

Hudson Valley Youth Innovation Initiative

For the last five years, Hudson Valley Pattern for Progress, a regional think tank, has hosted an innovative regional leadership program called the Pattern Fellows Program. The Fellows Program is aimed at expanding the horizons of those already acknowledged as leaders in their respective communities and disciplines, by helping them serve as models for those seeking to bring a more regional perspective to their work.

Each program culminates with the completion of several group projects focused on issues that impact the region. This year a team of fellows has chosen to focus its project on encouraging youth entrepreneurship in the Hudson Valley.

We all hear about the “youth flight” from our region and state to areas where there is a perception of greater opportunity. We also know that many of our young people are creative and innovative thinkers dreaming of ventures and businesses they would start if they had the resources. What we want them to do is to dream about creating opportunities here in the Hudson Valley.

Inspired by the “Syracuse Student Sandbox”¹ model, our project goal was to begin developing an environment within the region that would encourage young people to explore and develop their entrepreneurial instincts. How we would create this environment would be to start in one or two school districts, piloting a program that would bring together the mentors, resources and connectivity needed to take an idea from concept to implementation.

Rather than create an entirely new model, our goal was to identify existing, successful programs and determine if we needed to bridge a gap in awareness about the program, customize elements of the program to meet local needs or attract funding and other resources needed in order to shift the existing paradigm to one which cultivates innovation and entrepreneurship.

To start the research of existing programs, we had to define the target area (which counties, which organizations, and which age groups). The remaining tasks would then include: conducting a scan of the environment (inventory existing programs at the national, state and local levels); conducting a needs assessment (strengths and weaknesses of each program identified, as well as best practices); and choosing a model to replicate in the Hudson Valley. If we did not find a model suitable for this region, the group considered adapting a program(s) to meet the local need.

Potential challenges that our group anticipated with implementing a program were:

¹ <http://www.syracusestudentsandbox.com/>

- Competing with other after-school or in-school activities,
- A lack of resources, mentors, and/or committed leadership,
- Adding expenses to school districts that are looking to reduce budgets and staffing, and
- Engaging the more challenging at-risk youth that lack the proper support system.

In the early stages of the project development, we brainstormed regarding aspects that we valued and wanted to prioritize in the program. Some of those items were:

- Programs that culminated in contests or competitions;
- Programs that encouraged innovation;
- Programs that provided the benefit and value of social networking; and
- A program with a technology-based platform. (See Attachment A for additional research)

Several of our perceived challenges were validated when we conducted an interview with Peter Copeletti, former Executive Principal for Newburgh Free Academy. Based on his insight and 35 years experience in the District, we accepted the following guidance:

- Do a trial in one or two school systems and expand later;
- Phase the project- start small with an online program that could potentially be “turned over” to the students to develop with proper guidance;
- Requiring teaching staff or additional resources would present an obstacle;
- If housing it in a school system, it would be better to utilize a career center, guidance counselor’s office, or a club;
- The needs and the focus will vary for each school district location; and
- Use the school as a conduit to reach the audience. Then market it as a companion piece to a school curriculum.

For the first task -defining the target area- we established definitions: We defined the “Hudson Valley” as Westchester, Putnam, Rockland, Orange, Dutchess, Sullivan and Ulster Counties. We defined “entrepreneurial” as entrepreneurial skill building, from awareness to education; opportunities for enterprising skills development; to exposure in community service, work experience, internships, and business clubs. In terms of defining the target audience, initially, we wanted to capture “youth” as early as possible to develop a program continuum, where young people could participate in various stages, from awareness to application, from elementary through high school, and targeting not just the over-achievers, but the out of school youth as well. However, this initial concept was too expansive to tackle in the eight month time frame. So, we narrowed the definition to: in-school youth ages 15-18.

The secondary task of scanning the environment was the most labor intensive aspect of the project. First, we established a matrix of relevant data that we needed to collect on

each program to enable a fair comparison. We chose: the program name, contact person, cost to implement and sustain, program focus, number of years in existence, geographic reach, demographic served and whether it was a replicable program, as the relevant data points.

