



# Investing in the Pathways to Employment

For adolescent girls and young women  
in low and middle-income countries

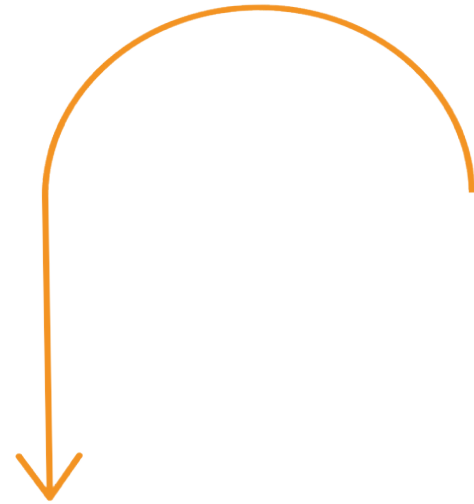
A Guide for Investors



Unlocking  
Gender-Smart Capital  
At Scale



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# Executive Summary

**This guide provides practical insights for individuals and institutions on how to approach investing in pathways to employment of adolescent girls and young women in low- and middle-income (LMIC) countries.**

Many investors already invest in women's economic empowerment and youth employment as a critical lever for economic development. Yet rarely are these investment portfolios designed to address the catalytic promise of longer-term economic outcomes by intentionally looking at the period of adolescence and young adulthood for females – one in eight people in the world<sup>1</sup>. Adolescent girls and young women are a significant global market that is currently underserved, especially in LMICs with young populations<sup>2</sup>. They are future employees, customers, decision-makers, influencers, suppliers and leaders – investing in their success makes economic sense and has social impact.

The common perception is that there is a linear pathway from formal education to employment. However, our assessment reveals a more complex story about a network of factors that influence how girls and young women transition to work – and presents opportunities for a gender-smart investment approach that addresses persistent gender gaps in economic participation.

The proportion of adolescent girls and young women that are not in education, employment or training (NEET) is twice as high for female youth in many LMICs. In sub-Saharan Africa, NEET is 24% among adolescent girls and young women (aged 15 to 29) and 13% among males<sup>3</sup>.

Our objective is to:

- Inspire investors and investment intermediaries to adopt a more intentional strategy for investing in the economic empowerment of adolescent girls and young women
- Contribute insights on the role that private capital providers can play along with the broader ecosystem of non-profit and public sector actors. This may include participating in blended-financing structures and public-private partnership investments
- Provide real examples of investable opportunities that generate positive impact and are gender-smart

Our assessment presents opportunities for a gender-smart investment approach that addresses persistent gender gaps in economic participation





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The appropriate role for investment capital in any given intervention on the pathways to employment for adolescent girls and young women (P2E) will be dependent on the degree to which benefits can be captured as private gains rather than long-term, diffuse public goods. Typical venture capital and private debt or equity investing focused on adolescent girls and young women is difficult because this consumer segment has limited economic assets, face deeply ingrained barriers with many interdependencies, and much of the financial return can only be realized in the long-term, in the form of an increased tax base and/or local economic development. All that said, there are business models with the ability to preserve and return capital while achieving impressive P2E impact.

Investing in P2E is necessarily complex, given the network of socio-ecological factors that impact young women's choices, agency, and ability to make a safe transition on these pathways towards economic empowerment. We have identified three core and three cross-cutting P2E themes that facilitate successful transitions, based on key life stages and milestones during adolescence and adulthood:

**Core themes:** (a) formal education, (b) multi-disciplinary skills development, (c) decent and productive jobs - including self-employment

**Cross-Cutting themes:** (d) sexual and reproductive health, (e) safety and (f) social inclusion.

Investors can build a focused investment strategy in one or several of these themes. Looking across existing impact investment flows in different sectors, more than US\$21 Billion is relevant to the P2E themes identified (see Figure 3, page 11).

Within each theme, we:

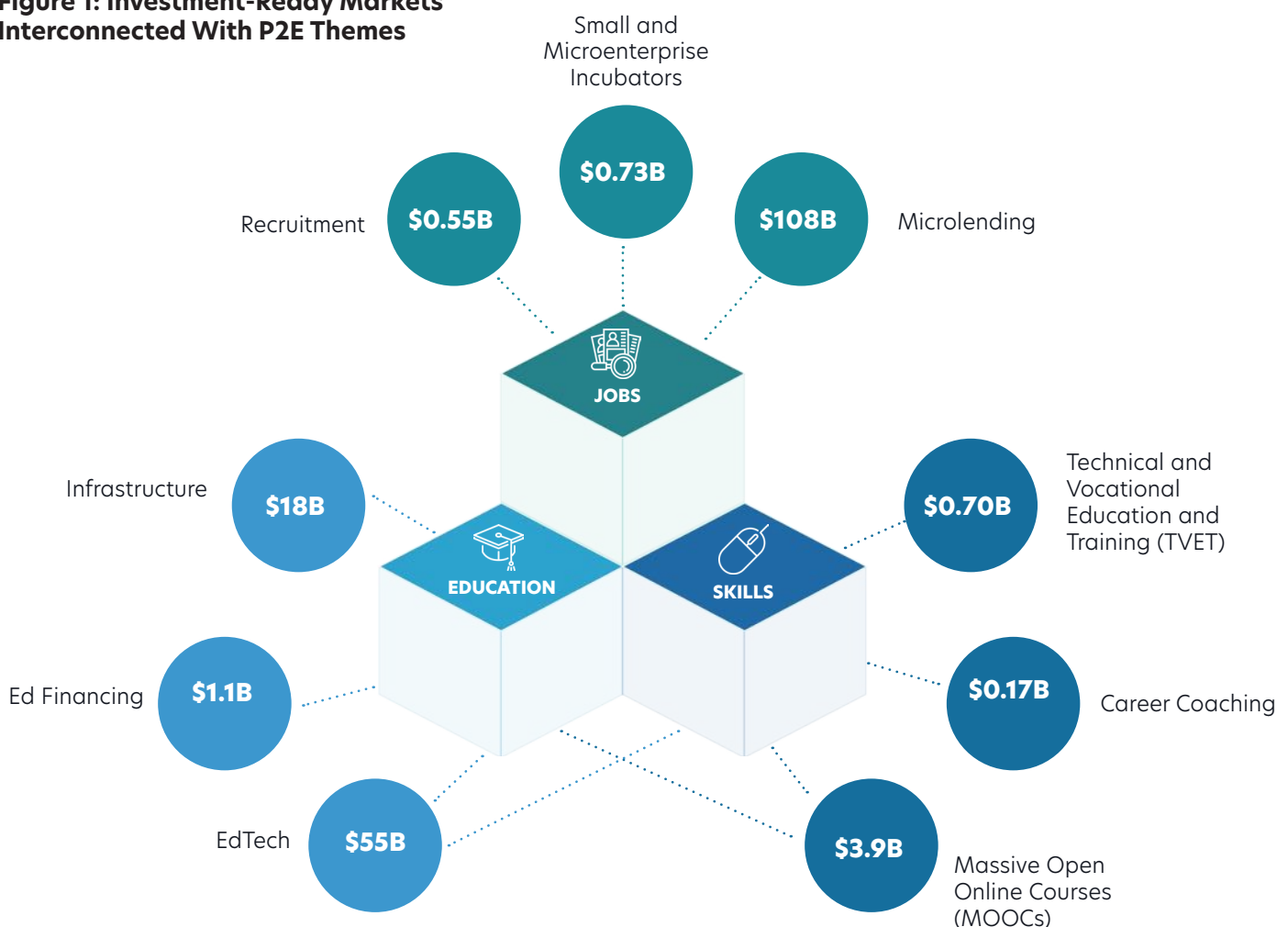
- analyse how the barriers faced by adolescent girls and young women constrain their ability to progress to employment
- lay out the solutions that are needed to minimise or eliminate these barriers and accelerate opportunities
- provide an example of an investment-ready intervention that private capital could support for increased impact.

Only interventions and enterprises with a strategic focus on adolescent girls and young women, or those with an explicit commitment to gender equity, are included. This may limit the opportunity set, but interventions and enterprises with a broader demographic focus frequently fail to deliver gender equitable outcomes.

One key finding of our study is that P2E themes are often overlooked as viable investment opportunities. While many investors may be aware of the value of quality education for economic empowerment and growth, few have considered a meaningful gender lens in education financing. Similarly, safety is severely overlooked as a possibility for investment or even a lens on other investments. And yet safety-related constraints severely curtail participation, and advancement, in education, entrepreneurship and/or employment.

We have also observed a growing number of enterprise solutions relevant to P2E in emerging economies. Although estimates vary, this suggests the potential for investors to add as well as create value across numerous markets interconnected with P2E themes. The figure below highlights a few key markets across education, skills, entrepreneurship and career links (i.e. jobs) and estimates of the opportunity size<sup>4</sup>.

**Figure 1: Investment-Ready Markets Interconnected With P2E Themes**



Across all six themes, our analysis of the investment potential highlights the following learnings for investors:

1

Investing in the education to employment pipeline has shown better results for long-term economic empowerment for young women than investing in the education to entrepreneurship pipeline

2

Improving both job-specific and transferable skills is critical for successful and more resilient employment outcomes

3

Successful enterprises often feature add-on offerings that help extend reach and impact and thus have a hybrid structure and financing strategy

4

There are opportunities to learn from the non-profit sector to transition what works into scalable and investable opportunities

5

The role of private capital, often blended with development or philanthropic capital, is to provide patient financial support to enterprises to deliver meaningful P2E results, while also designing a return on investment model.

There is an opportunity for all investors – especially the increasing community of private and public actors looking for gender-smart investments – to significantly contribute to a reimagined future for adolescent girls and young women today. We hope that, in reading this report, you join this community to unlock even more equitable economic opportunities for adolescent girls and young women, and broader economic growth.

# How to Read This Report

We recognise that not all investors have the same amount of investment experience in relevant sectors and P2E themes we have identified. We have therefore outlined relevant role(s) for private capital within each theme to deepen investors' awareness of sectors and themes they know less about.

If one of our six P2E themes is already in your portfolio, use the report to deepen your understanding of the gendered barriers, to check that the role you are playing, the investment tools you deploy, and your strategy unlock optimal impact.

Or you may want to learn about a new and inter-related P2E theme. For example, if you are an investor in women's health, you may want to look at the skills chapter (p28) for the cognitive, social and emotional skills that inform the health choices of adolescent girls and young women. The sexual and reproductive health theme in the chapter on cross-cutting themes (p44) also offers insights on how to extend impact to include adolescent girls and young women. Their needs are very different from those of adult women in motherhood roles, where much of the blended and innovative development financing has flowed to date.

An investor in youth employment may want to look at the chapter on jobs (p36) and the crosscutting

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