



ETF@JFFLabs Impact Report

Building a Diverse Portfolio of Technologies
to Close the Employment Opportunity Gap

A Message from Our Managing Director



Hello,

An employment opportunity gap faces some 75 million adults in the United States who lack in-demand skills and connections necessary to advance in their careers and earn higher wages. That's 41 percent of our country's adult population.

Many of the people in this population don't have formal education credentials. Few are able to access educational or training opportunities that will help them develop new skills. And those who can still need a bridge between education and employment.

In 2017, a group of forward-thinking foundations came together with a solution: Invest in these adults by investing in technology. They believed that technology had the potential to bring quality digital learning and employment opportunities to this traditionally underserved population. The future of work, as they saw it, would require retraining and retooling of the most vulnerable adults in the American workforce.

Over the past decade, we have seen traditional capital providers overlook the needs of workers in entry-level jobs and instead invest in companies whose offerings benefit middle-to-highly-skilled, white-collar workers. That funding gap exacerbated the opportunity divide.

To close the divide, the foundations pulled funds together and launched the Employment Technology Fund (ETF). In 2019, ETF joined JFFLabs to form ETF@JFFLabs. The outcomes discussed in this report reflect the results of ETF investments before the fund was acquired by JFFLabs.

Today, ETF@JFFLabs is committed to imagining a more inclusive future of work—a future where technology increases access to learning, employment, and economic mobility for all. We support promising entrepreneurs who are developing technologies that can train low-income and low- and middle-skill adults and connect them to employment opportunities.

ETF@JFFLabs works closely with the companies in which we invest to offer them flexible capital tailored to their business models and objectives. We see the Fund as a catalyst that inspires and enables traditional and nontraditional investors to provide capital to the fast-growing employment technology market. In an effort to maximize our social and catalytic approach, we recycle the proceeds from ETF@JFFLabs investments into new investments.

The scale of the opportunity is promising. We believe that the entrepreneurs in our network are building tools that will be transformative—shifting the economic and life trajectories of millions of underserved workers, and of our country as a whole.

We thank you for your support of our impact investments and we continue to welcome opportunities for collaboration and feedback.

Yigal Kerszenbaum

Managing Director, ETF@JFFLabs

Key Strategies

Invest in Promising Technologies:

In addition to capital, we provide entrepreneurs with strategic support to more rapidly scale effective solutions and position them for market leadership. Among other things, we validate sales and revenue models, introduce entrepreneurs to potential partners and clients, and shape road maps to serve more adults.

Field-Test the Portfolio Nationally:

Unlike other impact investment funds, we give the companies in our portfolio an opportunity to field-test their products with the unique audiences they serve. We have tested our portfolio's products nationally to help our entrepreneurs ensure that they scale the most effective versions of their products.

Get Tools into the Right Hands: Our portfolio companies cannot reach low-skilled adults without getting tools into the hands of the employers and workforce development and adult education organizations that support that population. We have made an effort to engage these stakeholders. Among other things, we are participating in Workforce EdTech, a group of nonprofit organizations that work collaboratively to find ways to leverage technology to increase the reach and impact of workforce and education initiatives. Our involvement in Workforce EdTech includes supporting the launch of a repository (<https://workforceedtech.org/tools>) to disseminate impactful

products, share lessons learned, and promote outcomes of efforts to use employment technology tools to accelerate adult learning, employment, and career advancement.

Drive Increased Investment to the Employment Tech Sector:

We directly support our entrepreneurs' efforts to raise additional capital by connecting companies with potential investors (both debt and equity), and by coaching them throughout the process. Several of our portfolio companies have noted that our initial investment opened opportunities for additional investment from others. For every dollar ETF@JFFLabs has invested, an additional \$3.50 in financing has been directed to efforts that will help close the employment opportunity gap.

Value Diversity: We believe in diversity, and we are proud that our entrepreneurs come from diverse backgrounds and experiences. Women and people of color are undervalued by the market. We believe that it's imperative to fund more diverse talent and by doing so, we will help solve some of the world's most entrenched challenges—including the employment opportunity gap. Fifty percent of our portfolio companies launched with female founders (in comparison, just 4 percent of the deals in the total venture market involve companies founded by women), and 60 percent had founders who were people of color (compared with 7 percent of deals in the total venture market).