The initial searches yielded six national programs and approximately a dozen distinctive, state models. Our program analysis on the national level resulted in several nationally recognized templates embracing innovation including: **Network for Teaching Entrepreneurship (NFTE)**, **Junior Achievement**, and **BizKid\$**. Below is our initial analysis of each:

Network for Teaching Entrepreneurship (NFTE) provides a program for entrepreneurial education aimed at low-income communities. NFTE's programs are geared toward high school and middle school students. (It's aimed at schools where at least 50% of children qualify for free or reduced priced lunch). Characteristics of the program included:

- Requires extensive teacher participation and requires each teacher to become a Certified Entrepreneurship Teacher (CET) and be part of a NFTE program.
- NFTE is free for all students. Schools must purchase the curriculum materials for their students, and discounted rates are offered to all current NFTE teachers.
- The NFTE website has a single link for entrepreneurs that are not students which brings up links to the following resources: US Small Business Administration; National Association of Small Business Contractors; StartupLoans.org; Commerce; Women.

Our conclusion: the focus on low-income children and that it requires teacher involvement and certification were elements that would probably not be a fit for this project. In addition, there was no way of gaining access to the curriculum without actually purchasing it, so it was impossible to determine if there were any replicable components/modules for our model.

Another option we evaluated was: **Junior Achievement (JA)**. JA is the world's largest organization dedicated to educating students about workforce readiness, entrepreneurship and financial literacy through experiential, hands-on programs.

JA's approach allows volunteers from the community to deliver its curriculum while sharing their experiences with students. Embodying the heart of JA, its 382,637 classroom volunteers transform the key concepts of its lessons into a message that inspires and empowers students to believe in themselves, showing them they can make a difference in the world.

It reaches more than four million students per year in 176,000 classrooms and after-school locations. JA programs are taught by volunteers in inner cities, suburbs, and rural areas throughout the United States, in more than 120 Area Offices in all 50 states. (Local presence located in Westchester County). Key components to the program:

- Educators are critical to the success of Junior Achievement. The JA program brings students an engaging, hands-on, experience through a unique delivery system.
- The programs are administered by a trained volunteer from your community who is willing to share his/her life experience with your class.

JA has programs for K – 12 through the following programs: Elementary School Programs; Middle Grades Programs; High School Programs; Junior Achievement Globally Distributed Programs; and JA Lights the Way with the Capstone Experience.

Our conclusion: What would work: JA appears to be the one of the most comprehensive entrepreneurship programs available; Caters to the age groups (middle school – high school) that we are targeting. What may not work: Requires sustained teacher and volunteer involvement to be effective; Programs primarily based on physical world teaching with little virtual presence.

The last program we examined further on the national level was **BizKid\$**. The City of Rochester Bureau of Recreation's Biz Kid\$ program provides interactive, applied business and entrepreneurial education to city youth ages 10-18. It caters mainly to students from low-income homes as 80% of Rochester School District students are eligible for free or reduced price lunches. (Program target audience is therefore similar to NFTE's).

The program consists of various components:

- **BizKid\$ Camp**: A week long camp attended by 20-25 students between the ages of 10-18 which is held 4 times per year during school breaks.
- **BizKid\$ Real**: is a collaboration between the City of Rochester Bureau of Recreation's Biz Kid\$ program, the Rochester Public Market, the Credit Education Bureau and the New York State Farmers Market Federation. A team of approximately 12 youth are tasked with creating a healthy snack made of New York State produce to be packaged and sold at the Rochester Public Market and the New York State Fair. The team must go through all of the steps typical to business development including planning, research, production, marketing and sales. Participants meet on a monthly basis from January to June at which time they become paid employees under the City of Rochester's Summer of Opportunities program. At the same time team members receive education on

- several financial topics including banking, budgeting, building wealth, wise spending, financial planning, credit and debt.
- **BizKid\$ Beyond:** Graduates of the Biz Kid\$ camp are invited to attend special one day seminars held four to six times throughout the year to deepen their understanding of entrepreneurship as well as keep them excited about starting their businesses. Typical sized groups of 30 participants gain hands on experience in fields such as supply and demand, banking and credit, taxes and licenses, product design, business management and customer relations. Topics are supplemented by field trips to local companies which have a professional focus in one of the fields or simulations such as creating a working economy or keeping a budget.

