



Macquarie Group Foundation Australian grant-making approach

Supporting economic
opportunity for
young people

January 2018

Background and acknowledgements

About the Macquarie Group Foundation

The Macquarie Group Foundation provides support to community organisations globally each year through financial support, volunteering and skills sharing, predominantly in the locations in which Macquarie operates. Our work is significantly influenced by the activities of Macquarie staff with a focus on capacity building within the community sector and increasing social and economic mobility.

About the Centre for Social Impact

The Centre for Social Impact (CSI) is a national research and education centre dedicated to catalysing social change for a better world. CSI is built on the foundation of three of Australia's leading universities: UNSW Sydney, The University of Western Australia, and Swinburne University of Technology. Our research develops and brings together knowledge to understand current social challenges and opportunities; our postgraduate and undergraduate education develops social impact leaders; and we aim to catalyse change by drawing on these foundations and translating knowledge, creating leaders, developing usable resources, and reaching across divides to facilitate collaborations.

About this report

In 2017, the Macquarie Group Foundation in Australia decided to focus its grant-making attention on organisations working to promote equality of opportunity in economic engagement for young people in Australia.

The Foundation commissioned CSI to explore this area to advise where its investment and Macquarie staff involvement could have the greatest social impact and determine how this may be measured. This involved reviewing evidence-based practice about what works to ensure young people have equal opportunities to be engaged economically and producing a theory of change outlining how Macquarie can influence outcomes regarding young people's economic engagement.

As well as funding direct services, the Foundation may also provide capacity building funding to organisations to support their efforts in this area, as well as potentially encourage further support within Macquarie Group, such as work experience for young people and staff volunteering. The Foundation's grant indicator bank, a list of measurable markers that can be used to measure progress against outcomes, is also included in this report for the information of prospective grantees.

This is a summary version of CSI's more detailed study.

Citation

Powell, A., Muir, K., Salignac, F. and Meltzer, A. (2017) Strategic Grant Making: Young people's economic engagement. Report for Macquarie Group Foundation. Centre for Social Impact, UNSW: Sydney.

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Foreword

Shemara Wikramanayake

At the Macquarie Group Foundation, we want to achieve the most significant social impact possible, using not only our financial resources but also the skills and networks of Macquarie employees.

Our work is significantly influenced by the community activities of our employees, with the vast majority of our funding allocated to matching staff donations and fundraising. A smaller portion of our funding is available for strategic grant-making.

As part of a recent review of the Foundation's goals, we have chosen to maximise our social impact by focusing our grant-making on particular community areas within each of the regions we operate (Australia/New Zealand; the Americas; Asia; and Europe, the Middle East and Africa). The focus areas selected are based on where staff in that region have demonstrated interest because as a corporate foundation, we take our lead from the employees who make up the wider organisation.

In Australia, we identified that a key area of interest were charities working to address disadvantage, particularly amongst young people. We commissioned a report from one of our grant partners, the Centre for Social Impact (CSI), to help us determine how we could have the greatest impact in this area.

As CSI notes in this report, providing opportunities and support for young people's social and economic engagement is critical, especially for those who might not have the same starting points or opportunities as others. Young people (defined primarily as those aged 15-24) face particular vulnerabilities when they are disengaged from education, employment and/or training. There are over 580,000 young Australians in this situation, with almost 1 in 3 young people either unemployed or wanting more employment. We felt this created an area of scale in which the Foundation could invest time and money, to ultimately increase our social impact.

At Macquarie, one of our long-held principles is around opportunity. Without educational and economic engagement, short and longer-term career opportunities are inevitably diminished, people's living conditions and health can suffer, and social cohesion can deteriorate. Our new grant making strategy focuses on organisations working to improve this. It is a step change in the way our Foundation supports the community and I'm pleased that we can be part of this.

