

# Workforce Fund Impact Report

Year-End 2023

ACHIEVE  
PARTNERS



Part 1

# Impact Strategy



# Impact Letter

## (1/2)

Each and every year, America allocates over \$500 billion of taxpayer money to approximately 4,000 colleges and universities. This is what we spend in the form of federal student aid, federal funding for research, and state support of public university and community college systems. It doesn't include hundreds of billions in additional spending on making income-driven repayment more generous, targeted loan forgiveness, or the progressive holy grail of blanket student loan forgiveness.

But while multi-year degree programs provide revenue predictability for colleges and universities, they don't seem to be working very well for the least advantaged. Six-year completion rates for Black, Hispanic, and Native American students are only 40-50%. Pell Grant recipients complete college at rates 10-15% lower than higher income peers. Consequently, more than half of all degrees awarded to traditional-age students go to children from families with household incomes of at least \$116K. And while 50% of 24-year-olds with family incomes over \$90K have earned bachelor's degrees, the number for families with incomes under \$35K is less than 6 percent. Overall, students from top-quartile income families earn bachelor's degrees five times more frequently than bottom-quartile students.

College success for disadvantaged students is difficult in part because it's inextricably bound up with affordability: the more financially precarious the degree pathway, the more low-income students stop, drop, and roll out the door. For more than thirty years, colleges and universities have increased tuition at roughly double the rate of inflation. Education Trust estimates in-state tuition at public colleges is at least \$3,000 too high in nearly every state, and more than \$10,000 too high in New Hampshire, Pennsylvania, Alabama, and South Carolina.

It's a sad fact that children born in America today are better off being dumb and rich than bright and poor. Rich kindergarten kids with bottom-half test scores have a 70% probability of reaching the middle class or beyond, whereas poor kids with top-half test scores only have a 30% chance.

This is manifestly unjust, and highly motivating to all of us at Achieve. Because there is a clear alternative that's much more fair: earn-and-learn pathways like apprenticeships.

# Impact Letter

## (2/2)

As apprenticeships are full-time jobs that pay a living wage, with built-in formal and informal training, wage progression, and career pathways, if you're an apprentice, the worst-case scenario is working for a couple years, deciding you don't like it, and needing to switch gears. But you're fully capable of doing so because: (1) you've earned and have no debt; (2) you've learned about your interests and capabilities; so (3) you're better positioned to make a more informed decision about a future pathway, including a degree program. And you're much better off than worst-case scenarios for college students which involve dropping out with debt, unemployment with debt, and underemployment with debt.

Among developed countries, the U.S. is last in earn-and-learn. For every dollar we invest in earn-and-learn, we're spending over \$1,000 on college. Most other developed countries are an order of magnitude higher on earn-and-learn, and some are two orders of magnitude higher. At its peak, the UK was spending close to £5 billion annually on apprenticeships. That translates into over \$40 billion for the U.S. – 100x what we're currently investing in earn-and-learn. Due to underinvestment in earn-and-learn, available jobs that don't demand a college degree tend to be frontline jobs with few career prospects. And that's a no-win decision for low-income young Americans: choose between unbearable risk and unbearable jobs.

Providing a multitude of earn-and-learn options would benefit everyone, not just the least advantaged. Real post-high-school earn-and-learn options across healthcare, financial services, tech, logistics, manufacturing, and other sectors would resuscitate career and technical education and career discovery in high school. They would reinvigorate youth workforce participation, leading to much-needed independence and development of soft skills seemingly lacking in Gen Z. And they'd provided crucial work experience to combat the coming experience gap from the rise of generative AI. The biggest downside of earn-and-learn isn't the risk for students. It's the challenge of building it. While starting a school and charging students tuition is straightforward, earn-and-learn is trickier. Apprenticeships require willing employers, training providers, and organizations standing in the middle, setting up and running the program, doing their level best to hide the wiring for everyone else. These are the companies we're buying and building at Achieve.



