CROSS-SECTORAL YOUTH (CSY) PROJECT

NOVEMBER 2009

YOUTH ENTERPRISE DEVELOPMENT (YED) PROJECT
BUKAVU, DEMOCRATIC REPUBLIC OF CONGO

ASSESSING YOUTH ENTREPRENEURSHIP SKILLS

Final Findings

education

economic growth

democracy and governance

global development alliance

health

USAID
FROM THE AMERICAN PEOPLE

EQUIP3
Educational Quality Improvement Program
Out of School Youth • Learning • Earning

EDC

fhi Family Health International

azm

ASSESSING YOUTH ENTREPRENEURSHIP SKILLS

FINAL FINDINGS

Bukavu, Democratic Republic of Congo

NOVEMBER 2009

EQUIP3 (Education Quality Improvement Program) is a USAID "Leader with Associates" consortium that focuses its work on opportunities for earning and learning, especially for young people out of school and out of work. The Cross-Sectoral Youth initiative breaks new ground in engaging resources from education, health, economic growth, and democracy and governance sectors in order to learn which strategies are most likely to have positive impacts on the development of young people in partner countries.

Developed by
Anita Campion and Rashmi Ekka, AZMJ LLC
in collaboration with
Education Development Center, Inc. (EDC), and
Family Health International (FHI)

This report is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The content is the responsibility of Education Development Center, Inc. (EDC) and does not necessarily reflect the views of USAID or the United States Government.

For more information contact: Alejandra Bonifaz

Education Development Center, Inc.

55 Chapel Street

Newton, MA 02458-0160

+1-617-969-7100

www.edc.org

Cover Design: Jessica Grant

ASSESSING YOUTH ENTREPRENEURSHIP SKILLS

FINAL FINDINGS

Bukavu, Democratic Republic of Congo

Contents

ASSESSING YOUTH ENTREPRENEURSHIP SKILLS
FINAL FINDINGS

The Cross-Sectoral Youth (CSY) DRC Program, locally named the Youth Enterprise Development Program (YED), worked with 100 youth in Bukavu, Democratic Republic of Congo (DRC), providing them with business and entrepreneurship training to help strengthen and expand their enterprises. This report summarizes the findings from a survey that was designed to assess entrepreneurship skills of program participants. Findings are based on the administration of a Youth Entrepreneurship Skills survey at the end of September 2009 (T2 – Time 2: administration of the second survey) as compared against an initial survey conducted in May 2009 (T1 – Time 1: administration of the first survey).

Within the business and entrepreneurship aspect of the program, the YED program was designed to accomplish three main objectives: to increase youth's (i) business management skills, (ii) business confidence, and (iii) financial self-sufficiency. In addition, the program aimed to track changes in health-related choices (eventually leading to behavior) of youth as they deepen and strengthen their business and entrepreneurship skills. Following is a summary of the degree to which each of these objectives was accomplished, based on the findings of the surveys in T1 and T2.

Increase in business management skills. Throughout the YED program, young participants increased their mean monthly revenues from $114.60 (T1 in May 2009) to $161.40 (T2 in September 2009), and the median increased from $70 to $100. Participants' business management skills improved in the following areas: preparing a business plan, conducting a market study, managing the books, tracking inventory, and accessing business advice and resources. On average, participants rated themselves as "almost prepared" in T1, which improved to "well prepared" by T2.

Increase in business confidence. To measure business confidence the surveys used several indicators including these: self-reported knowledge of where to find customers; ability to make good decisions and identify opportunities; more money earned this month than in the past month; ability to start a new business or find employment if the current business does not work out; and perceived control over life. In T1, after the delivery of two trainings, the average participant "agreed" that he or she had business confidence (measured by combining all of the business confidence indicators). By T2, these responses improved and participants "completely agreed" with questions reflecting business confidence. In particular, confidence in being able to start another business if their current business did not work out increased from "agree" to "completely agree." For confidence in finding employment, the average response changed from "disagree" to "agree." Thus, findings show that an increase in business confidence to start a new business (self-employment) was accompanied by an increase in confidence in finding employment.

Increase in financial self-sufficiency. Savings was an important element of the program as the participants were taught about the benefits of savings and were encouraged to open a savings account with a local cooperative. The average savings per month for each household increased 72%, from $10.80 to $18.60, from T1 to T2. Median savings per month also increased from $5 to $10. One of the biggest positive impacts was the increased ability of the participants' families to get by on the money they earned. In T1, only 20% (18 of 90 respondents) agreed that their family had enough money to get by, but by T2, 61% (51 of 84 respondents) reported that their family had enough money to get by.

Positive impact on youth's health choices. This finding is supported by participants' increased expenditures on health, as well as a reduction in the number of respondents who reported they would put their health at risk in order to expand their businesses. Given the program's link to Family Health International's (FHI's) HIV/AIDS awareness program (ROADS) and the fact that the initial assessment had found that several young female entrepreneurs were engaging in transactional sex, one of the most positive findings in T2 was that 99% of participants surveyed stated that they would not risk their health to expand their business. Although it is not possible to attribute this finding exclusively to the ROADS or the YED program, and/or health risk factors that youth were already aware of, it is possible that a combination of these contributed to youth reporting their intentions of not risking their health to expand their businesses.

Program Design and Survey Information. The program was initially designed to take the participants through three youth entrepreneurship trainings. A total of 100 youth underwent the first LifeWorks YED training that focused on understanding what it takes to be a successful entrepreneur. Following the first training, youth submitted a business idea to either start a new business or enhance an existing one. Keeping an approximately 60/40 female to male split throughout, and basing its decisions on a committee review of business ideas submitted, the program selected 60 youth out of the 100 to undergo the second entrepreneurship training. The design of the program intentionally narrowed the focus from the 100 initial youth selected to 60 youth[1] who received both the first and the second trainings, based on their demonstrated abilities to absorb and apply the information to their businesses. The second LifeWorks YED training taught the 60 participants how to develop a business plan.

