

Advance Memphis: Multidimensional Assessment and Reporting

Prepared by Slingshot Memphis

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Slingshot  Memphis

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Introduction

This report is intended to illuminate important components of the work of Advance Memphis (Advance), describing the need for Advance's work in Memphis and the extent to which it is currently responding to that need, in terms of capacity to serve and quality of services.

This year, our partner assessment spans multiple dimensions. We begin with benefit-cost analysis, using methods very similar to those we used last year, but we have expanded our assessment this year to include the extent to which our partners implement the best known practices of their field, collect and manage data, and potentially contribute to poverty-fighting at a more systemic level in Memphis.

The purpose of our assessment is to determine how Slingshot might continue to support and further the work of Advance Memphis, especially as it pertains to a more effective fight against poverty in Memphis.

Landscape and counterfactuals

Zip code 38126 has long been known as a high-poverty neighborhood and one of the most deprived zip codes in the country. As of 2017, it has a 55 percent labor force participation rate, much lower than the 64 percent Memphis city rate. Its unemployment rate - 17 percent - is more than four times the rate for Memphis overall, which is four percent.¹

The neighborhood also has a poverty rate of over 60 percent, more than double the city's rate of 27 percent.²

Approximately 15 percent of Memphis residents lack a high school diploma, significantly reducing their present earnings and depressing any future wage growth. In 38126, that rate is around 18 percent.³ About half of 18 - 24 year olds in Memphis have no college experience, and only 25 percent of Memphis residents have a bachelor's degree or higher.⁴ Only four percent of residents of 38126 have a bachelor's degree or higher.⁵ In Shelby County, the average income for an individual lacking a high school diploma is around \$17,300 for those actually working.

The home ownership rate in 38126 is around 15 percent, compared to just under 50 percent for the city overall.

There are very few job training programs immediately accessible to the residents of 38126. The next nearest program relative to Advance Memphis is the Workforce Investment Network (WIN), just over one mile north of that zip code. However, lack of access to reliable transportation and child care could make such an option unusable to many area residents.

¹ American Community Survey, 5-Year Estimates, 2012-2016

² Ibid.

³ <http://www.city-data.com/zips/38126.html> Retrieved September 20, 2018.

⁴ <https://www.towncharts.com/Tennessee/Education/Memphis-city-TN-Education-data.html> Retrieved September 19, 2018.

⁵ <http://www.city-data.com/zips/38126.html> Retrieved September 20, 2018.

Highlights of what we learned from Advance Memphis

Since 1999, Advance Memphis has served the residents of zip code 38126, long one of the poorest zip codes in the country. Advance's mission is to fight intergenerational poverty by connecting people to the labor market, helping them see value in work, and in themselves working.

To those ends, Advance Memphis offers soft-skills job training classes through its Work Life program, intended to prepare participants to enter the labor force. Advance also offers HiSET test preparation, classes in financial literacy, coaching and grants for entrepreneurs, counseling, and an Individual Development Account (IDA) program. To date, hundreds of people have graduated from Advance's programs, which are now available to the adjacent 38106 zip code.

In 2016 and 2017, 302 people enrolled in skill training programs at Advance Memphis. 209 enrollees participated in the Work Life program. 80 people obtained a certificate; 62 from forklift training and the remaining 18 from ServSafe training (the two certifications provided by Advance).

The average wage paid to employed graduates was \$9.21 per hour for all staffing and outsourcing employees, compared to an average wage of \$7.38 paid to individuals in their most recent job prior to training. It is also worth noting that 80 people who were previously unemployed (out of 154 people) obtained work following Work Life at Advance Memphis.

Eighteen individuals attended classes to prepare them to take the GED / HiSET test, sat for the exam, and passed it.

Twelve people received matching grants through the Individual Development Account (IDA) program averaging \$2,967 per grant.

According to surveys taken following completion of the Launch and Launch Intensive programs, six jobs were created immediately completing the program. After two years, seven jobs had been created. Jobs created by these programs paid an average of \$9.70 per hour. These results are limited to survey respondents. Because not all respondents filled out the survey, these numbers may understate the program's true outputs and outcomes.

To date, Advance Memphis has placed 940 of 1,181 of its graduates into jobs, primarily through its staffing service.





Budget

Advance Memphis operates on an annual budget of approximately \$2.3 million per year. We note that approximately 35 percent is funded by private dollars and 65 percent by generating revenue, primarily from its staffing service. None of its funding comes from public sources. 78% of Advance's generated revenue is paid out on gross wages, taxes, and workers compensation for working graduates, which averaged \$1,122,545 for 2016 and 2017.