Ryan Craig



Daniel Pianko

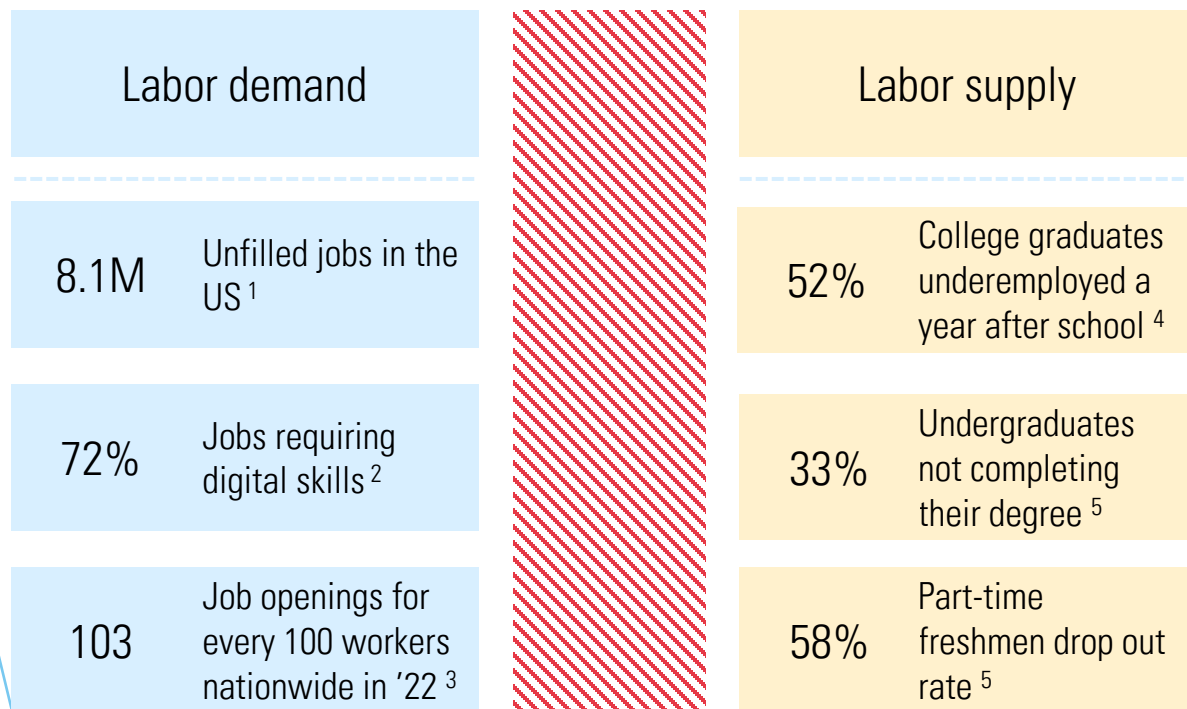


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## The problem:

# The US labor market is suffering from a talent gap

The US labor market is characterized by a chronic skills gap



The gap is likely to only widen

- Rapid emergence of AI changing labor market dynamics, reducing demand for new graduates without relevant work experience
- Student debt decreasing the attractiveness of college
- Insufficient tech job training limiting options to break into high pay careers

Sources; 1. U.S. Bureau of Labor Statistics 2. Digitalization & the American Workforce, 3. Federal Reserve Bank of St Louis 4. Strada Education Foundation. 5 Education Data Initiative

Our solution:

# Building apprenticeship programs can address talent gap

Achieve has developed a 3-step impact investing playbook

1

Acquire platform companies

Achieve acquires service companies strategically positioned in sectors where access to trained and certified talent is major growth impediment

2

Develop apprenticeship programs

Invest in establishing apprenticeship pathways, becoming talent engine for talent-starved sector

3

Launch high-skill careers

Following training, apprentices deployed to clients via projects, managed services, and staff augmentation – most ultimately hired by clients

Creating alternative pathways to great jobs, circumventing the problems of the current education system

Source: Achieve Partners

Our focus areas:

# Prioritizing industries with acute talent gaps

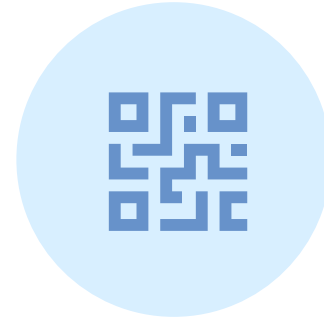
Achieve invests in businesses with revenue of \$10-100M within 4 broad sectors



Technology  
Services



Healthcare &  
Life Sciences



Business  
Services

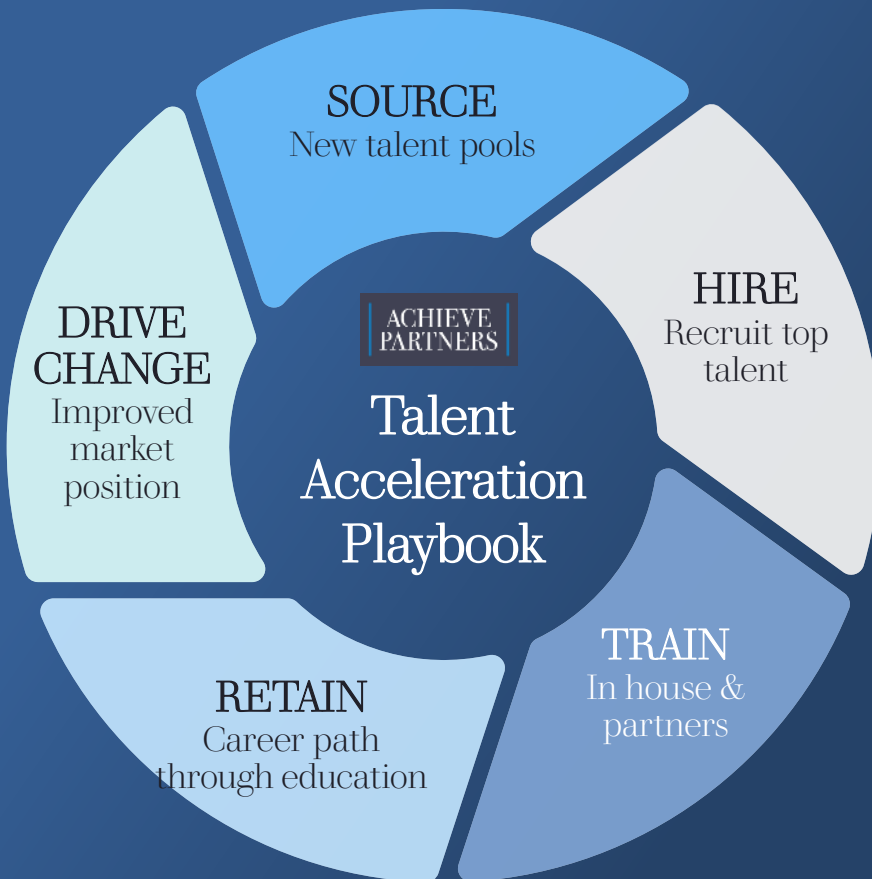


Industrial Services and  
Trades

Achieve team has made 10+ investments across these sectors and is actively sourcing targets to deploy further impact capital

