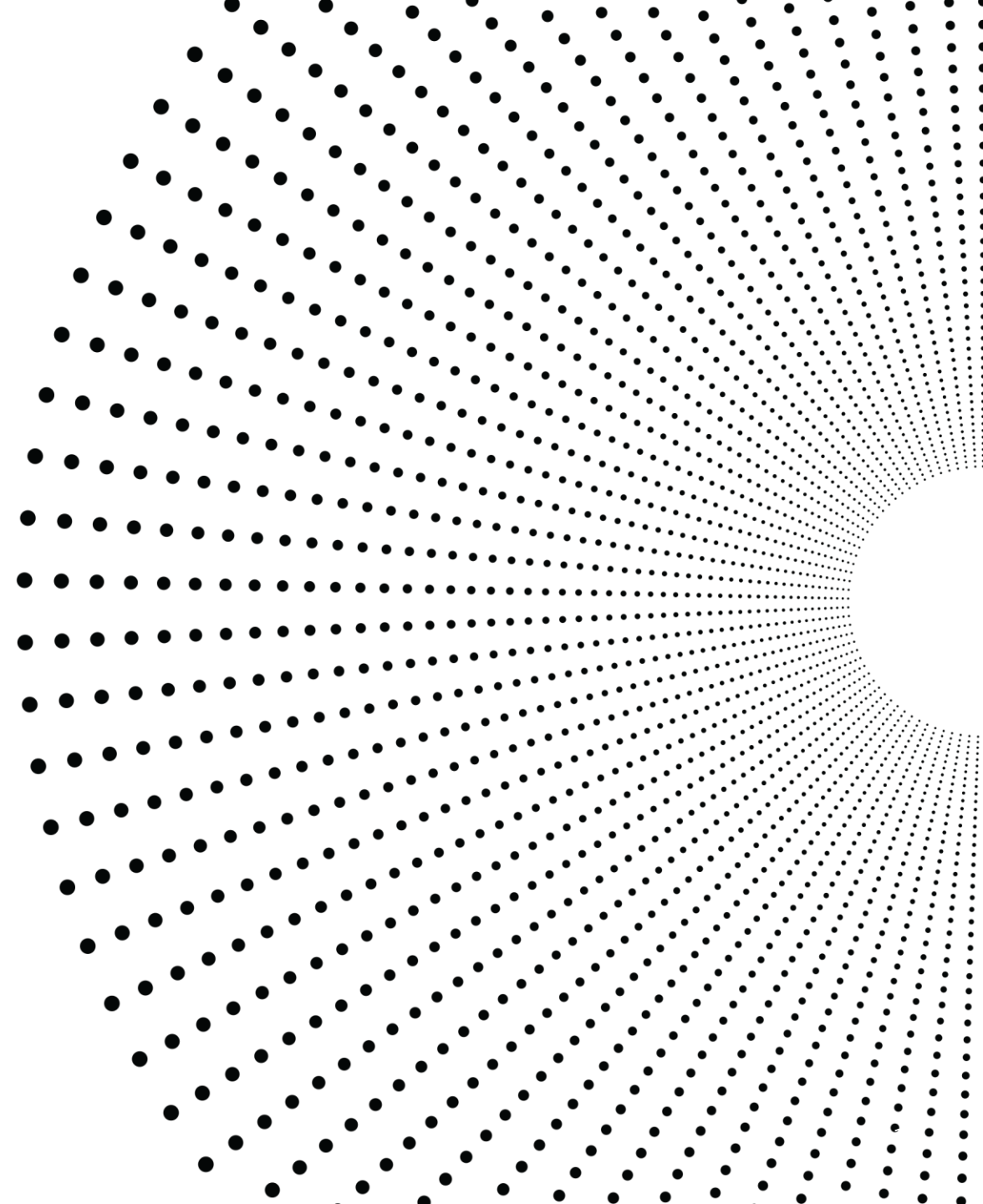




Grantmaking approach

Supporting better youth employment outcomes

Macquarie Group Foundation, Australia
Dated 2022



About

Our grantmaking focus

2017

In 2017, the Macquarie Group Foundation in Australia (MGF Australia) focused its grantmaking on organisations supporting young people's economic engagement through education, training and employment. This decision was based on research we commissioned from the Centre for Social Impact, which explored where the Foundation's investment and Macquarie staff involvement could have the greatest social impact.



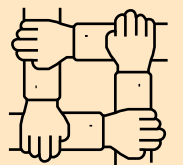
2021

In 2021, Social Ventures Australia collated updated evidence on key barriers and 'what works' to improve employment outcomes for young people. This helped evolve MGF Australia's grantmaking strategy, further refining it to support young people's economic engagement via jobs that prepare them for a better future.



Current focus

Supporting young people to participate in **jobs that prepare them for a better future.**



Evidence

Young people are underemployed and there aren't enough entry-level jobs



~33%

of young people are underutilised



~10%

not engaged in education, employment or training



20%

underemployed (employed, but would like to work more hours)



4.7 years

on average for a young person to move into full time work



1.6%

of the real income for young people has fallen over the past decade, whilst incomes for other age groups has risen.