Portfolio

We've made seven strategic investments, and the companies in the ETF@JFFLabs portfolio reflect the makeup of the overall employment technology market, which includes a broad range of companies whose offerings are designed for lower-skilled workers, advocate organizations, and prospective employers. The companies' offerings fall into four categories:



-  **Learning and Training**
-  **Mentorship and Support**
-  **Assessment and Matching**
-  **Job Search and Placement**

The Companies:



Cell-Ed: Literacy, Language, and Job Upskilling in the Palm of the Hand

Cell-Ed proves that mobile learning is an effective means of giving people access to instructional materials. The company offers a tool that allows users to listen to lessons on a flip phone anywhere and at any time, giving millions of adults an opportunity to learn new skills even if they aren't able to participate in traditional classes.

Usage and Persistence:

30,000 adult learners in 2018; 95 percent of learner retention

- 1,561,675 audio minutes
- 1,383,327 learning texts

Positive English Language Learner Gains:

Test for Adult Basic Education and Best-Plus assessment results validate effectiveness

Wage Increases: Users reported average wage increases of 10 percent after using Cell-Ed tools.

Literacy Gains:

Use of Cell-Ed learning tools helped learners raise their reading levels by the equivalent of two to four academic grades in four months.

Recognition: Winner of \$1 Billion Wage Gain Challenge in 2019 and a finalist for the Adult Literacy XPRIZE 2019.

Success Story: Four Seasons used Cell-Ed to help 100 housekeepers learn English.



Accessible Credentials for Employment in a Digital World

A program of the Minnesota Literacy Council, Northstar offers an online digital literacy assessment tool and provides learners with a credential that can lead to increased employment opportunities. Indicators:

Scale: 3 million assessments; enabled 208,931 assessments onsite and 577,773 online in 2018.

Credentials: 63,450 certificates, 21,509 badges earned in 2018, with a passing rate of 50 percent.

Access: There are 670 active NorthStar test sites in seven countries and all 50 states.

Job Placement: Field testers used the Northstar credential to seek and obtain employment.

Success Story: Guled, a Somalian immigrant, used Northstar digital literacy assessments to write a résumé, conduct an online job search, and prove his skills to obtain a job in security.



SkillSmart: Using Skills to Create Pathways to Employment

SkillSmart offers a skills-matching platform that can increase equity in hiring by helping adults find jobs or training opportunities based on all of the skills they've earned in life. Indicators:

Usage: 45,000 profiles of jobseekers across all platforms; those users were qualified to fill more than 15,000 jobs.

Raising Awareness of Career Opportunities: The SkillSmart platform aligns jobseekers' skills to 2,862 job types.

Retention: People who are hired for jobs via SkillSmart are twice as likely to be retained after a year as people who found jobs through other avenues.

Wage Increases: In Milwaukee, residents on public assistance were matched to jobs that paid an average of \$28.35 an hour. In Springfield, Massachusetts, 150 unemployed residents were matched and upskilled to obtain jobs that paid an average of \$40,000 to \$50,000.

Success Story: A community-based organization used SkillSmart to prepare 150 underserved, unemployed adults for jobs at a newly opened MGM resort.



Nepris: Virtually Building Connections Between Students and Careers

A web-based platform that connects educators and learners with a network of professionals who can offer real-world advice and insights, Nepris helps users stay up to date on the latest trends in the labor market, providing them with access to firsthand information about what types of jobs are available and what skills are in demand. Indicators:

Usage: 47,427 teachers use Nepris with 350,000 students, and the company is increasing its support to educators and workforce professionals who work with adults.

Diverse Professional Volunteers: 27,000+ professionals in the Nepris network.

Career Support to Students: 225 sessions on résumé writing, mock interviews and preparation.

Accessibility: Nepris is active in all 50 states, with a library of 7,000+ career videos.

Success Story: Students who learned about the use of drafting and design tools in a live Nepris chat with a naval architect went on to get jobs with the presenter.



Signal Vine: Texting to Nudge Adults Toward Opportunity

Signal Vine offers a two-way text messaging platform powered by artificial intelligence that educational institutions can use to engage students, staff, and employees. The system has proved to be an especially powerful tool when it is used to encourage—or “nudge”—adults with low skills to take action or pursue opportunities. Signal Vine helps increase the impact of workforce development teams. Indicators:

Usage: 1.7 million students nudged in 2018.

Engagement: More than half of field testers responded to text messages, and most did so within 10 minutes. That’s a much higher rate of response than those of previous engagement efforts using email.