## Our model:

# Apprenticeship-focused talent acceleration model



Facilitate university and other talent partnerships to source top talent



Recruit high-ceiling, diverse talent without relevant skills or experience into apprenticeship programs



Deliver comprehensive training on industry, role, technical skills, and business skills



Staff apprentices to clients via projects, managed services, and staff augmentation



Talent strategy accelerates revenue growth by establishing new revenue stream + attracting attention, thereby growing demand for new apprentice talent

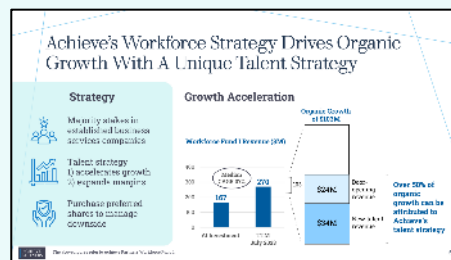


## Our theory of change:

# Systemic impact: proving that training non-traditional talent creates value for all

### Portfolio impact

Achieve investment targets establish new career pathways while showcasing economic value of apprenticeship model



- Portfolio growing at 37% CAGR, with 50%+ of growth coming from talent
- High inbound interest in portfolio companies by private equity firms

### Policy impact

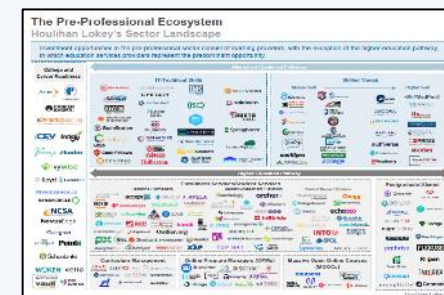
Achieve's thought leadership and advocacy through Apprenticeships for America, leading to higher funding and visibility



- At federal level: [Forbes](#) – legislation for pay-for-success apprenticeships
- At state level: [Colorado apprenticeship program](#) evolution

### Systemic impact

Wider adoption of Achieve's hire-train-deploy model as solution to talent gap, creating new model of earning and learning



- Hire-train-deploy sector emerges (4.5M results on Google)
- Investment banks launch teams specializing in hire-train-deploy

Direct impact

Indirect impact

Sources: Achieve Partners, Forbes, Colorado.gov



# As AI adoption accelerates, apprenticeships will become essential

- ✓ AI replacing menial/mechanical white-collar work
  - ✓ Entry-level white-collar workers will be expected to do higher-value work from day one
  - ✓ Higher-value work not possible without prior experience
- 
- + Apprenticeship-based model will become essential for employers, career launchers, and governments as entry-level jobs increasingly require experience

Sources: *Wall Street Journal*, Achieve Partners

Part 2

# Impact Results



# Workforce portfolio: 6 platform investments

Company	Sector	Description
 <b>Optimum</b> HEALTHCARE IT®	Technology	Healthcare IT provider specializing in Epic, ServiceNow, Workday and AWS
 <b>Cloud for Good</b>	Technology	Salesforce implementation partner focused on NGO and higher education sector
 <b>ultraviolet</b>	Technology	Managed cybersecurity provider
 <b>ROHEALTH</b>	Healthcare	Behavioral healthcare staffing company
 <b>HELIOS</b> CONSULTING	Technology	Workday services and staffing partner
 <b>ease</b> LEARNING	Services	Instructional design and digital content creation company

# Achieve re-architected impact framework to Impact-Weighted Accounting (IWA) methodology

11

Alternative impact frameworks and methodologies evaluated and discussed as potential new anchor of impact management at Achieve

## IWA selected because:

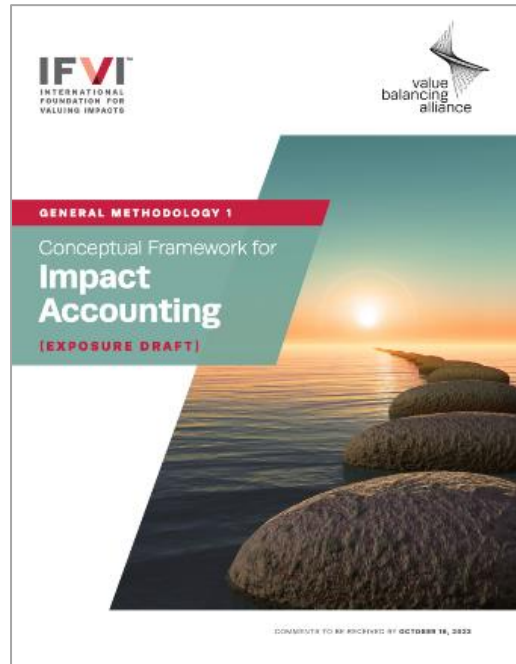
- |                           |  |
|---------------------------|--|
| Alpha philosophy          | Clear definition of economic value tied closely to financial return generation fits Achieve theory that impact drives alpha      |
| Fit for purpose           | Flexibility to quantify both depth and breadth of our work   |
| Innovative                | Impact-weighted accounting development is developing and Achieve can contribute to community as one of first IWA impact managers |
| Backed by thought leaders | IWA project originated at Harvard and backed by impact ecosystem stakeholders such as Ford and McArthur foundations              |