The Slingshot Impact Assessment

This new multidimensional assessment tool is intended to broaden and deepen our understanding of our partner’s work, helping us look more closely at a broader array of our partner’s methods and practices, especially those we think are directly aligned with the poverty-fighting aspects of their work. The results of this assessment will better inform our understanding of the potential opportunities to more effectively support and extend our partner’s beneficial impact on Memphis. With this assessment we aim to illuminate our partner’s successes while also indicating areas of possible improvement. We would like to acknowledge that this new instrument might change as we gather feedback from our partners and stakeholders.

We assess our partner’s work across four dimensions: estimated benefit-cost ratio, the use of best practices, measurement infrastructure, and systems-level change.

Dimensions	Unclear	Negative	At least neutral	At least strong	Very strong
 <p>Benefit-cost ratio</p>	Lack of sufficient research findings in focus area to support confident estimation of benefit	Costs exceed estimated benefits	Benefits and costs similar	Benefits exceed costs	Benefits substantially exceed costs
 <p>Use of best practices</p>	Indiscernible best practices in focus area or insufficient data on partner’s practices	Practices considered problematic or damaging	Limited or no evidence for use of best practices	Some evidence for use of best practices and better practices are developing	Current best practices are consistently followed
 <p>Measurement infrastructure</p>	Unclear what measurement infrastructure is most relevant for area of focus	Measurement practices or use of data can be harmful to partner or its beneficiaries	Limited or no measurement infrastructure; no use to improve impact	Strong measurement infrastructure; limited use to improve impact	Strong measurement infrastructure; consistently used to improve impact
 <p>Systems-level change</p>	Standard for “positive impact” unclear or disputed by stakeholders	Evidence of negative impact on ecosystem	Limited to no evidence of impact on ecosystem in Memphis	Some evidence of positive impact on ecosystem in Memphis	Evidence of powerful, positive impact on ecosystem in Memphis and/or beyond

Estimated benefit-cost ratio

The benefit-cost ratio quantitatively assesses the benefits generated by an organization compared to its costs. We estimate this important metric by applying the Slingshot Universal Algorithm,⁶ which includes information such as:

- the number of beneficiaries enrolled in a particular program,
- the estimated dollar value of the benefit created by that program,
- the broader landscape in which this program is conducted, and
- the length of time over which benefits are expected to accrue.

Our approach to estimating benefits begins with collecting as much information as is available on the programs that our partner administers, and the numbers of people served in each program, along with any known outcomes. Next, we review the research literature for any known impacts for the types of programs that this partner provides. If impact estimates have not yet been created for those exact programs, we rely instead on research findings for similar programs.

Finally, in order to compare benefits to costs, we apply any research literature on the economic value of the benefits that Advance might produce for the people it serves. We account for estimated counterfactuals when necessary and run our analyses over ranges of estimates. We apply conservative estimates as a rule.

Use of best practices

This section describes the extent to which an organization creates poverty-fighting change by implementing the current best program models, by following known best practices, or by developing toward those practices. It accounts for the extent to which best practice models actually exist in the literature within specific fields.

Measurement infrastructure

In this section we assess the extent to which an organization has sound practices and processes for collecting, storing, and analyzing program and outcomes data, and if the organization uses that data to increase the effectiveness of its programs. This dimension examines practices across four areas:

- Measurement practices and policies
- Data collection
- Data measurement instruments
- Data storage, security, and analytics

Systems-level change





In this section we assess the extent to which an organization is able to affect poverty-fighting change at a broader level, by influencing other organizations, local institutions, or public policy.

⁶ For more information, please see Appendix 2: The Slingshot Universal Algorithm.

This is intended to capture if and how a given organization is able to create change beyond those individuals it directly serves.

A poverty-fighting change at the systems level should accelerate our shared efforts to improve standards of living.

Advance Memphis’ impact assessment results

Dimensions	Unclear	Negative	At least neutral	At least strong	Very strong
 Benefit-cost ratio	Lack of sufficient research findings in focus area to support confident estimation of benefit	Costs exceed estimated benefits	Benefits and costs similar	Benefits exceed costs	Benefits substantially exceed costs
 Use of best practices	Indiscernible best practices in focus area or insufficient data on partner’s practices	Practices considered problematic or damaging	Limited or no evidence for use of best practices	Some evidence for use of best practices and better practices are developing	Current best practices are consistently followed
 Measurement infrastructure	Unclear what measurement infrastructure is most relevant for area of focus	Measurement practices or use of data can be harmful to partner or its beneficiaries	Limited or no measurement infrastructure; no use to improve impact	Strong measurement infrastructure; limited use to improve impact	Strong measurement infrastructure; consistently used to improve impact
 Systems-level change	Standard for “positive impact” unclear or disputed by stakeholders	Evidence of negative impact on ecosystem	Limited or no evidence of impact on ecosystem in Memphis	Some evidence of positive impact on ecosystem in Memphis	Evidence of powerful, positive impact on ecosystem in Memphis and/or beyond

Benefit-cost ratio

The extent to which an organization measurably benefits the people it serves, as estimated against costs.