Our conclusion with this program: What works: the program is progressive and allows for continued growth, and it's very well structured and spans a vast array of entrepreneurial educational elements and mediums. What may not work: Focus on low-income youth; it also requires teacher involvement (although not during school time) and the program is primarily based on physical world teaching with little virtual presence. As with NFTE, there is no way of gaining access to the curriculum without actually purchasing it, making it difficult to determine any replicable components/modules for our model.

The state scan produced some locally designed programs (including BizKid\$), as well as Junior Achievement, NFTE, and FBLA. Many of the programs share common approaches to engaging youth in entrepreneurship. All three of these programs represent best practices as utilized in other programs throughout the state, such as offering:

- An entrepreneurial challenge;
- An incubator environment;
- Presentation skill practice before simulated or real groups of investors;
- A way to embed the program into an existing system to ensure continuity;
- An opportunity to teach others how to teach the program to ensure a consistent stream of educators; and
- The need for a committed leadership in order for the program to be a success.

For details on the New York State entrepreneurship programs we assessed, see Attachment B.

For the local scan, the project team broke off into a sub-group, which developed a survey tool (www.surveymonkey.com) to distribute to youth service providers, school districts, BOCES, Cornell Cooperative Extensions, Boys and Girls Clubs, Kiwanis Clubs, Rotary Clubs, and faith based organizations (See Attachment C). Developing a distribution list for the electronic survey was more time consuming than anticipated, but

we were able to tap into several large organization's distribution lists. Approximately 100 surveys were distributed and the group received 34 responses. To supplement the survey tool, we also conducted qualitative surveys, including individual interviews with key representatives of the community that would provide a cross-section of the sample (i.e. school district-rural, school district-urban, school district-suburban, Orange-Ulster BOCES and Putnam Northern Westchester-BOCES.)

The full summary of the survey monkey responses can be viewed in Attachment D. The noteworthy highlights included:

Of the 34 responders:

- 17% put a high priority on the development of young entrepreneurs any way possible, 35% would like to support youth entrepreneurship but other services take precedence, and 32% support youth entrepreneurship based on available resources. However, 100% felt that cultivating the entrepreneurial spirit of the Mid Hudson Valley should be a priority;
- 33% of the organizations have a youth entrepreneurial training program;
- Existing programs focus on grades 9-12;
- The costs per participant average \$5,000-\$8,000;
- Funding sources for their existing services are mostly state grants, and fundraising;
- Most existing programs are replicable;
- 88% of the responders provide community service programs built around business skill building;
- Community service programs are funded primarily by state and county funds, with foundation funding a close third;
- Programs that responders felt were working at the local, state, national level that could be replicated in this region included: NFTE, The Green Teen Community Gardening Program, Y Teen Leaders Club, L.I.F.T. Leadership Program for Teens, FBLA, WISE Program Mentoring program, Junior Leadership Orange, Upward Basketball, Assertive Leadership Training, GET, Youth Build and the cooperative business model such as Mondragon Cooperative in Spain, Equal Exchange Cooperative in Boston and The Entre-Prep program in NYC;
- The most common obstacle mentioned regarding developing the young entrepreneur was a lack of funding; and
- Responders felt the top resources in the Hudson Valley to be utilized to achieve this effort were: the colleges, our proximity to NYC, a large volunteer population (retirees), and organizations like the Chamber, BOCES, 4-H, the faith community, youth bureaus, YMCA and Scouts, as providers for reaching youth.

NFTE was highlighted in the survey monkey as a positive resource. However, it is important to note than in our interview with Putnum Northern Westchester BOCES, we

came to understand that NFTE's mission had changed and that they will now only work with schools where 50% of the population has free/reduced lunch. This indicated for us, that NFTE did not offer enough flexibility to do a comparison across three different demographics, as the project had intended.

In addition, while NFTE was well supported by the survey respondents, this is primarily the demographic that they serve. The team felt that the survey results were also indicative that, for the responding organizations, there may be a lack of awareness, regarding alternative programming.