Source: Achieve Partners

# Impact framework in practice

## Methodology

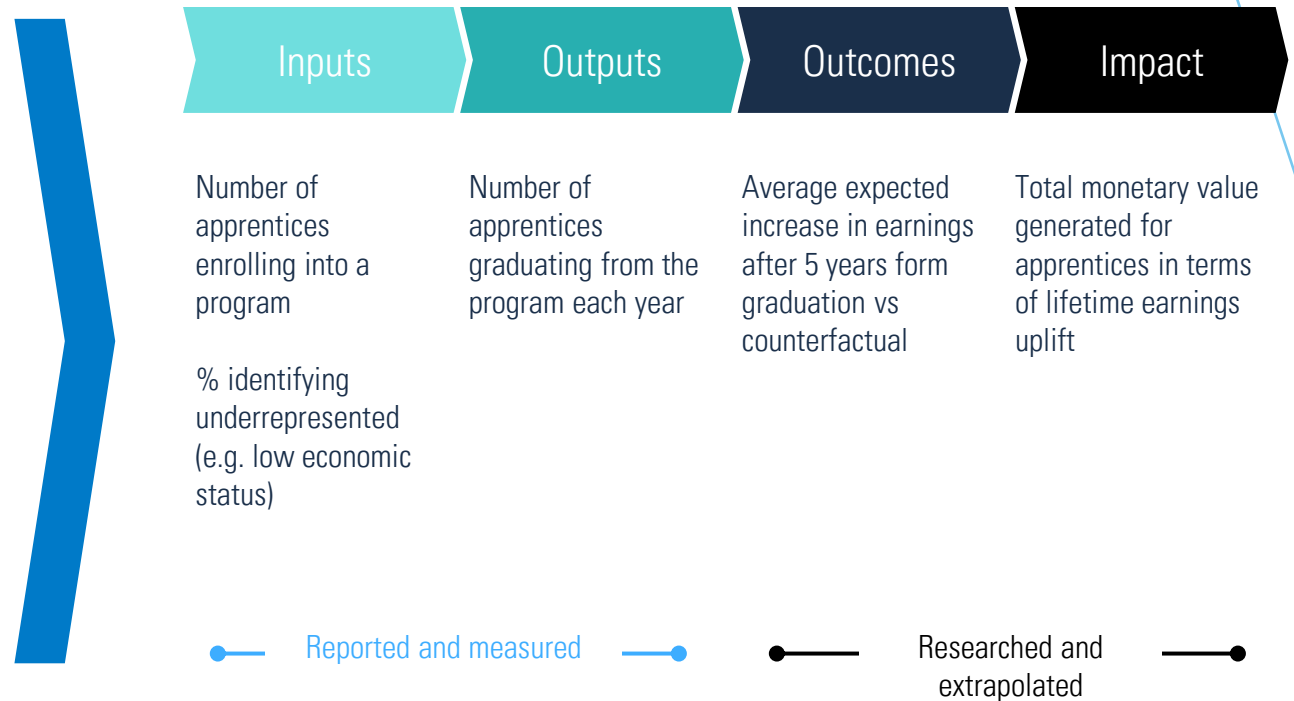
Harvard's impact-weighted accounting project



- Map key stakeholders and impact beneficiaries
- Outline impact pathways
- Apply the materiality principle to focus on key pathways
- Apply monetization assumptions to value positive and negative economic externalities

## Key tool

Mapped and measured impact pathways



# Two primary impact pathways mapped and measured

1



Increase in lifetime earnings from apprenticeship pathway to career in highly remunerative sector