Following the second training, which focused on market research and business planning, the 60 trained youth submitted a completed business plan. After going through a competitive process and submitting their business plans for review, 20 of the 60 youth were selected to receive the third training, which took place in June 2009 (after T1). During this training, tailored guidance was provided to the youth on managing their businesses with an emphasis on managing inventory and cash flow, and doing forecasting. After successfully completing the third training, these 20 youth "finalists" were awarded grants worth $300 each to implement their business plans or to further expand their businesses. The other youth, who had taken only the first training or the first and second training, received $40 each in grant money. The program encouraged the youth to start a savings account, and the grants were deposited directly into their savings account.

[1] However, according to data collected through these surveys, 64 youth said they had received the second training, which indicates that 4 youth did not understand the question (or to which training the questionnaire referred).

Finally, in response to the findings in T1, an additional one-day training was designed and offered to all youth (20–25 youth at a time) and their coaches on basic accounting and cash flow management in September 2009, before the administration of the second survey (T2).

Table 1: Number of Participants by Trainings

	All Participants	T1 – Sample Size	T2 – Sample Size
1st training only/Group 1	40	26	29
1st and 2nd training only/Group 2	40	64	37
1st, 2nd, and 3rd training/Group 3	20	-	18
4th training (accounting)	100	-	84
Total	100	90	84

Note: A total of 100 youth were trained and most youth received more than one training. For example, all youth in Group 3 received the 1st, 2nd, and 3rd training, and all youth in Group 2 received the 1st and the 2nd training.

Henceforth, participants who received the first training only are referred to as Group 1. Those who received the first and the second training only are referred to as Group 2, and those who received all three trainings are referred to as Group 3.

Throughout the program, all 100 participants received support and information in business clubs and were mentored by 10 coaches who were primarily youth development workers (rather than entrepreneurs).

T1 was administered in May 2009 to 90 out of the 100 youth.[2] Although T1 was initially designed to provide a baseline against which programmatic impact could be monitored, the late start of the program (in January 2009) and the need to address other programmatic priorities caused the survey to be delayed until late May 2009. Because the program had already completed two of the three initial youth entrepreneurship trainings by then, the findings of the first study do not reflect a true baseline study.

T2 was conducted near the end of the program in September 2009. Therefore, this report captures the overall impact of the program on the youth, but mostly as the participants' progress compares against the results of T1 as measured in May.

Below is a detailed discussion of the findings (including the supporting data). Section I provides the participants' profile (T1 compared to T2) in terms of demographics, business management practices, household income and expenditures, experience with borrowing and savings, as well as their own self-assessment of business skills and confidence. Following this participants' profile discussion, Section II provides a comparative analysis of how the youth responded based on the amount of training they received, education level, age and gender. Following each analysis section are data tables, which are included to assist the reader in understanding and verifying the basis of the

[2] Some of the youth did not answer all questions, which is why the total frequency of responses is sometimes less than 90.

findings. The report concludes with Section III, which offers specific suggestions for this program, as well as changes that could be made to improve results of similar future programs.

I. Participants' Profile: Demographics and Entrepreneurship Skills

Demographics. T1 surveyed 90 participants in May 2009 and T2 surveyed 84 participants in September 2009. Hence, the demographics of the total group have remained largely the same from T1 to T2. The majority of the participants are ages 20–25 years (47% in T1 and 54% in T2), followed by ages 26–30 years (32% in T1 and 30% in T2), then over 30 years (10% and 11% in T1 and T2, respectively) and lastly, under 19 years (11% in T1 and 6% in T2). The average age of participants on the whole was 25 years.

In T1, 18 youth had primary education, 47 had secondary education, and 25 had higher or college education. In T2, 10 youth had primary education, 44 had secondary education, and 30 had higher or college education.

Among participants who received the second round of training, the higher percentage of female participants to male participants was intentionally maintained. Given that girls tend to drop out of school earlier than boys, the second training would have likely been dominated by young males if the program had not been designed to retain more female youth.

Table 2: Participants' Demographics for T1 and T2

	Mean	Frequency	% of Total (of 90)	Mean	Frequency	% of Total (of 84)
	First Survey (T1)			Second Survey (T2)		
Sex	1.6	F: 55 M: 35	F: 61% M: 39%	1.53	F: 45 M: 39	F: 54% M: 46%
What is your age?	24.8	Till 19: 10 20–25 yrs: 42 26–30 yrs: 29 Over 30 yrs: 9	Till 19: 11% 20–25 yrs: 47% 26–30 yrs: 32% Over 30 yrs: 10%	25.6	Till 19: 5 20–25 yrs: 45 26–30 yrs: 25 Over 30 yrs: 9	Till 19: 6% 20–25 yrs: 54% 26–30 yrs: 30% Over 30 yrs: 11%
What is your highest level of education?	2 – secondary	Primary: 18 Secondary: 47 Higher: 25	Primary: 20% Secondary: 52% Higher: 28%	2 – secondary	Primary: 10 Secondary: 44 Higher: 30	Primary: 12% Secondary: 52% Higher: 36%

Note: Totals may not tally to exactly 100% due to rounding off of the figures.

Business Management. As one of the main objectives of the program was to increase business management skills, the program measured some key indicators of good practices for businesses that the youth run. The survey asked about business plans, accounts tracked, separation of business and personal expenses, number of employees, and new products and clients.

One of the main business coaching activities undertaken during the program was business plan development. Before the program began, only 1 youth out of the 100 had prepared a business plan. After the second training that covered business planning, 90% of Group 2 participants developed a business plan. Those in Group 1 who were not selected for Group 2 were also encouraged to develop a business plan, and 69% of them did. Thus, of all participants, 72% developed a business plan during the program.

In T1, all the participants tracked at least 1 type of account (such as inventory, revenue, credit with clients, among other types of accounts). In T2, most participants (44%) tracked 4 accounts, followed by 35% who tracked 3 accounts. Overall the number of accounts tracked increased from 2.16 in T1 to 3.7 in T2.

The number of full-time employees and part-time employees were comparable in both surveys. In T1, 47% of the participants had at least 1 employee and in T2, 40% of the participants had at least 1 employee.

Results in T1 show that 65 participants had introduced 1 new product, and 19 had introduced more than 1 new product in the past month. In T2, 31 participants had introduced 1 new product, with 30 participants introducing more than 1 new product in the past month. Overall the average number of new products introduced per participant increased from 1.15 (in T1) to 1.4 (in T2).

