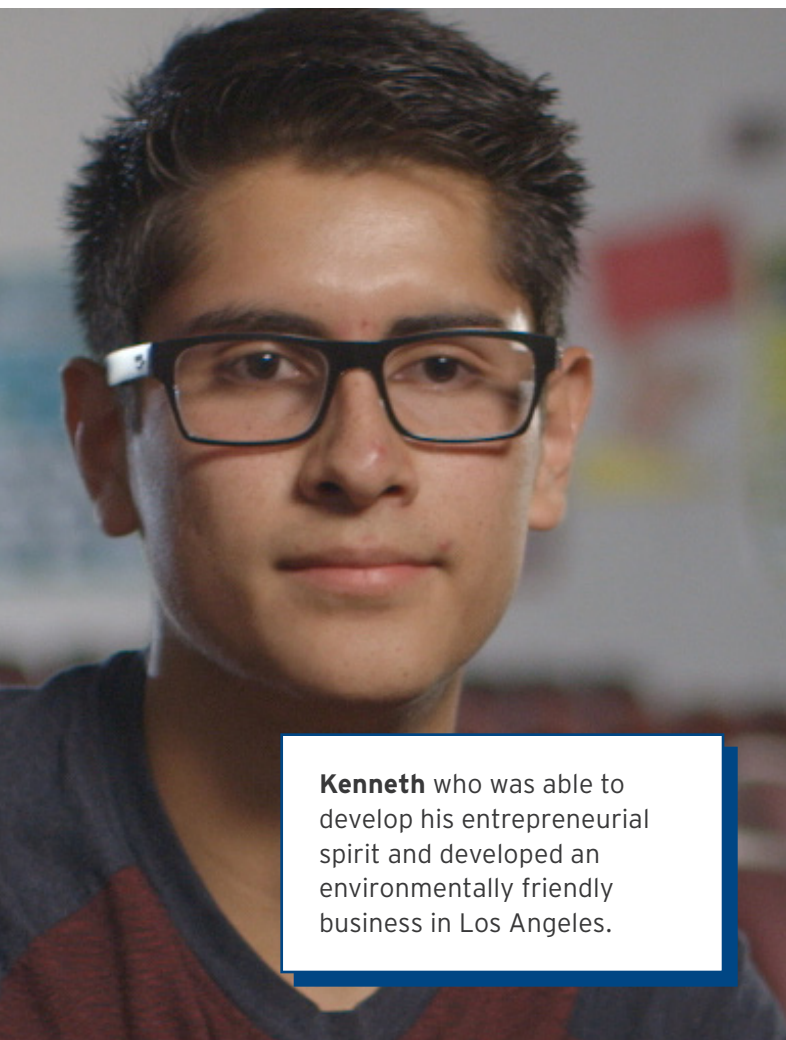
Grace who gained a sense of independence and chose her career path through her job experience in Miami.



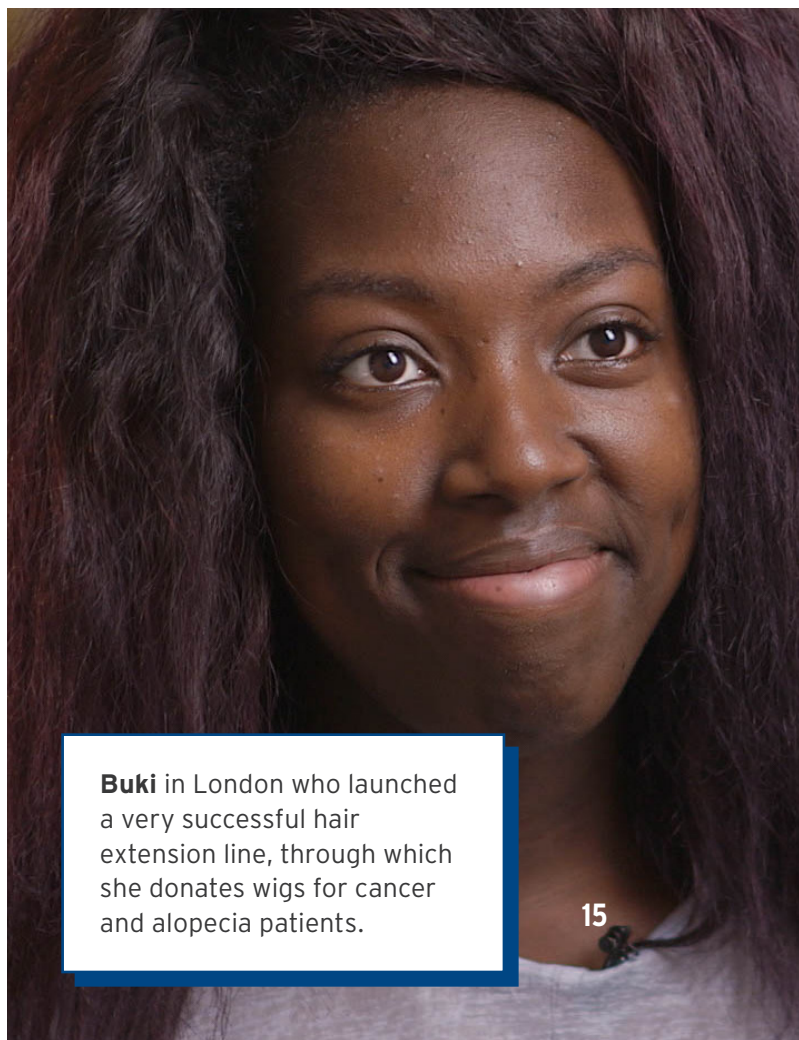
Nancy in New York who was able to successfully navigate the college application process because of the support she gained from her mentor.



Anuar in Singapore who used his technology skills to launch an ambitious start-up focused on developing accessories to keep cyclists safe.



Kenneth who was able to develop his entrepreneurial spirit and developed an environmentally friendly business in Los Angeles.



Buki in London who launched a very successful hair extension line, through which she donates wigs for cancer and alopecia patients.

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