Increased Action and Job Placement: A workforce development agency used Signal Vine to achieve a 150 percent increase in attendance at a job recruitment event, leading to job placements for attendees.

Time Saved: A community-based workforce organization saved up to two hours of staff time per text message nudge, which equated to 40 saved hours of staff time in a four-month period.

Success Story: When a community agency used Signal Vine texting to share information about a job recruitment event at Home Depot, 25 jobseekers attended and were guided toward potential opportunities.



PAIRIN: Using Data to Break Down Soft Skill Barriers to Employment

PAIRIN offers a suite of online tools that people who face barriers to employment can use to assess and develop their soft skills. The company’s track record proves that soft skills and mindsets can be objectively validated, measured, and developed. Indicators:

Usage: 125,291 surveys taken

Attributes Measured: 3,741,870

Training Delivered: Nearly 18,000 hours

Reduction in Turnover: Turnover decreased by 65 percent among workers who used PAIRIN’s tools.

Success Story: Heather, a mother who needed to earn more money so she’d be able to care for a sick child, used PAIRIN to uncover her strengths and become a certified water manager, a position with higher earning potential than her previous job.



CareAcademy: Mobile Learning to Upskill and Certify Adults for In-Demand Careers in Home Health

CareAcademy provides an online education platform that home care agencies can use to train domestic caregivers to fill in-demand home health roles. The company's track record proves that mobile (and blended) learning can increase access to employment opportunities in one of the fastest-growing segments of the U.S. economy—health care. Indicators:

Upskilling and Wage Increases: In a six-week course, 85 percent of participating domestic caregivers became qualified for home health aide certification—giving them more room for career advancement and resulting in near-term pay increases averaging 5 percent.

Usage: More than 22,000 caregivers used CareAcademy's platform, and 16,080 hours of training were provided in 2018.

Credentials: 16,104 certificates issued.

Persistence: Learners had a completion rate of 90.36 percent.

Recognition: Winner of the MIT Inclusive Innovation grand prize in 2018.

Success Story: Teri used the CareAcademy platform on her phone to learn the skills necessary to become a certified home health aide. She qualified for a 5 percent raise and found a meaningful use of her skills in role in which she comforts hospice patients.

Field Testing to Increase Impact

The EdTech Center @ World Education, with the support of Walmart and the Walmart Foundation, spent a year field-testing the seven technologies in our portfolio.

More than 1,500 learners and jobseekers across the country participated in the tests, and the resulting report, *Leveraging Technology to Increase Opportunity and Economic Security for Adults*, noted that

the ETF@JFFLabs portfolio companies are effectively using the following five technologies and practices to meet the needs of adults with lower skills:

- Mobile tools, which make employment and training opportunities more accessible to people who may not be able to attend classes or other events in person
- Accessible onboarding processes, which increase the scale of usage and participation by eliminating some barriers to engagement

- Personal connections, which makes learning more relevant to adults
- Inclusive screening processes, which assess the skills and capabilities of adults who might be overlooked by traditional programs and connect them with training and employment opportunities
- Rich media, which can improve engagement and comprehension

The field tests yielded data and insights that all seven of our portfolio companies can use to modify and improve their products and services. We hope that more developers of educational technologies will use this data to build products that serve lower-skilled adults.

The Clear Path Forward

We will continue to measure the impact of our work by tracking and reporting performance metrics such as the following on an annual basis:

- **Company-level metrics** that measure our intended impact on employment opportunities, such as number of jobs attained and increases in earning potential
- **Portfolio-level metrics** that reflect our success both in attracting new capital to ETF@JFFLabs and our

portfolio companies and in deploying capital efficiently via disbursements and repayments

Additionally, ETF@JFFLabs will continue to do the following:

- **Add new investments** to our portfolio to support more entrepreneurs in developing tools that help lower-skill workers maximize their potential.
- **Partner with new investors** whose missions are aligned with JFF's in an effort to increase the fund's pool of available capital or to co-invest in promising companies alongside ETF@JFFLabs.
- **Build partnerships with other parties** that are committed to closing the opportunity gap, including funders, employers, trade associations, advocacy organizations, workforce development boards, community colleges, training providers, and other community-based organizations that are working to meet the needs of lower-skilled and low-wage-earning adults.

Funders & Advisory Board



Key Partners



JFF is a national nonprofit that drives transformation in the American workforce and education systems. For 35 years, JFF has led the way in designing innovative and scalable solutions that create access to economic advancement for all. Join us as we build a future that works. www.jff.org



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