Participants were also encouraged and able to seek new clients. T1 results show that 73% of the participants said that they had new clients in the past 3 months, and in T2, 80% of the participants said that they had new clients in the past 3 months.

Separation of business and personal expenses, one of the concepts emphasized in the first training and in the basic accounting and cash flow management training, increased from 80% (in T1) to 86% (in T2). This demonstrates that the additional training, which reinforced concepts and skills previously covered, contributed to greater impact shown in the increased practice of separating business and personal expenses.

In addition, participants, in T2 reported up to 6 new products or services that they had introduced, whereas the maximum products and services reported in T1 was 4.

Table 3: Business Management Indicators for First and Second Survey

	Mean (of 90)	Frequency	% of Total (of 90)	Mean (of 84)	Frequency	% of Total (of 84)
	First Survey (T1)			Second Survey (T2)		
Have you developed a business plan before?	1.3	Yes: 65 No: 25	Yes: 72% No: 28%	1.3	Yes: 59 No: 25	Yes: 70% No: 30%
How many accounts do you track? (Inventory, Credit with clients, Credit to suppliers or others, Revenues minus expenses, Balance sheet, Cash Flow, Other)	2.16	1 acct: 34 2 accts: 25 3 accts: 15 4 accts: 9 5 accts: 6	1 acct: 38% 2 accts: 28% 3 accts: 17% 4 accts: 10% 5 accts: 7%	3.7	1 acct: 0 2 accts: 3 3 accts: 29 4 accts: 37 5 accts: 14 6 accts: 1	1 acct: 0% 2 accts: 4% 3 accts: 35% 4 accts: 44% 5 accts: 17% 6 accts: 1%
How many full-time employees do you have (excluding yourself)?	0.76	0: 47 1: 27 2: 9 3: 5 4: 1 5: 1	0: 53% 1: 30% 2: 10% 3: 5% 4: 1% 5: 1%	0.74	0: 50 1: 20 2: 7 3: 4 4: 1 5: 1 >5: 1	0: 60% 1: 24% 2: 8% 3: 5% 4: 1% 5: 1% >5: 1%
How many part-time employees do you have?	0.56	0: 58 1: 17 2: 11 3: 4	0: 64% 1: 19% 2: 12% 3: 4%	0.55	0: 51 1: 25 2: 4 3: 3 4: 1	0: 60% 1: 30% 2: 5% 3: 4% 4: 1%
How many new products or services have you introduced this month?	1.15	0: 6 1: 65 2: 16 3: 2 4: 1	0: 7% 1: 72% 2: 18% 3: 2% 4: 1%	1.4	0: 23 1: 31 2: 19 3: 5 4: 1 5: 2 6: 3	0: 27% 1: 37% 2: 23% 3: 6% 4: 1% 5: 2% 6: 4%
Have you started to do business with new clients or in a new area in the past 3 months?		Yes: 66 No: 24	Yes: 73% No: 27%		Yes: 67 No: 17	Yes: 80% No: 20%
Do you separate your personal money from the money you use for your business?		Yes: 72 No: 15	Yes: 80% No: 17%		Yes: 72 No: 11	Yes: 86% No: 13%

Note: Totals may not tally to exactly 100% due to rounding off of the figures.

BUSINESS AND HOUSEHOLD REVENUES AND EXPENDITURES. T1 demonstrated that the program was serving several low-income individuals, with almost 40% of the participants having revenues under $50 a month, and 34% with household incomes under $100 a month. By T2, the average monthly revenues had increased and 87% of the participants had sales of more than $50 a month. The mean monthly revenues increased by 40%, from $114.60 to $161.40, and the median increased by 42%, from $70 to $100.

In T1, 34% of the participants claimed that they were one of the main bread-winners of their family, contributing to at least half of the household's monthly expenditures. In T2, an even larger number of the participants, 54%, claimed that they contributed to at least half of the household's expenditures. This finding likely reflects that with the youths' increasing income, they were able to take on more responsibility for household expenditures. The average total household income per month also increased in this time period. The average household income per month increased from $185.30 (T1) to $362.90 (T2) and the median increased from $140 (T1) to $279.50 (T2). Although the Congolese currency did strengthen by 2.6% against the dollar from the end of May to the end of September 2009, this does not fully explain the increase in reported monthly household income. Therefore the increase is most likely explained by seasonal differences and/or improved business practices, resulting in increased income for the family as a whole.

Out of the 90 participants in T1, 62 (69%) had a say in how the money they earned was used. This statistic too saw an increase, and in T2, 77 participants (92%) had a say in how the money they earned was used. This finding also suggests that with more income and confidence, the youth gained greater authority over expenditures.

In T1, the business expenses were the largest expense for many participants, with the average business spending being $40.10 per month. However, 38 participants answered that their business expense was $0, possibly indicating a lack of understanding of the question. In T2, average business spending was at $34.20 (all participants answered the question). Although these findings show business expenses declined from May to September, a likely explanation is that the participants now have a better understanding of the question and are separating business from personal expenses more accurately.

Throughout the program, participants were encouraged and coached on how to increase their savings. The average savings per month for each household increased from $10.80 to $18.60 from T1 to T2. Median savings per month also increased from $5 to $10.

In the first and second survey, most participants have household incomes that can cover all their expenses. However, in T1, only 18 participants agreed that their family had enough money to get by (see Table 7). Unfortunately, it is not clear from the survey what they are not able to purchase that causes them to respond this way. It might be that some participants suffer from occasional external shocks, such as unanticipated drops in revenues or increases in expenses, which throw off their finances and make it difficult to run the household. Encouragingly, in T2, 51 participants said that their family had enough money to get by.

