

## Massachusetts Pathways to Economic Advancement Pay for Success Project

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*The Government Performance Lab (GPL) provided pro bono technical assistance to help Massachusetts launch its third Pay for Success (PFS) initiative – the MA Pathways to Economic Advancement project. This project will provide vocationally-oriented adult basic education and English for Speakers of Other Languages (ESOL) services to approximately 2,000 adults over the course of three years.*

**Workforce Skills Gap:** While Massachusetts has some of the highest educational performance in the country, the state continues to face challenges in supporting the employment and career success of English language learners and those who have not achieved high school credentials. A significant portion of residents do not hold a high school diploma or equivalent (~11%) and/or are earning less than \$15,000 per year (~12%). The poverty rate among those having less than high school attainment is ~25%, compared with ~11% for those with high school attainment. In addition, ~16% of residents 18 years and older speak a language other than English.

Although considerable resources have been devoted to providing workforce initiatives and adult basic education to aid these individuals in gaining competitive employment in the labor market, demand for services remains high as the majority of new jobs are projected to require at least some postsecondary education.

**Applying Pay for Success Strategies:** To improve the employment, earnings, and educational outcomes of residents with limited English proficiency, the GPL and project partners:

- 1) Employed a whole-population approach to purposefully match the right individuals with the right services:** Based on a comprehensive analysis of the target population, the Pathways PFS project targets six communities in Massachusetts with high concentrations of people on waitlists for English language and adult basic education support services.
- 2) Executed a results-driven procurement for services to address unmet demand and better align the Commonwealth's adult educational programming with positive outcomes:** The procurement explicitly sought an intervention that would transition adults to improved employment and/ or higher education, generate income and sales tax revenues, and reduce safety net spending. Jewish Vocational Services (JVS) was selected as the service provider for the project based largely on their evidence-based record of achieving these outcomes for the identified target population.
- 3) Developed data-driven outcome metrics and payment terms to incentivize achieving impact for participants through meaningful outcomes:** Historical wage and post-secondary education data were analyzed to develop appropriate targets and pricing. Selected outcomes for the Pathways PFS project include increased earnings, college attendance, and program engagement.
- 4) Guided the development of a rigorous evaluation to enable the state's leaders to learn which programs work and inform future funding decisions:** The most rigorous evaluation options were determined for each project track, including a randomized control trial (RCT) to evaluate the largest track.

- 5) **Designed the Pay for Success contract to provide 2,000 adults with vocationally-oriented English language services and adult basic education:** The Pathways PFS project is expected to improve earnings and education outcomes for participants. The PFS contract sets forth the obligations and collaborative relationship of the parties, and incorporates the program evaluation component and achievement metrics calibrated so that the Commonwealth will pay for successful program outcomes.

**Pathways to Success:** In June 2016, Massachusetts signed a contract for its third PFS initiative—the MA Pathways to Economic Advancement project. This Pathways project will provide vocationally-oriented adult basic education and ESOL services to approximately 2,000 adults with low or intermediate-level English skills over the course of three years, with state payments contingent on measurable improvements in the project’s three outcome areas: increased earnings, successful transition to higher education, and program engagement.

In addition to expanding evidence-based adult basic education services and providing critical workforce skills to individuals who need them, the Pathways PFS project is testing new strategies and pushing the PFS field forward in important ways, including through:

**1. Development of the first workforce-oriented PFS project in the nation**

In the past few years, the PFS field has rapidly expanded to address new issue areas in jurisdictions across the country. PFS projects have been launched to address recidivism, homelessness, maternal and early childhood health, Pre-K access, and juvenile justice. Massachusetts has been a pioneer in PFS development, and continues to do so by launching its third PFS project and the first ever PFS project to specifically tackle workforce development.

**2. Application of different evaluations for different project components**

The project consists of four different programs, which target different segments of the ESOL population. As such, these programs have different intake processes and varying outcome goals. The programs required different evaluation methods and payment metrics, resulting in a portfolio payment model which diversifies risk across subprograms.

*The Government Performance Lab at the Harvard Kennedy School conducts research on how governments can improve the results they achieve for their citizens. An important part of this research model involves providing pro bono technical assistance to state and local governments. Through this hands-on involvement, the Government Performance Lab gains insights into the barriers that governments face and the solutions that can overcome these barriers. For more information about the Government Performance Lab, please visit our website: [www.govlab.hks.harvard.edu](http://www.govlab.hks.harvard.edu).*

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