Dimensions	Unclear	Negative	At least neutral	At least strong	Very strong
 Benefit-cost ratio	Lack of sufficient research findings in focus area to support confident estimation of benefit	Costs exceed estimated benefits	Benefits and costs similar	Benefits exceed costs	Benefits substantially exceed costs

Based on our analysis, we conclude that Advance Memphis creates estimated benefits that exceed costs. As such, their estimated benefit-cost ratio is “at least strong.”


Similar to our analysis from last year, we find that most of the value created by Advance Memphis is in job training and placement, mostly through placement into part-time jobs. While

the estimated increase in income is smaller there than with full-time job placement, over half of Work Life graduates find part-time work. One in seven graduates find full-time employment. We include the entrepreneurship programs - Launch and Launch Intensive - in our estimates, in terms of new jobs created and savings matched. We also include conservative estimates for the monetized benefits of high school equivalency test preparation classes, financial empowerment and literacy, and mental health supports, based on research findings for similar programs, although the research support for these benefits is less robust.

New this year is a change in the time horizon we applied to changes in income due to job training and placement. In the past we used a very generous time horizon - 30 years - under the assumption that the income boost would persist for the duration of one’s working life. As it happens, research suggests that, for graduates of the highest quality job training programs, the income boost fades after six years, and those graduates earn as much income as those who hadn’t received job training at all. (The time horizon of benefits is even shorter for graduates of medium or poor quality job training programs.) Thus, in order to make our impact estimates as accurate as possible, we employ a six-year time horizon for job training benefits.⁷

Use of best practices

The extent to which an organization creates poverty-fighting change by implementing the current best program models or by following known best practices, or by developing toward those practices.

Dimensions	Unclear	Negative	At least neutral	At least strong	Very strong
 <p>Use of best practices</p>	Indiscernible best practices in focus area or insufficient data on partner’s practices	Practices considered problematic or damaging	Limited or no evidence for use of best practices	Some evidence for use of best practices and better practices are developing	Current best practices are consistently followed


Based on the fact that Advance Memphis implements quality curricula for their main job training program and uses a continuous quality feedback loop to inform program improvements, we rate Advance Memphis’ implementation of overall program practices as “at least strong.” The curriculum, Work Life, was developed initially from the Jobs for Life curriculum, which has been rigorously evaluated and found to produce benefits.⁸ The Work Life curriculum has been rewritten with assistance from the Chalmers Center and, as such, the Jobs for Life evaluation results are not directly related. However, given the level of attention to quality and outcomes that the Advance Memphis team demonstrates in their work, we think their work is grounded in best practices or the pursuit thereof.

⁷ Greenberg, D., Deitch, V. & Hamilton, G. (2010). A synthesis of random assignment benefit-cost studies of welfare-to-work programs. *Journal of Benefit-Cost Analysis*, 1(1), 1-28.

⁸ Sherman, A. and Owen, K. (2017). Jobs for Life national evaluation. A report by the Sagamore Institute’s Center for Faith in Communities. Sagamore Institute: Raleigh, NC. <https://www.jobsforlife.org/files/uploads/SagamoreExecutiveSummary.pdf> Retrieved October 5, 2018.

Measurement infrastructure

The extent to which an organization has a measurement infrastructure and uses it to increase the effectiveness of its programs.

Dimensions	Unclear	Negative	At least neutral	At least strong	Very strong
 <p>Measurement infrastructure</p>	Unclear what measurement infrastructure is most relevant for area of focus	Measurement practices or use of data can be harmful to partner or its beneficiaries	Limited or no measurement infrastructure; no use to improve impact	Strong measurement infrastructure; limited use to improve impact	Strong measurement infrastructure; consistently used to improve impact

Advance Memphis’s data measurement infrastructure has significantly improved over the past year. The organization has successfully migrated to Salesforce to handle daily operations and procedures. Being more user-friendly than the previously used platform, the new system is more widely adopted by staff and has facilitated data measurement and analysis.


Advance Memphis has a remarkable opportunity to continue to improve its measurement practices, to better monitor and achieve its annual data measurement goals, and to effectively use data for decision making by leveraging the affordance of its new data tracking and management system.