Table 4: Business and Household Revenues and Expenditures

	Mean & Median (of 90)	Frequency	% of Total (of 90)	Mean & Median (of 84)	Frequency	% of Total (of 84)
	First Survey (T1)			Second Survey (T2)		
What are your average monthly sales (or revenues) from your business activities?	$114.60 Med: $70	No reply: 6 <$50: 35 $51–$100: 17 $101–$200: 18 >$201: 14	No reply: 7% <$50: 39% $51–$100: 19% $101–$200: 20% >$201: 16%	$161.4 Med: $100	No reply: 0 <$50: 11 $51–$100: 39 $101–$200: 14 >$201: 20	No reply: 0% <$50: 13% $51–$100: 46% $101–$200: 17% >$201: 24%
How many other household members contribute to cover the household expenses?	1.8 Med: 2	0: 3 1: 36 2: 35 3: 12 4: 3 5: 1	0: 3% 1: 40% 2: 39% 3: 13% 4: 3% 5: 1%	1.75 Med: 2	0: 9 1: 28 2: 30 3: 13 4: 1 5: 2 6: 1	0: 11% 1: 33% 2: 36% 3: 15% 4: 1% 5: 2% 6: 1%
What is your household's total income (including your own and from the other members)?	$185.3 Med: $140	No reply: 3 <$100: 31 $101–$200: 34 $201–$300: 8 $301–$500: 10 $501–$850: 4	No reply: 3% <$100: 34% $101–$200: 38% $201–$300: 9% $301–$500: 11% $501–$850: 4%	$362.9 Med: $279.5	No reply: 0 <$100: 10 $101–$200: 24 $201–$300: 14 $301–$500: 21 $501–$850:: 15	No reply: 0% <$100: 12% $101–$200: 29% $201–$300: 17% $301–$500: 25% $501–$850: 18%
Who mainly decides how the money you earn is used (1 = participant has say; 2 = participant does not have say)?	1.3	Participant has say: 62; participant has no say: 26	Participant has say: 69%; participant has no say: 29%	1.08	Participant has say: 77; participant has no say: 7	Participant has say: 92%; participant has no say: 8%
Using a scale of 1–5, on average how much of your household's expenditure do your earnings pay for: (almost none, less than half, about half, more than half, or all)?	2.4 (Less than half) Med: 2 (Less than half)	Almost none: 7 Less than half: 50 About half: 18 More than half: 12 All: 1	Almost none: 8% Less than half: 56% About half: 20% More than half: 13% All: 1%	2.72 (About half) Med: 3 (half)	Almost none: 3 Less than half: 36 About half: 31 More than half: 11 All: 3	Almost none: 3% Less than half: 43% About half: 37% More than half: 13% All: 4%

How much do you spend each month on these areas?						
Business expenses	$40.1 Med: $5	No reply: 2 $0: 38 <$50: 32 $51–$100: 10 $101–$200: 3 $201–$300: 3 $301–$500: 2	No reply: 2% $0: 42% <$50: 36% $51–$100: 11% $101–$200: 3% $201–$300: 3% $301–$500: 2%	$34.20 Med: $20	No reply/$0: 0 <$50: 69 $51–$100: 14 $101–$200: 0 $201–$300: 1 $301–$500: 0	No reply/$0: 0% <$50: 81% $51–$100: 16% $101–$200: 0% $201–$300: 3% $301–$500: 0%
Food	$24.40 Med: $15	No reply: 0 $0: 20 <$25: 40 $26–$50: 19 $51–$75: 5 $76–$100: 4 $101–$150: 2 >$150: 0	No reply: 0% $0: 22% <$25: 44% $26–$50: 21% $51–$75: 5% $76–$100: 4% $101–$150: 2% >$150: 0%	$30.6 Med: $20	No reply: 3 $0: 6 <$25: 44 $26–$50: 18 $51–$75: 5 $76–$100: 5 $101–$150: 2 >$150: 1	No reply: 4% $0: 7% <$25: 52% $26–$50: 21% $51–$75: 6% $76–$100: 6% $101–$150: 2% >$150: 1%
Housing	$6.80 Med: $0	No reply: 1 $0: 62 <$10: 9 $11–$20: 7 $21–$30: 3 $31–$40: 5 $41–$50: 3	No reply: 1% $0: 69% <$10: 10% $11–$20: 8% $21–$30: 3% $31–$40: 5% $41–$50: 3%	$8 Med: $0	No reply: 22 $0: 38 <$10: 9 $11–$20: 5 $21–$30: 6 $31–$40: 2 $41–$50: 2	No reply: 26% $0: 45% <$10: 11% $11–$20: 6% $21–$30: 7% $31–$40: 2% $41–$50: 2%
Gas	$2.30 Med: $0	No reply: 2 $0: 79 <$10: 4 $11–$20: 3 $21–$30: 0 $31–$40: 0 $41–$60: 2	No reply: 2% $0: 88% <$10: 4% $11–$20: 3% $21–$30: 0% $31–$40: 0% $41–$60: 2%	$2.6 Med: $0	No reply: 30 $0: 43 <$10: 7 $11–$20: 2 $21–$30: 2 $31–$40: 0 $41–$60: 0	No reply: 36% $0: 51% <$10: 8% $11–$20: 2% $21–$30: 2% $31–$40: 0% $41–$60: 0%
Transportation	$6 Med: $1.8	No reply: 0 $0: 42 <$10: 34 $11–$20: 10 $21–$30: 2 $31–$40: 0 $41–$50: 2	No reply: 0% $0: 47% <$10: 38% $11–$20: 11% $21–$30: 2% $31–$40: 0% $41–$50: 2%	$6 Med: $5	No reply: 13 $0: 11 <$10: 54 $11–$20: 4 $21–$30: 2 $31–$40: 0 $41–$50: 0	No reply: 16% $0: 13% <$10: 64% $11–$20: 5% $21–$30: 2% $31–$40: 0% $41–$50: 0%
Education	$8.70 Med: $0	No reply: 3 $0: 47 <$10: 27 $11–$20: 5 $21–$50: 6 $51–$100: 1 $101–$200: 1	No reply: 4% $0: 52% <$10: 30% $11–$20: 6% $21–$50: 7% $51–$100: 1% $101–$200: 1%	$7.9 Med: $5	No reply: 15 $0: 24 <$10: 33 $11–$20: 7 $21–$50: 4 $51–$100: 1 $101–200: 0	No reply: 17% $0: 29% <$10: 39% $11–$20: 8% $21–$50: 5% $51–$100: 1% $101–$200: 0%