One of the individual interviews led us to another program: **Virtual Enterprises International** (See Attachment E). Laura Quigley uncovered this program during her interview with Wendy Levinson, head of the Business Department at Monticello High School and Director of the Monticello Academy of Finance.

Origin: After visiting practice firms in Vienna, Austria in 1994 and observing the benefits of this instructional model, the New York City High School Superintendents spearheaded the development of practice firms (virtual enterprises) in seven New York City public high schools—the first program of its kind in the United States. The Virtual Enterprise Program in New York City public schools has drawn national attention as an applied learning instructional model for business, economics, finance and career education. The concept has grown in the United States to include programs in over 500 secondary and post-secondary institutions.

Because the program employs a student-centered approach to learning that emphasizes project-based, collaborative learning, the teacher's primary responsibility is to guide and direct student learning, not to deliver a daily prescribed lesson.

With the guidance of a teacher-facilitator and a business partner, VEI students establish and manage a virtual company, conducting business with other "firms" domestically and internationally. Students are involved in all aspects of running the business, including human resources, accounting, product development, production, distribution, marketing, and sales. Students are assigned to work in different departments, typically Administration, Accounting/Finance, Sales, Marketing, Human Resources and IT. The class selects a CEO and managers who oversee each department. Working in teams to make decisions about how to complete their departmental tasks in support of company goals and objectives, students learn from both their successes and mistakes.

VEI firms conduct business across a network of 5,000 student-run companies spanning 40 countries and a breadth of products and services - from banking, insurance and technology to publishing, advertising, cosmetics, tourism and fashion. The following link

provides guidance on how to establish a VEI program: <http://veinternational.org/get-involved/start-a-ve-program/>

A key and noteworthy element of this program is that because VEI is a Career and Technical Education program, schools that implement it may be eligible to receive VTEA (Carl D. Perkins Career and Technical Education Improvement Act) funding to support costs associated with the program including a specialized laboratory that mirrors a professional office environment. The Monticello Academy of Finance has been considering this program and they have visited the John F Kennedy School in the Bronx to see it in action.

There are a number of aspects that we find particularly appealing with regards to VEI and which are listed elsewhere in this document. In our opinion, the single most important differentiators are that VEI does not focus on students in a specific social demographic, and in the VEI learning environment, the teacher's role changes from "sage on the stage" to "guide on the side."

During our research, we also considered how some of these models were funded. We found that the Kaufman Foundation, consistent with its vision to foster "a society of economically independent individuals who are engaged citizens, contributing to the improvement of their communities" focuses its grant making and operations on two areas: advancing entrepreneurship and improving the education of children and youth. Further examination of the programs, revealed one commonality -the Foundation had provided seed money to each of the national programs that we highlighted in the search.

Conclusion:

- The programs analyzed above consist of the most comprehensive programs that we uncovered in our national, state and local scans.
- Based on the varying needs, resources and demographics across the seven county region, we opted to pilot a program in three school districts: Monticello (Academy of Finance) representing rural, Newburgh Enlarged City School District representing urban and Ossining Union Free School District representing suburban. These schools were also chosen because during individual interviews, they expressed a willingness to host.
- A review of these and other programs not contained in the analysis indicates that there is not a single program available that is purely internet based and 100% self directed. Every program requires substantial involvement of teaching staff and most of them require a classroom setting for at least a portion of the program. VEI comes closest to meeting these requirements.

- Junior Achievement in general appears to be the most well-rounded and successful. JA's local presence is in Tarry Town, NY. Both NFTE and BizKid\$ focus on low to moderate income students and, although both appear to be very successful in their own right, BizKid\$ seems like a better proposition for low-to-moderate-income students due to its comprehensiveness. Yet again, however; these are not self directed or virtual.

In our opinion, VEI offers the best solution for developing entrepreneurship in our region for the following reasons:

- It appears to be the most comprehensive and cutting-edge program of its kind available at present;
- It isn't targeted at any single student demographic other than being focused on high school and college students;
- It can be delivered as a standalone program or as a capstone course to a Career Academy or Small Learning Center.
- Teacher participation is required to be of a guiding rather than a teaching nature;
- It emphasizes college and career readiness through project-based collaborative learning; and
- It offers a truly global approach to entrepreneurship. Through its participation in PEN INTERNATIONAL (Practice Entrepreneurship Network), the U.S. Network maintains international contacts to support international commerce as well as student and teacher exchanges.