# of apprentices

Completion rate  
Placement rate

Incremental salary increase

Lifetime socioeconomic value generated

2



Additional increase in earnings for apprentices from low-income backgrounds



Low-income zip codes

% minority

% Women and non-binary

Graduates from lower socioeconomic backgrounds

Incremental salary increase

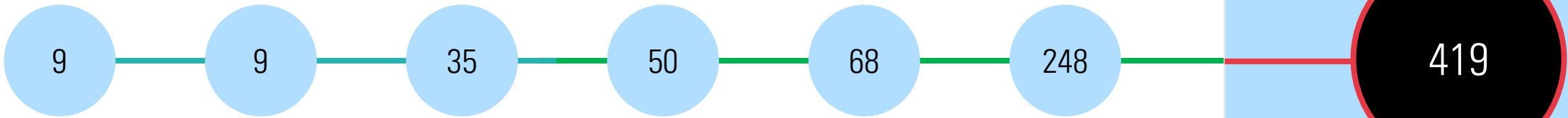
Lifetime socioeconomic value generated

# Inputs: apprentices recruited

Hired Apprentices  
2023

New programs

Maturing programs





  
Cloud for Good  
TALENT FOR GOOD

  
HELIOS  
CONSULTING  
RISE

  
Optimum  
HEALTHCARE IT™  
OPTIMUM  
CAREERPATH

  
ease  
LEARNING

  
RoHEALTH

Apprentices trained  
2023



# Outputs: apprentices gaining jobs

	Ultraviolet	Cloud for Good	HELIOS CONSULTING RISE	Optimum HEALTHCARE IT <sup>®</sup> OPTIMUM CAREERPATH	ease LEARNING	RoHEALTH
Graduation	80%	100%	93%	86%*	56%	100%**
Placement	88%	100%	67%	60%*	50%	92%**

**92%**  
Overall graduation rate  
2023

**330**  
Apprentices placed  
2023

\* Adjusted for Q1 2024 values to account for end-of-year cohort timing (no placements over Holidays).

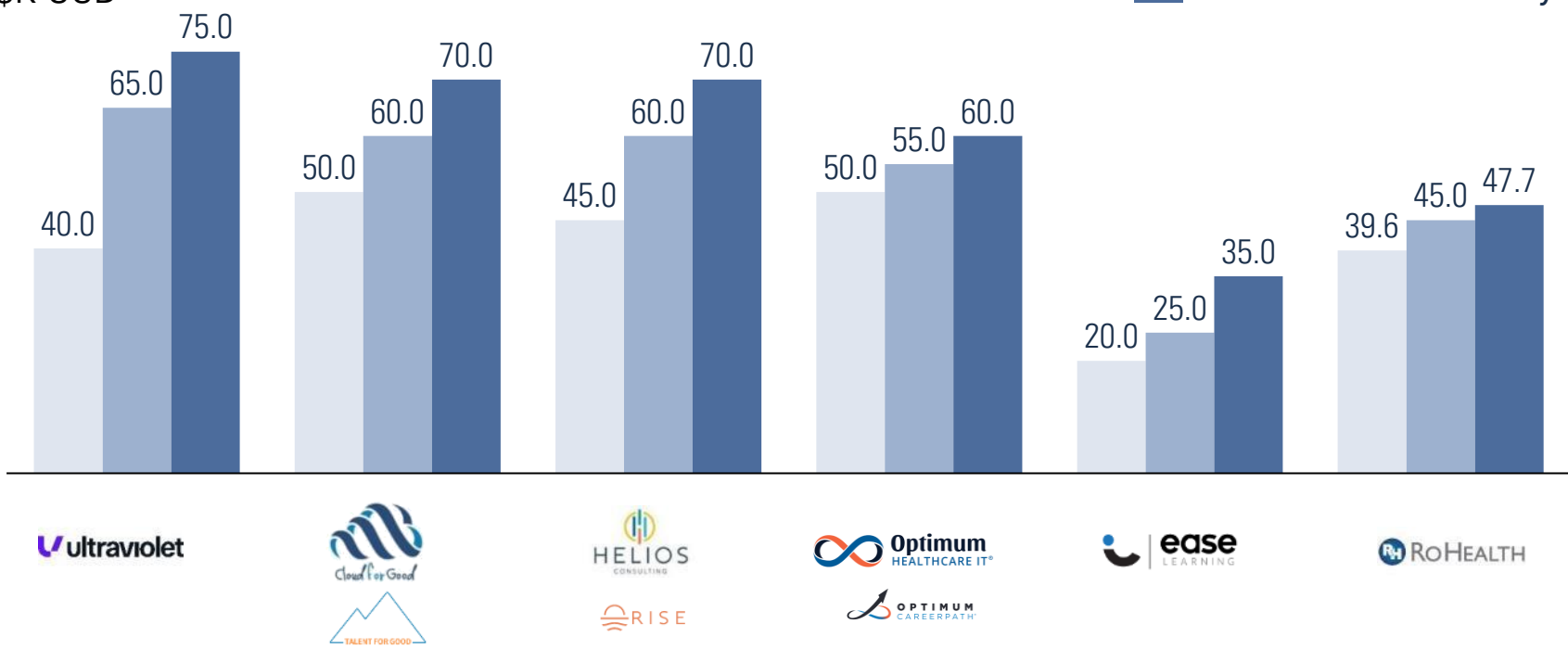
\*\* Training required prior to full-time start.