Health	$3.20 Med: $0	No reply: 0 $0: 54 <$10: 31 $11–$20: 3 $21–$30: 0 $31–$40: 1 $41–$50: 1 >$50: 0	No reply: 0% $0: 60% <$10: 34% $11–$20: 3% $21–$30: 0% $31–$40: 1% $41–$50: 1% >$50: 0%	$5.8 Med: $0	No reply: 27 $0: 31 <$10: 19 $11–$20: 4 $21–$30: 1 $31–$40: 1 $41–$50: 0 >$50: 1	No reply: 32% $0: 37% <$10: 23% $11–$20: 5% $21–$30: 1% $31–$40: 1% $41–$50: 0% >$50: 1%
Loan payment	$3.70 Med: $0	No reply: 0 $0: 73 <$10: 12 $11–$25: 1 $26–$50: 2 $51–$75: 0 $76–$100: 2	No reply: 0% $0: 81% <$10: 13% $11–$25: 1% $26–$50: 2% $51–$75: 0% $76–$100: 2%	$1.1 Med: $0	No reply: 34 $0: 41 <$10: 8 $11–$25: 1 $26–$50: 0 $51–$75: 0 $76–$100: 0	No reply: 40% $0: 49% <$10: 10% $11–$25: 1% $26–$50: 0% $51–$75: 0% $76–$100: 0%
Community contribution	$1.10 Med: $0	No reply: 0 $0: 63 <$5: 24 $6–$10: 2 >$10: 1	No reply: 0% $0: 70% <$5: 27% $6–$10: 2% >$10: 1%	$2.3 Med: $1	No reply: 27 $0: 22 <$5: 32 $6–$10: 2 >$10: 1	No reply: 32% $0: 26% <$5: 38% $6–$10: 2% >$10: 1%
Savings	$10.80 Med: $5	No reply: 0 $0: 27 <$10: 37 $11–$20: 12 $21–$30: 6 $31–$40: 7 $41–$50: 1 >$50: 0	No reply: 0% $0: 30% <$10: 41% $11–$20: 13% $21–$30: 7% $31–$40: 8% $41–$50: 1% >$50: 0%	$18.60 Med: $10	No reply: 0 $0: 2 <$10: 41 $11–$20: 19 $21–$30: 13 $31–$40: 1 $41–$50: 6 >$50: 2	No reply: 0 $0: 2% <$10: 49% $11–$20: 23% $21–$30: 15% $31–$40: 1% $41–$50: 7% >$50: 2%
Other	$7.80 Med: $0	No reply: 2 $0: 55 <$10: 16 $11–$25: 10 $26–$50: 5 $51–$100: 1 $101–$150: 1	No reply: 2% $0: 61% <$10: 18% $11–$25: 11% $26–$50: 6% $51–$100: 1% $101–$150: 1%	$3.5 Med: $0	No reply: 5 $0: 55 <$10: 18 $11–$25: 4 $26–$50: 2 $51–$100: 0 $101–$150:0	No reply: 6% $0: 65% <$10: 21% $11–$25: 5% $26–$50: 2% $51–$100: 0% $101–$150: 0%

Note: Totals may not tally to exactly 100% due to rounding off of the figures.

BORROWING AND SAVINGS. In T1, 30 participants had taken a loan in the past 3 months, and in T2, this had reduced almost to half with only 16 participants having taken a loan in the past 3 months. Why borrowing declined is unclear, but it could be that the participants did not need a loan due to their increased income and access to the grant money. Part of the decrease in new loans can be attributed to the fact that youth had already borrowed money prior to T1 and continued to carry the loan through T2, without getting new loans in such a short period of time, thus, the previous loan was not reported (in T2) as a “new” loan “in the past 3 months” as the question stated. In both surveys, a majority of the clients spent less than $10 a month on loan repayments.

In T1, among those who saved, the cooperative was favored, with 35.6% of the participants stating that they store their savings at the cooperative. However, only 17.8% of the respondents earned any interest on their savings in T1 and none of the respondents earned interest in T2, which is not surprising considering that most of these savings are probably in short-term liquid savings accounts. As the program evolved, its cost savings were higher than expected and so YED decided to offer grants to all youth; these grants were deposited directly into a savings account at the local cooperative. By requiring youth to have a savings account and providing them with options on where they could save with little cost to open and maintain the account, all participants opened savings accounts at a cooperative, if they didn't already have one. Each youth in Groups 1 and 2 received $40 in grants. The 20 youth who were competitively selected to participate in the third training (Group 3) received $300 each in grants to take their business to the next level.

Table 5: Borrowings and Savings

	Frequency	% of Total (of 90)	Frequency	% of Total (of 84)
	First Survey (T1)		Second Survey (T2)	
Have you taken out any loan in the past three months?	Taken a loan: 30 No loans: 60	Taken a loan: 33% No loans: 67%	Taken a loan: 16 No loans: 68	Taken a loan: 19% No loans: 81%
If you took a loan, from whom did you borrow?	Family: 10 Male friend: 10 Female friend: 3 Supplier: 6 Cooperative: 3 Private Providers: 0 Other: 1	Family: 11% Male friend: 11% Female friend: 3% Supplier: 7% Cooperative: 3% Private Providers: 0% Other: 1%	Family: 4 Male friend: 3 Female friend: 1 Supplier: 4 Cooperative: 1 Private Providers: 1 Other: 2	Family: 5% Male friend: 4% Female friend: 1% Supplier: 5% Cooperative: 1% Private Providers: 1% Other: 2%
If you have savings, where do you store your savings?	No answer: 8 Savings clubs: 18 COOPEC: 32 Bank: 3 Home/with family: 20 With friends/others: 2 Buy capital: 3 Other: 3	No answer: 9% Savings clubs: 20% COOPEC: 36% Bank: 3% Home/with family: 22% With friends/others: 2% Buy capital: 3% Other: 3.3%	No answer: 0 Savings clubs: 1 COOPEC: 84 Bank: 0 Home/with family: 1 With friends/others: 0 Buy capital: 1 Other: 0	(No percentages, because all participants save in COOPEC, and a few save in other places as well)
If you have savings, do you make any interest (return) on your savings?	Yes: 16 No: 64	Yes: 18% No: 72%	Yes: 0 No: 84	Yes: 0% No: 100%

BUSINESS MANAGEMENT SKILLS AND CONFIDENCE. In T1, there appeared to be a high level of confidence in the youth regarding their business and financial stability. In T2, the participants' confidence level increased even more. The average confidence level for business management skills, including preparing a business plan, conducting a market study, managing the books, tracking inventory, and accessing business advice and resources was "almost prepared" (2.9 on a scale of 1 to 4) in T1, and it increased to “well prepared” (3.3) in T2.[3] The average of all indicators used to measure general business confidence, such as ability to identify good opportunities, increased from 3.0 in T1 to 3.4 in T2.