We propose implementing VEI in each of the three school districts ready to participate: (Monticello, Newburgh, Ossining) and evaluate the program over a period of three years. The program implementation cost is \$95,465 for 75 students (25 per district), over three years, which is a cost of \$1,272.87 per student to participate in the program. (See Attachment F.)

Recommended Next Steps:

Phase I: Months 0-3:

- 1.) Finalizing school commitments and identifying potential funding sources. (This would include: school contributions, donations, investors, foundation and other grants.)
- 2.) Set up an organizational meeting with the Pattern Fellows Team, key educational stakeholders (i.e. business chairs, supervisors, teachers/guidance counselors) and, if possible, potential funders to propose how to launch.
- 3.) Establish an implementation schedule.
- 4.) Secure school board approvals, if required.

5.) Set-up meetings with VEI personnel, including a site visit to an operating program.

Phase II: Months 4-11:

Short term goals:

- 1.) Get funding commitments
- 2.) Have each school complete the Memorandum of Intent to VEI
- 3.) Register staff for summer professional development
- 4.) Begin building laboratory sites
- 5.) Identify potential students
- 6.) Uniform metrics in place

Uniform Metrics: VEI recommends the school district convene a “self-study” team comprised of relevant stakeholders to review the program and evaluate how the program aligns to the goals and objectives of the school and/or district. After the implementing teachers attend training, however, the Pattern Fellows also recommend that self study teams from each school district collaborate and agree to a common set of metrics/benchmarks, in order to facilitate evaluation across the three demographic areas.

The team’s suggested metrics:

- How many spots were offered?
- Enrollment at the start vs. at the end
- Who enrolled (socioeconomics, race, GPA)
- Was a great idea identified by a participant?
- Will the host school continue the program? Expand it?
- Number of grants/sponsorships received by pilot and future projects
- Recognition of pilot program participants by VEI and other institutions/organizations / Special achievements?
- A similar comparison in years 2 & 3 to measure growth of the initial pilot programs

From a macro perspective:

- How many programs in the region at the commencement of our pilots (we’re starting with 3) vs. in years 4, 5 & 6?

After the initial training, the teachers may want to add additional metrics. In addition, we are recommending that the key stakeholders develop a way to follow-up and compare progress or challenges during implementation as well. Minimally, they should set up a method to communicate monthly, and even more frequently during the initial start-up.

Participant Evaluation

An important part of our project is the inclusion of the region's youth. Their voices are critical to any success we hope to achieve in creating a regional network of entrepreneurial programs. Again, while VEI conducts participant surveys, we are recommending our own survey of participating youth to understand from their perspective: how it operated within their school district.

- What did students think was the most valuable aspect of the program?
- Were there challenges to participating?
- Was a venture of any kind started as a result of this class? If so, will they continue with that?
- Will participants look to take additional courses in this area?
- Will they go to college to pursue a related field?
- What changes would they like to see made to the program?

Phase III: Beyond Month 11

Long term goals:

- Roll out September 2013;
- On going data collection and analysis;
- Expansion of program to other school districts in Hudson Valley region; and
- Expansion of the program to other schools in the region to begin building a entrepreneurial network for Hudson Valley youth.

Summary

This project brought together five individuals from within the region with different careers, experiences and perspectives. We came together around the goal of finding an innovative and entrepreneurial youth program that could be piloted in the Hudson Valley. We went from initially designing a program as though we were programmers with an unlimited budget (and time) to confusion, then moved on to frustration, retreated to our respective corners took some deep collective breaths and came together around our proposal. During this time our project mentor, Jonathan Drapkin, acted as cop, coach and consultant when necessary.

This process is reflective of what it is like to work regionally. There are great ideas, not so great ideas, conflicting schedules, conflicting priorities, laughter and tension and hopefully a good dose of reality ending with a project or product that is solid and represents the best of everyone.

Hudson Valley Youth Innovation Initiative

Group Members: Dana Levenberg, Melissa McCoy, Juan Oelofse, Laura Quigley, Julie Richmond

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