Source: Achieve Partners Impact Tracker, reported and tracked at individual level by portfolio companies

# Outcomes: launching careers

Average annual salaries, \$K USD

Starting salary  
Graduation salary  
12-month mark salary



\$24.7K

Estimated average increase in salary – year 1

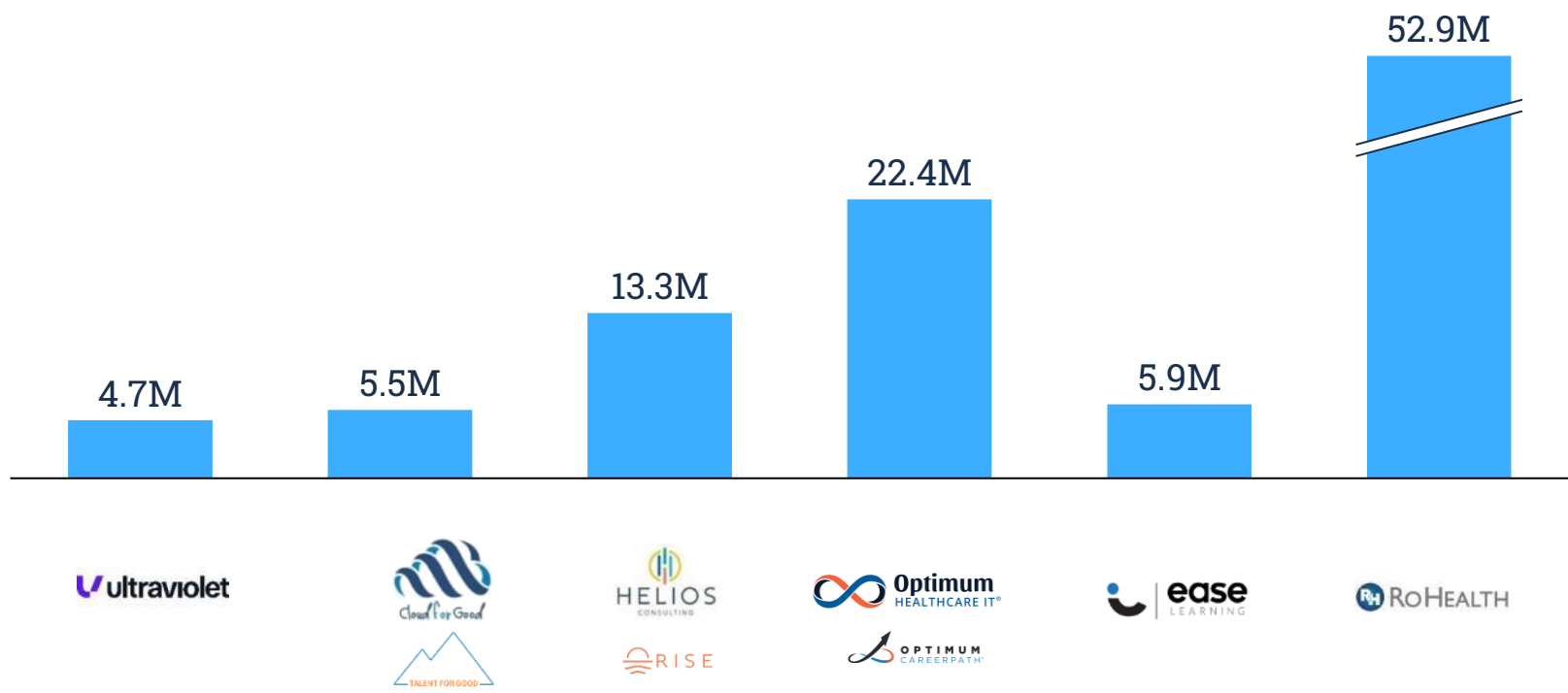
\$38.8K

Estimated average increase in salary – year 5

Source: Achieve Partners Impact Tracker, Bureau of Labor Statistics, self-reported data from apprentices. Salary increases calculated based on counterfactual data for average first job,

# Impact: lifetime socioeconomic value generated

Incremental \$ value: number of apprentices placed x average discounted lifetime salary increase



**\$105M**  
Total lifetime socioeconomic value generated in 2023

Source: Achieve Partners Impact Tracker.  
Based on average salary at conversion to full-time after 2-year placement, and industry benchmark salary at 5-year mark; assumes 25-year contribution period, 3% annual earnings growth and 8% discount rate to account for uncertainty

# Back-up: Calculating impact value

Achieve's calculation of pathway 1 impact can be reduced to number of apprentices x average discounted & risk-adjusted lifetime benefit

$$I_{path\ 1} = [a \times b_1 \times b_2] \times \left[ \sum_{y=1}^{25} \frac{(S_y - C_y)}{(1 + r)^y} \right]$$

With the variables defined as follows:

*a* – number of apprentices

*b*<sub>1</sub> – graduation rate

*b*<sub>2</sub> – placement rate

*S*<sub>y</sub> – expected salary in year *y*

*C*<sub>y</sub> – counterfactual salary in year *y*

*r* – discount rate

# Back-up: Reporting impact on company level

**Impact Pathway 1:** Increase in lifetime earnings from apprenticeship pathway to career in highly remunerative sector

A Inputs		B Outputs		C Outcomes		D Impact					
A1	Apprentices hired YTD 2023	D 50	B1	Completion rate	D 86.0%	C1	Estimated increase in salary - year 1	\$ 22,500	D1	Apprentices with increased lifetime earnings	C 26
A2	# of education partnerships	D 7	B2	Placement rate	D 60.5%	C2	Estimated increase in salary - year 5	\$ 38,354	D2	Average estimated lifetime economic value generated	C \$487,188
			B3	Starting salary	D \$50,000						
			B4	Graduation salary	D \$55,000						
			B5	12-month mark salary	D \$60,000						