Shemara Wikramanayake
Chair, Macquarie Group Foundation



Key research highlights

- The economic engagement of young people is important for society and for young people themselves.
- For young people themselves, economic disengagement (not being involved in education, training or employment) increases the risk of negative outcomes including:
 - poor health
 - not involved in employment, education or training (also referred to as NEET for example, insecure work)
 - poor social outcomes and overall wellbeing.
- Increased economic engagement among young people is increasingly important as the workforce ages and the government aims to reduce public service costs.
- At the same time, experiences of disadvantage also increase the risk of young people disengaging. This includes experiences of homelessness or unstable housing, disability, mental illness, substance misuse, domestic violence and parental/carer responsibilities.
- The causal relationship between economic engagement and other outcomes is often therefore difficult to disentangle.

Key risk factors for young people's economic disengagement include:



Mental health
(high levels of
psychological distress)



Having a disability



Being from an Aboriginal
or Torres Strait Islander
background



Living in a rural or
regional area



Living in a low
socio-economic area

To read more about the economic engagement of young people, see our accompanying online report:

www.csi.edu.au/economic-engagement-young-people/

What do we know works?

Historically, young people who are economically disengaged have been considered ‘a problem’ that needs fixing, with typical solutions and policy interventions targeted at preventing disengagement and promoting re-engagement via training, work experience and mentoring.

More recently, scholars and practitioners have argued for a more holistic approach that considers social and economic influences including structural inequalities and the community and family environment in which young people live.






Based on a review of national and international literature, programs and initiatives, a range of outcomes have been identified that are important for achieving equality of opportunity in economic engagement, as well as protective and risk factors that can also affect young people on their pathway (see table on the right).

How Macquarie Group Foundation will promote equality of opportunity in economic engagement for young people in Australia

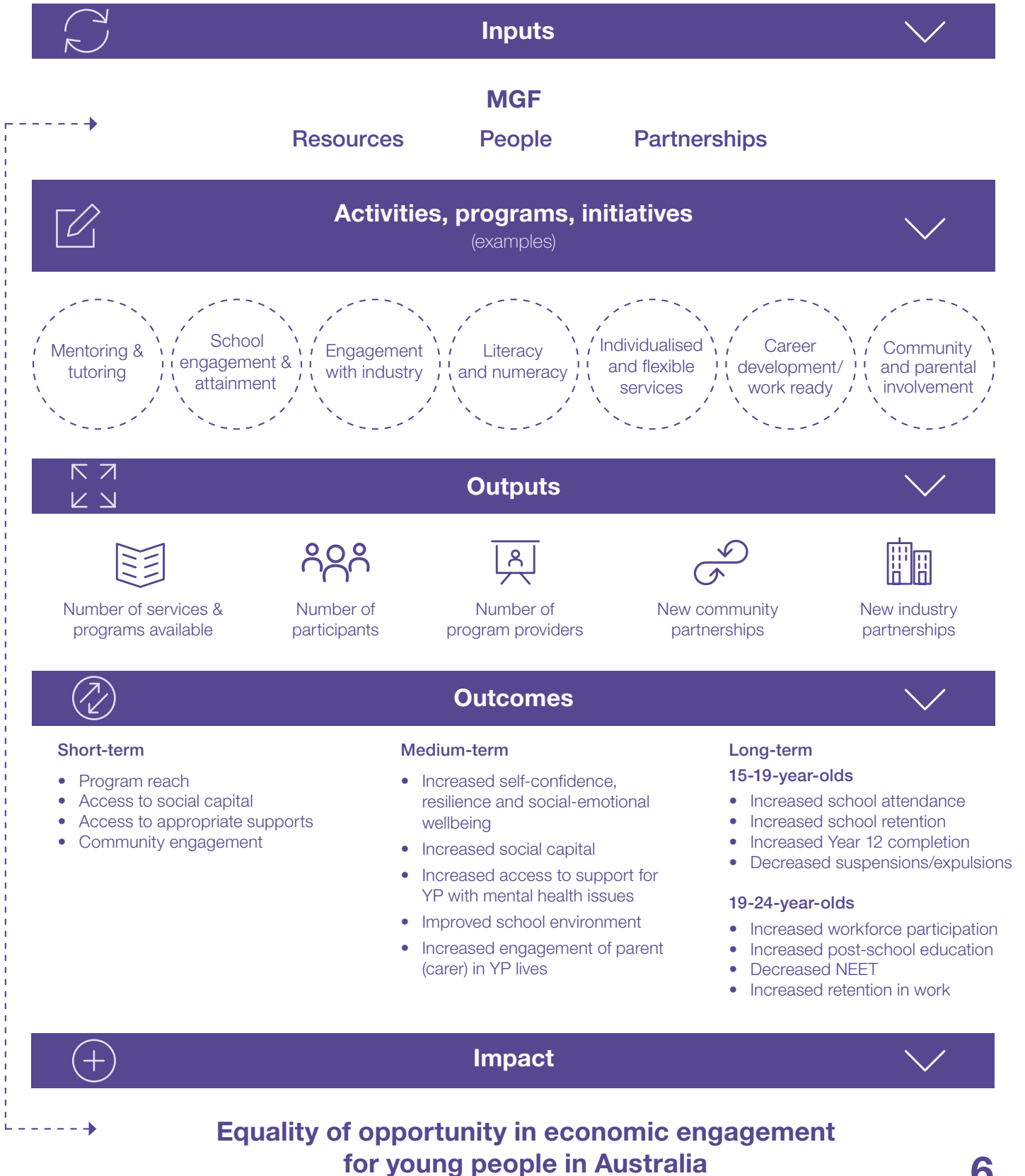
Key outcomes, protective and risk factors in youth economic engagement:

| DOMAINS | OUTCOMES |
|---------------------------------|---|
| Key indicators | Engagement in education Educational attainment Work readiness Transition to employment Successful transitions to employment |
| DOMAINS | PROTECTIVE AND RISK FACTORS |
| Wellbeing | Resilience Self-confidence Social-emotional wellbeing Physical and mental health |
| Social capital | Relationships Involvement in community |
| Support for young people | Career Pedagogical support Services |
| Family and household | Economic circumstances Housing Parent (carer) physical and mental health Safety |

Our efforts will focus on the following areas:

-  Funding for programs and initiatives and activities that promote equality of opportunity in young people's economic engagement.
-  In-kind support to promote young people's economic engagement (e.g. work experience at Macquarie; mentoring of young people by Macquarie staff).
-  Funding or in-kind support for capacity building among organisations that address young people's economic engagement (e.g. staff training in outcomes measurement; leadership training; mentoring of community leaders by Macquarie staff).
-  Facilitate cross-sector collaboration (e.g. hosting events that bring together aligned organisations to identify shared goals and opportunities to work together).
-  Advocacy and awareness raising of the issues around young people's economic engagement and what works to promote it for all young people.

Macquarie Group Foundation theory of change



Grant-making criteria

From 2018, the Macquarie Group Foundation will be looking to apply the following indicators in its grant-making that grantees will be required to report against. The selection of indicators will depend on the age group that initiatives are focused on.



Outcomes for 15-19-year-olds



Indicators

School attendance rates of young people

Apparent retention rate from Year 10 to 12 and from Year 11 to 12

Proportion of young people who have attained at least Year 12 or equivalent

Frequency of suspensions and expulsions from school



Outcomes

Increased school attendance

Increased school retention

Increased Year 12 completion

Decreased suspensions/expulsions



Outcomes for 19-24-year-olds



Indicators

Proportion of young people in employment

Proportion of young people in post-school education or training

Rate of young people not in employment, education or training (NEET)

Proportion of young people able to retain employment for at least 12 months



Outcomes

Increased workforce participation

Increased post-school education

Decreased NEET

Increased retention in work

The full indicator bank (available to Macquarie Group Foundation grantees) includes a longer list of indicators that map against the outcomes as well as risk and protective factors. These are indicators that grantees may find useful to collect data and report on, depending on the focus of their initiatives or programs.



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