It is already collecting a wide range of information about its program participants (i.e., demographic data, labor market experiences, and criminal justice history), the courses it teaches, as well as participants’ attendance and graduation information, in a consistent way. However, this data is not fully sufficient to evaluate the potential impact on the lives of their beneficiaries.

More effort needs to be done to track graduates’ labor market activity, including length of employment, wages, and profession. Advance Memphis could also track participants’ progress and performance throughout the program as well as employment termination information, when available, and use that information to increase the quality and relevance of their courses.

Systems-level change

The extent to which an organization is able to affect poverty-fighting change at a broader level, i.e., by influencing other organizations, local institutions, or public policy.

Dimensions	Unclear	Negative	At least neutral	At least strong	Very strong
 <p>Systems-level change</p>	Standard for “positive impact” unclear or disputed by stakeholders	Evidence of negative impact on ecosystem	Limited or no evidence of impact on ecosystem in Memphis	Some evidence of positive impact on ecosystem in Memphis	Evidence of powerful, positive impact on ecosystem in Memphis and/or beyond

In terms of systems-level change, we find that Advance Memphis is best described as “at least neutral.”

We should note at the outset that creating systems-level change is not part of Advance’s mission, nor does it inform their operations. By its nature, Advance Memphis is a “bottom up” organization, meaning that it seeks to create change at the individual level. Naturally, changing the individual can filter up to the community or some higher level, but that is not what Advance explicitly sets out to do.

That being said, there is evidence the staff and leadership of Advance Memphis do in fact create systems-level change through influencing similar organizations. For example, Advance Memphis is frequently sought out for advice and input by other nonprofits in the area. The Work Life curriculum - developed by Advance Memphis - is taught at the Memphis Center for Urban Theological Studies (MCUTS). Other job training programs are often assessed relative to Advance Memphis, in terms of performance and outcomes.

Further, we want to recognize that the staff and leadership of Advance Memphis has, in the past, conducted training seminars for nonprofit leaders and employees from across the country in its Work Life curriculum. MCUTS now conducts these training seminars with Advance’s curriculum. While this work does not directly impact poverty within Memphis or Shelby County, it is a clear example of how Advance Memphis’s influence extends well beyond its participants.

Potential benefits not yet included in our analyses

Our work focuses only on the benefits to the *individuals* who are participants in programs provided by Advance Memphis. As such, we do not include the benefits to *society* from our partners’ work. If we were to broaden the scope of our analysis and include the benefits to society from these outcomes, we could include the increased labor market activity, employment, and tax revenue from successful job training and placement. We could also include lowered costs of policing and justice as fewer individuals are arrested, due to an increase in the opportunity cost of criminal activity. Further, we could include taxpayer savings on government supports, as fewer people require food stamps, Medicaid, and other forms of public assistance.

The inclusion of these benefits to society could increase the impact created by Advance Memphis without affecting the cost of the program, thus boosting its overall benefit-cost estimates.

Conclusions, insights, and recommendations

We hope that our research and analyses produce valuable insights, highlighting both strengths and opportunities for improvement for our partners. One of the primary goals behind the development and adoption of the Slingshot Impact Assessment is to encourage our nonprofit partners to take active steps to improve their operations across the impact assessment's dimensions - estimated benefit-cost ratio, best practices, measurement infrastructure and systems-level change. Given what we have learned about Advance Memphis, along with the multiple dimensions over which we have assessed its programs, we would like to offer our own insights, recommendations, and our active working partnership to pursue poverty-fighting solutions.

We recommend a continued focus on improvements in data collection and measurement, particularly on the progress of enrollees as they make their way through Advance Memphis programs, and on tracking the post-program labor market activity of graduates. Additionally, we would like to learn more about the IDA program, specifically what participants do with the funds they receive, and how those outcomes might help to reduce poverty.

Our overarching goal is to fight poverty in Memphis. We believe that Advance Memphis's work contributes to that fight. To that end, we hope to continue to partner with Advance Memphis to improve outcomes for residents of zip codes 38126 and 38106, expand best practices, and make systems-level change in such a way as to create the greatest poverty-fighting impact. We view this report not as an end to our work, but the beginning of a new stage of it.

Appendix 1: The Slingshot Universal Algorithm

Early in our work here at Slingshot, we recognized that explaining our methods required taking several steps beyond what most of our audiences had heard. This is not simply measuring the number of people who graduate from some program or another, or how many meals were served at a shelter. Our methods had to consider many other important factors, ones that standard nonprofit measurement typically ignores: the pre-treatment condition for nonprofit program participants; the number of alternatives to a given program's work; the network of organizations that partner to create positive outcomes. For many people, this was new.