**Notes and sources**


- B2: Including cohort of 17 that finished training on 12/31/2023
- C1: Based on \$37,500 counterfactual average national first salary
- C2: Based on average salary at conversion to full-time after 2-year placement, and assuming a 7% growth path for the counterfactual salary for 3 years
- D2: Assuming 25 year contribution period, 3% annual earnings growth and 8% discount rate to account for uncertainty

Assumptions are listed and attributed

Impact per capita	\$253,338
Aggregate impact	\$12,666,879

Impact value is allocated to relevant SDGs

Primary SDG contribution

> **SDG 4.4:** ICT Upskilling of youth and adults 



# Apprentices come from diverse backgrounds

Self identification

Low-income zip codes <\$40K

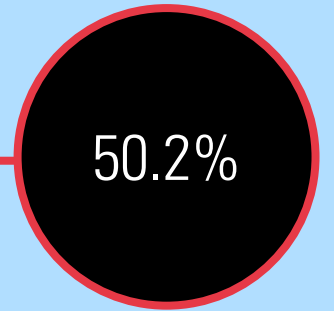
56%	78%	49%	50%	98%
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Women and non-binary

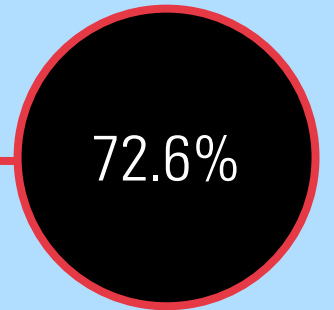
25%	100%	54%	31%	83%
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Underrepresented minority

90%	33%	31%	69%	80%
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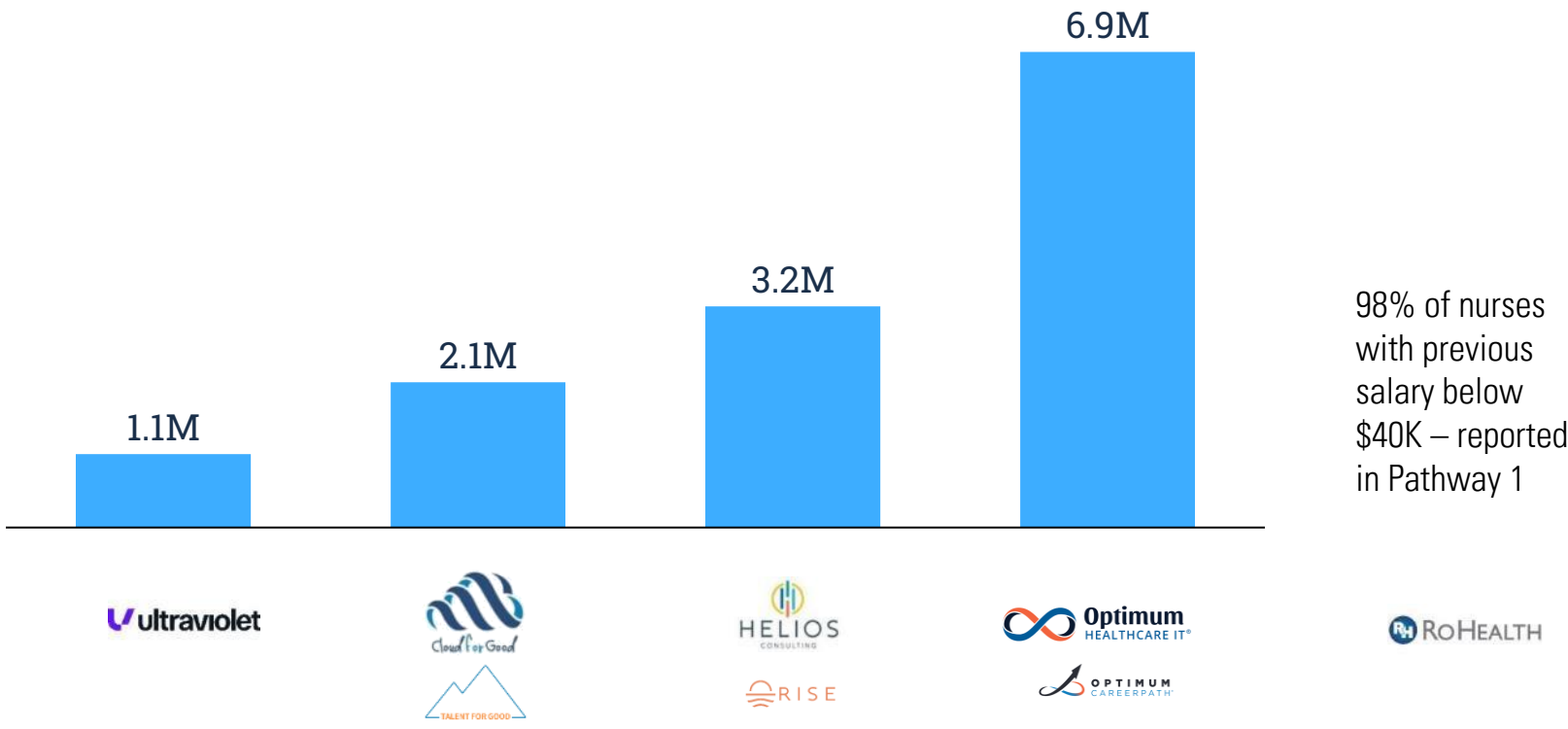
Low-income zip codes excluding Ro Health