In T1, participants did not feel very well prepared to manage their books (2.5) and track inventory (2.8). Forty participants reported feeling “not well prepared” or “not at all prepared” to manage their books, and 31 participants reported feeling “not well prepared” or “not at all prepared” to track inventory. In T2, participants said that they felt “well-prepared” to manage their books (3.2) and track inventory (3.3). Almost all T2 participants felt “prepared” or “very well prepared” to manage the books and track inventory. Preparedness to access business advice improved from 3.1 to 3.4 on a scale of 1 to 4. Preparedness to access business resources increased from 2.8 to 3.2.

Under general business confidence indicators, one of the most notable successes was the program’s ability to reduce risky behavior in youth. Through focus groups, it was found that some of the female youth were engaging in transactional sex in order to expand their businesses. In T1, 10 participants (11%) said that they were willing to put their health at risk to expand their businesses. In T2, this number dropped down to only 1 participant (incidentally a male) who said he would risk his health to expand his business.

If their current business did not work out, the youth were generally confident that they could find an alternative livelihood. Confidence in being able to start another business increased from “agree” to “completely agree.” A similar positive change was observed with confidence in being able to find alternative employment, which changed from “disagree” to “agree.”

Another very positive impact was the youth’s average response to the statement “My family always has enough money to get by”; this response improved from “strongly disagree” to “disagree.” In T1, only 20% (18 participants) agreed that their family always had enough money to get by, while 80% (72 participants) disagreed. In T2, 61% (51 participants) said that their family always had enough money to get by, suggesting that youth’s increased incomes may have contributed to reducing their household’s poverty and vulnerability.

[3] In the survey, a 4 was used to indicate “very well prepared,” 3 for “prepared,” 2 for “not prepared,” and 1 for “not at all prepared.” So, an average of 2.9 indicates that most participants felt “almost prepared,” while an average of 3.4 indicates that the participants felt “prepared.”

Table 6: Business Management Skills

	Mean (of 90)	Frequency	% of Total (of 90)	Mean (of 84)	Frequency	% of Total (of 84)
	First Survey (T1)			Second Survey (T2)		
Do you feel prepared to: **1 = not at all prepared; 2 = not prepared; 3 = prepared; 4 = very well prepared**						
Prepare a Business Plan?	3.1	1: 2 2: 7 3: 56 4: 24	1: 2% 2: 8% 3: 63% 4: 27%	3.2	1: 0 2: 9 3: 48 4: 27	1: 0% 2: 11% 3: 57% 4: 32%
Do a market study?	3.4	1: 1 2: 2 3: 46 4: 39	1: 1% 2: 2% 3: 51% 4: 43%	3.5	1: 0 2: 0 3: 43 4: 41	1: 0% 2: 0% 3: 51% 4: 49%
Manage the books?	2.5	1: 17 2: 23 3: 34 4: 14	1: 19% 2: 26% 3: 38% 4: 16%	3.2	1: 0 2: 1 3: 66 4: 17	1: 0% 2: 1% 3: 79% 4: 20%
Track inventory?	2.8	1: 12 2: 19 3: 34 4: 23	1: 13% 2: 21% 3: 38% 4: 26%	3.3	1: 0 2: 0 3: 57 4: 27	1: 0% 2: 0% 3: 68% 4: 32%
Manage accounts receivable?	3	1: 6 2: 11 3: 47 4: 23	1: 7% 2: 12% 3: 52% 4: 26%	3.3	1: 0 2: 2 3: 52 4: 29	1: 0% 2: 2% 3: 62% 4: 35%
Network with the private sector?	2.9	1: 11 2: 13 3: 41 4: 22	1: 12% 2: 14% 3: 46% 4: 24%	3.1	1: 11 2: 13 3: 41 4: 22	1: 12.2% 2: 14.4% 3: 45.6% 4: 24.4%
Access business advice?	3.1	1: 1 2: 17 3: 42 4: 28	1: 1% 2: 19% 3: 47% 4: 31%	3.4	1: 2 2: 10 3: 47 4: 25	1: 2% 2: 12% 3: 56% 4: 30%
Access business resources?	2.8	1: 10 2: 19 3: 39 4: 19	1: 11% 2: 21% 3: 43% 4: 21%	3.2	1: 0 2: 0 3: 51 4: 33	1: 0% 2: 0% 3: 61% 4: 39%