There simply aren't enough entry-level jobs available. There is not enough meaningful and sustainable work available for young people. The jobs that are available are often low quality – offering low wages, insufficient or insecure hours and with few career growth opportunities.

Evidence

Changes in the workplace over the past decade have been exacerbated by the COVID-19 pandemic



Work expectations have changed. Work opportunities are more casual and short-term.



Employers have become less likely to invest in the types of traineeships and early career employment programs that nurture and upskill young people and lead to long-term careers.



Skills expectations are high. Young workers need a range of skills such as digital literacy, problem solving and critical thinking.



Labour markets are in flux. Young people are more likely to have lost out on work because of the pandemic, and many now find themselves competing in a challenging post-pandemic job market.



The transition to a climate sensitive economy will create opportunities and challenges.

Source: Social Ventures Australia Report On Youth Unemployment, 2021.

Evidence

The solution needs to involve employers



Outcomes have proven difficult to shift. Despite numerous government initiatives, the availability of quality entry-level jobs has not improved. The majority of interventions to date have focussed on increasing the 'supply' of quality candidates - improving the skills and employability of young people. While there are pockets of success, the evidence shows that a supply-side approach has limited impact on its own.



There are now many hard-fought lessons learnt on what does and does not work to create real change. One critical lesson: the solution needs to involve employers.



There is now an increased focus on the 'demand-side' - to create more job opportunities for young people. To create quality job opportunities, more employers will need to shift attitudes about perceived risks of hiring young people without experience, and invest in the training and support needed to match skills demand. Many employers will need encouragement and support to make the required changes.

Source: Social Ventures Australia Report On Youth Unemployment, 2021.

Evidence

A youth-centred vision for the future



Young people have articulated their desire for a system that reflects their needs and voice.



Young people feel that the current system does not provide them with the security, nor the appropriate incentives to support their transition to employment.



The employment system reflects an outdated concept of unemployment as a short-term, temporary state – in reality, many young people rely on income support for several years while working intermittently, often while studying.



Young people are calling for a response that meets their needs and reflects the economic and social challenges they are facing in 2020s Australia.

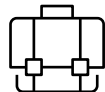
Source: Social Ventures Australia Report On Youth Unemployment, 2021.

MGF Australia's response

Because...

youth unemployment, and underemployment, is a complex, stubborn issue, particularly for young people already experiencing disadvantage...

...and there is increasing recognition that the solution needs to involve job creation and employers.



We will respond by...

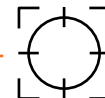
funding initiatives that scale up proven responses, supporting sectoral approaches and building evidence of 'what works', with youth voice at the centre.

We will leverage our networks and influence to push for change externally as well as champion change within our own organisation.



Which results in...

changing employer practices, more work-based learning opportunities, more entry points into employment and ongoing support for young people to overcome barriers.



And leads to...

young people participating in jobs that prepare them for a better future and employers sharing responsibility for nurturing young people's employment pathways.



Our funding approach

Our focus



Long term goal: young people are participating in meaningful and sustainable work and employers are sharing responsibility for nurturing young people's employment pathways, leading to a more inclusive future workforce.



Who we support: DGR1 (or DGR1 auspiced) organisations working with young people experiencing barriers to employment.



Lived experience: prioritising organisations and programs that are led by or include the voice of their beneficiary community in decision making, operations, program design or delivery.

Our strategic funding areas

Encouraging employers to take an active role in creating opportunities

Focussing on integrated approaches which influence employer practice.

Employment pathways for the future of work

Supporting opportunities in the economy of the future (e.g. climate-related and technology), and encouraging pathways for young people to access these opportunities.

Increasing entry points to employment

Scaling up programs and organisations that provide entry points to the workforce.

Outcomes we seek

Encouraging employers to take an active role in creating opportunities

Focussing on integrated approaches which influence employer practice

Employment pathways for the future of work

Supporting opportunities in the economy of the future (e.g. climate-related and technology), and encouraging pathways for young people to access these opportunities

Increasing entry points to employment

Scaling up programs and organisations that provide entry points to the workforce



Employer attitudes, practices, policies and behaviours are more inclusive of young people

Employers provide more work-based learning opportunities and sustainable work

Young people have the right supports to overcome barriers to employment



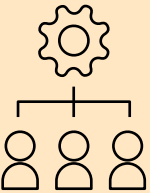
Young people have more entry points to the workforce



Increased workforce participation and retention



Young people are participating in meaningful and sustainable work and employers are sharing responsibility for nurturing young people's employment pathways, leading to a more inclusive future workforce



For more information, visit macquarie.com/community

This document outlines the criteria Macquarie Group Foundation considers for grantmaking support of charitable organisations. For social impact investing opportunities, refer to Macquarie's [Social Impact Investing criteria](#)