Underrepresented minorities

# Achieve estimates that equalizing opportunity generates significant social value

Incremental \$ value of increasing salaries for low-income apprentices to national averages



98% of nurses with previous salary below \$40K – reported in Pathway 1

\$118M

Total lifetime socioeconomic value generated in 2023 including diversity effects

Source: Achieve Partners Impact Tracker.  
Based on average salary at conversion to full-time after 2-year placement, and industry benchmark salary at 5-year mark; assumes 25-year contribution period, 3% annual earnings growth and 8% discount rate to account for uncertainty

# Back-up: Calculating impact value

Achieve’s calculation of pathway 2 impact is incremental to path 1 and is calculated as the number of apprentices from low-income zip codes multiplied by the salary catch-up effect (reverting to national salary trend from a poverty salary trend)

$$I_{path\ 2} = [a \times b_1 \times b_2 \times c] \times \left[ \sum_{y=1}^{25} \frac{(C_y - P_y)}{(1 + r)^y} \right]$$

With the variables defined as follows:

*a* – number of apprentices

*b*<sub>1</sub> – graduation rate

*b*<sub>2</sub> – placement rate

*c* – % of apprentices from zip codes  
with median income below \$40k

*C*<sub>y</sub> – national counterfactual salary in year *y*

*P*<sub>y</sub> – poverty salary in year *y*

*r* – discount rate



## Risks evaluation

# Closely monitor Principal Adverse Impacts (“PAI”)

1 Climate and other environment-related indicators					2 Social and employee, respect for human rights, anti-corruption, and anti-bribery matters				
#	PAI category	Measure	Monetization assumption	Value	#	PAI category	Measure	Monetization assumption	Value
a	GHG emissions (Scope 1, 2, 3)	TBC	Data gathering in progress		a	UN Global Compact/OECD guideline violations	NM	Non-material	
b	Carbon footprint	TBC	Data gathering in progress		b	UN Global Compact/OECD guideline compliance monitoring system	NM	Non-material	
c	Share of non-renewable energy consumption and production	NM	Non-material		c	Unadjusted gender pay gap	TBC	Data gathering in progress	
d	Exposure to companies active in the fossil fuel sector	TBC	Data gathering in progress	–	d	Female/BIPOC board gender representation	20%	TBC	
e	Energy consumption intensity per high-impact climate sector	NM	Non-material		e	Exposure to controversial weapons	0	No exposure for a software/service business	–
f	Activities negatively affecting biodiversity-sensitive areas	0	No exposure for a software/service business	–					
g	Emissions to water	0	No exposure for a software/service business	–					
h	Hazardous waste ratio	0	No exposure for a software/service business	–					

Sample – format of internal reporting

Better measuring of GHG and environmental impact compliant with SFDR9 is Achieve’s objective for next year’s reporting cycle

# IMM practices

## Achieve embeds IMM throughout key processes

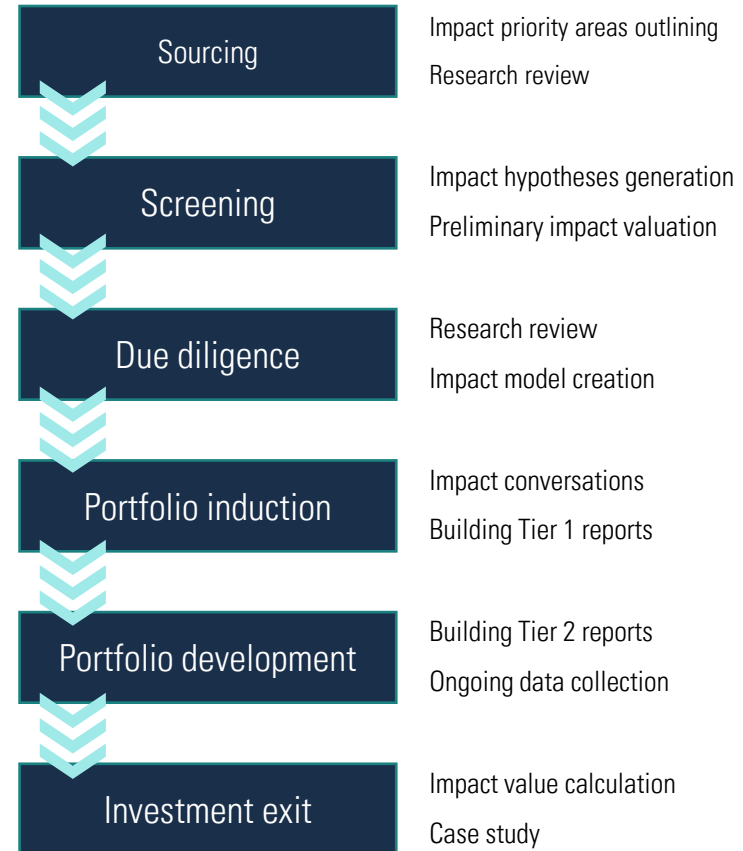
### Fund operations

#### Key practices



### Investment process

#### Key practices



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