Table 7: Confidence

	Mean (of 90)	Frequency	% of Total (of 90)	Mean (of 84)	Frequency	% of Total (of 84)
	First Survey (T1)			Second Survey (T2)		
To what degree do you agree with the following? **1 = strongly disagree; 2 = disagree; 3 = agree; 4 = completely agree**						
I know where to find clients.	3.3	1: 0 2: 0 3: 59 4: 29	1: 0% 2: 0% 3: 66% 4: 32%	3.4	1: 0 2: 0 3: 47 4: 37	1: 0% 2: 0% 3: 56% 4: 44%
I can make good decisions.	3.4	1: 0 2: 1 3: 52 4: 34	1: 0% 2: 1% 3: 58% 4: 38%	3.5	1: 0 2: 0 3: 45 4: 39	1: 0% 2: 0% 3: 54% 4: 46%
I can identify good opportunities.	3.2	1: 2 2: 4 3: 53 4: 29	1: 2% 2: 4% 3: 59% 4: 38%	3.4	1: 0 2: 0 3: 49 4: 35	1: 0% 2: 0% 3: 58% 4: 42%
I feel capable of developing my business.	3.4	1: 0 2: 4 3: 44 4: 40	1: 0% 2: 4% 3: 49% 4: 44%	3.5	1: 0 2: 0 3: 42 4: 42	1: 0% 2: 0% 3: 50% 4: 50%
I would not put my health at risk to expand my business.	3.4	1: 1 2: 8 3: 33 4: 47	1: 1% 2: 9% 3: 37% 4: 52%	3.7	1: 0 2: 1 3: 21 4: 62	1: 0% 2: 1% 3: 25% 4: 74%
I have control over my life.	3.5	1: 1 2: 7 3: 30 4: 50	1: 1% 2: 8% 3: 33% 4: 56%	3.7	1: 0 2: 1 3: 20 4: 63	1: 0% 2: 1% 3: 24% 4: 75%
My business earned more this month than last.	2.9	1: 9 2: 9 3: 50 4: 20	1: 10% 2: 10% 3: 56% 4: 22%	3.2	1: 0 2: 7 3: 50 4: 23	1: 0% 2: 8% 3: 60% 4: 27%
If this business doesn't earn well, I can develop another business.	3	1: 9 2: 8 3: 42 4: 29	1: 10% 2: 9% 3: 47% 4: 32%	3.4	1: 0 2: 4 3: 46 4: 34	1: 0% 2: 5% 3: 55% 4: 40%
If this business doesn't earn well, I can find other employment.	2.7	1: 15 2: 15 3: 39 4: 19	1: 17% 2: 17% 3: 43% 4: 21%	3.3	1: 1 2: 5 3: 49 4: 29	1: 1% 2: 6% 3: 55% 4: 40%
I know where to go to get a loan.	2.9	1: 12 2: 9 3: 46 4: 21	1: 13% 2: 10% 3: 51% 4: 34%	3.6	1: 0 2: 0 3: 30 4: 54	1: 0% 2: 0% 3: 36% 4: 64%
I know where to go to start a savings account.	3.2	1: 5 2: 6 3: 46 4: 21	1: 1% 2: 10% 3: 61% 4: 26%	4.0	1: 0 2: 0 3: 0 4: 84	1: 0% 2: 0% 3: 0% 4: 100%

I am involved in making family decisions.	3.1	1: 1 2: 9 3: 55 4: 23	1: 1% 2: 10% 3: 61% 4: 26%	3.3	1: 4 2: 3 3: 39 4: 38	1: 5 % 2: 4% 3: 46% 4: 45%
My family always has enough money to get by.	1.8	1: 32 2: 40 3: 18 4: 0	1: 36% 2: 44% 3: 20% 4: 0%	2.6	1: 8 2: 25 3: 44 4: 7	1: 10% 2: 30% 3: 52% 4: 8%

Note: Totals may not tally to exactly 100% due to rounding off of the figures.

II. Comparative Analysis

COMPARATIVE ANALYSIS BY TRAINING, EDUCATION LEVEL, AGE AND GENDER. The survey results were sorted and analyzed by amount of training, education level, age, and gender of participants. Some interesting findings were noted. Participants who received more training had stronger businesses, came from wealthier families, and had more in savings. In general, participants with higher levels of education had more savings. Older participants also earned significantly more money.

By Amount of Training. Older participants were seen as stronger and more competitive, thus, they had higher chances of being selected for the next round of training, and as a result, they received more training than younger participants. The average age of participants who received only the first training was 24. The average of participants who received the first and second training was 25 years. For those who received all three trainings, the average age was 28 years.

Training Groups:
Group 1 participants received only the first training in Entrepreneurship (40 youth)
Group 2 participants received the first training in Entrepreneurship and the second training in Business Planning (40 youth)
Group 3 participants received the first training in Entrepreneurship, second training in Business Planning, and third training in Stock Management (20 youth)

In T1, Group 2 participants were found to be slightly better educated than Group 1 participants. In T2, Group 3 participants were the best educated, as many of them had higher education. These findings suggest that level of education was an important factor in being selected to advance in the YED program, likely due to the fact that more educated youth were demonstrating higher abilities to absorb the training materials and put them into practice in their businesses.

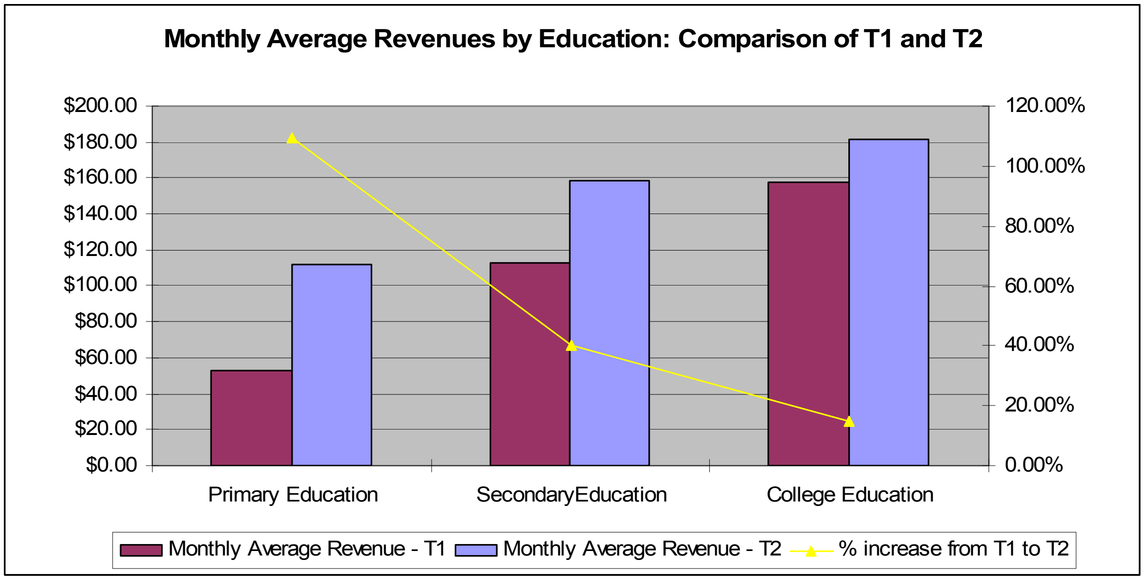
Group 3 participants had the largest number of employees, followed by Group 2, and then Group 1. Group 3 participants also had much stronger businesses as evidenced by higher monthly average revenues. Group 3 participants had an average of $324 per month in revenues, followed by Group 2 participants who had an average of $131, and lastly the Group 1 participants who had revenues of $98 per month. These findings reflect YED's selection criteria for advancing in the program, as well as the impact of the larger grant amount being invested in the business to increase revenues.