Our monetization work relies heavily on that of the Robin Hood Foundation, New York's largest poverty fighting organization. Their tools, research, and ongoing counsel have proven invaluable to our early work.

While leveraging Robin Hood's resources, as well as resources from other like-minded organizations across the country, we have also been developing entirely new tools and processes. Among these innovations, we are most excited by the Slingshot Universal Algorithm (SUA).

As the figure below shows, the Slingshot Universal Algorithm (SUA) is divided into four broad sections:

1. Beneficiaries impacted
2. Impact shadow price
3. Ecosystem discount
4. Adjusted time horizon

Each of these sections captures some aspect of how nonprofit organizations add value to the lives of their participants. Section 1 measures the number of people who are *actually affected* by an intervention, as opposed to the (often) larger number of people who simply receive the intervention. Section 2 captures the net value added, which takes into account the post-intervention outcome as well as the pre-intervention state for those individuals from section 1. Next, section 3 factors in the other organizations and interventions that contribute to the success of the program in question. Last, section 4 measures any future benefits that an intervention might create, and discounts them into present value terms.

Among other benefits, the SUA streamlines the often daunting process of impact monetization. Thus, it allows us to scale our reach, and therefore multiply our impact, while using less bandwidth. Equally important, whereas many efforts to scale diminish quality, we believe the SUA facilitates a high degree of accuracy relative to cost.

Figure 1: The Slingshot Universal Algorithm.

Slingshot Universal Algorithm

<p>Beneficiaries impacted</p> <p>*</p> <p>Impact shadow price</p> <p>*</p> <p>Ecosystem discount</p> <p>*</p> <p>Adjusted time horizon</p>	$ \begin{aligned} & [G * (P(outcome) - Cf_{outcome}) * \prod_{i=1}^{\theta} (\gamma_i * \varphi_i)] \\ & * \\ & [\mu_{payoff} - Cf_{benefit}] \\ & * \\ & [(1 - Cf_{treatment}) * I_c * I_a * D_c * D_e] \\ & * \\ & [\sum_{\lambda=\alpha}^{\omega} (\frac{\prod_{k=0}^m (1 + g_k)}{\prod_{l=1}^n (1 + g_l)})^\lambda] \end{aligned} $
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One additional benefit of the SUA has been a more clear roadmap of what data are available and what are missing. This has helped our team prioritize our energy and shed light on areas of great need, such as baseline information and time horizons.

Of course, like any model, the SUA is only as good as its inputs. We acknowledge the challenges involved in collecting relevant and clean data. Furthermore, we recognize that the efficacy of any model is driven largely by the assumptions that it makes, and therefore narrowing our margin of error is predicated on finding better, more accurate data.

We want the local market to improve its use of data in making decisions, and the best way to do so, we think, is with the SUA. This being said, our work on the SUA is far from complete. We will be refining and expanding this work for years to come. But this early framework is already equipping us to generate “good enough” results and reduce our margin of error with continued use.

Appendix 2: Summary of Slingshot's analytical process

Step 1: Initial engagement

- We begin with our first official meeting of the year, usually in mid to late January.
- At this time we request annual reports and other documents, to begin understanding programs and possible impact.
- The goal is to begin to develop our understanding of your programs and how they create value in the lives of the people that you serve.

Step 2: Data practices

- We learn about your measurement practices.
- In particular, we learn what sort of information you track about your participants and programs, how you store it, report it, and whether there are challenges for you in this aspect of your work.
- The goal of this step is to take a census of your data collection practices, so that we begin to understand what additional information might be needed in order to estimate your impact.

Step 3: Impact chains

- We construct the “impact chains” associated with your programs.
- An impact chain is a step-by-step breakdown of the pathway through which your programs might create value in the lives of the people you serve.
- Our work to estimate the monetized value of your work is informed by the impact chains although, due to limitations on program data and external estimates, we often are not able to monetize all of the impact chains.

Step 4: Key performance indicators (KPIs)

- We determine “key performance indicators,” or those individual variables we would need in order to fully estimate the benefits and monetized value of your organization's effects on the people you serve.
- Again, since some of these variables were not available via direct measurement or estimation, some aspect of your work was not monetized.

Step 5: Analysis and reporting

- We process and analyse the data received from you and obtained from our research.
- We run sensitivity analysis using ranges of the metrics that the benefit is most responsive to, and we estimate the margin of error of the calculated benefit cost ratio.
- We write a summary of our findings from the first half of the year to describe our findings and to open discussion for further work in the remainder of the year.

Appendix 3: Advance Memphis impact tree