Encouragingly, average revenue for Group 2 participants increased by 11%, from $118 in T1 to $131 in T2, which suggests that even this group was able to use the knowledge gleaned from their participation in YED to expand their businesses.

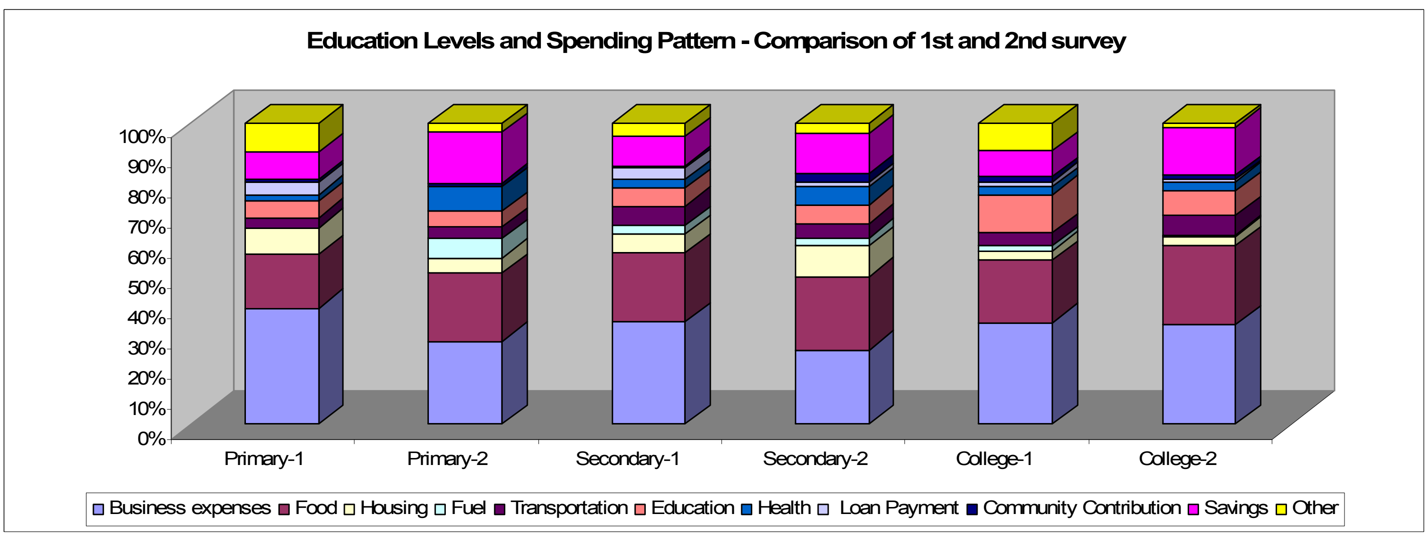
In T1, it was seen that Group 2 participants came from wealthier families, as their household income was on average $83 more than Group 1 participants' income. Group 2 participants had higher business expenses and spent significantly more money on food, housing, transportation, education, health, and loan repayment. Group 2 had a proportionately higher number of savers and more accumulated savings. Also on average, Group 2 had accumulated more household items than Group 1. The findings show that Group 2 participants were able to grow their businesses at a faster pace than Group 1, which is likely due to the additional training, as well as their access to more resources initially. Their greater wealth and education made them more likely to be selected to continue on to the second training, and all those factors (wealth, education, training) seemed to contribute to entrepreneurial success in terms of actual business results.

In terms of business management confidence, however, Group 1 participants, who only received the first training and the basic accounting training, still showed significant improvement from T1 to T2. Their overall business management confidence increased from 2.8 to 3.4 (on a scale of 1 to 4) from T1 to T2.

By Education. Education was broken down into three levels: primary (elementary school), secondary (high school), and college (superior). While those with higher levels of education earned higher revenues on average (in T1 and T2), the increase (from T1 to T2) was greater for participants with lower levels of education. In T1, participants with a college degree had $158 per month in average revenue, followed by participants with secondary education, who had $113 in monthly revenue. Participants with just primary education had a monthly average revenue of $53. In T2, participants with a college degree had $181 per month in average revenue (an increase of $23 or 14.6% from T1), followed by participants with secondary education, who had $158 (an increase of $45 or 39.8%) in monthly average revenue. Participants with only primary education had $111 per month in revenue in T2, which is an increase of $58 or more than double the average revenue in T1. Thus, revenue averages for all groups, of all education levels, increased from T1 to T2, but more significantly for those youth with lower education levels, as is highlighted in the graphic below.



Analyzing spending patterns according to education levels and the differences in T1 and T2 proved quite interesting. For example, savings as a percentage of participants' total expenses increased consistently from T1 to T2 for all education levels. Also participants with higher education had households that spent more per month on education (presumably on other siblings).



Another thing to note is that participants with less education had higher loan repayments in absolute amounts and when measured as a percentage of their total monthly expenses. This is because the participants with less education also had lower individual and household incomes, and poor people often have to depend on loans to smoothen consumption.

Another change, albeit small, is that with increase in income from T1 to T2, all groups have also increased their spending on health. In T1, participants with only primary school education were seen to be spending the largest chunk of their expenses on food ($19.78 or 36.6% of total expenses), followed by business expenses ($14.33 or 26% of total expenses). On the other hand, even though participants with college education spent more money on food ($32), as expected they spent a lesser fraction on food (23.3%), reflecting their surpassing survival level. On the whole, participants with some college education spent more on housing, transportation, education, health, and the community. Finally, college-educated participants universally stated that they would not put their health at risk to expand their business.

By Age. Age-related impacts were analyzed by dividing participants into four groups: i) under 19 years old; ii) ages 20–25; iii) ages 26–30, and iv) more than 30 years old.

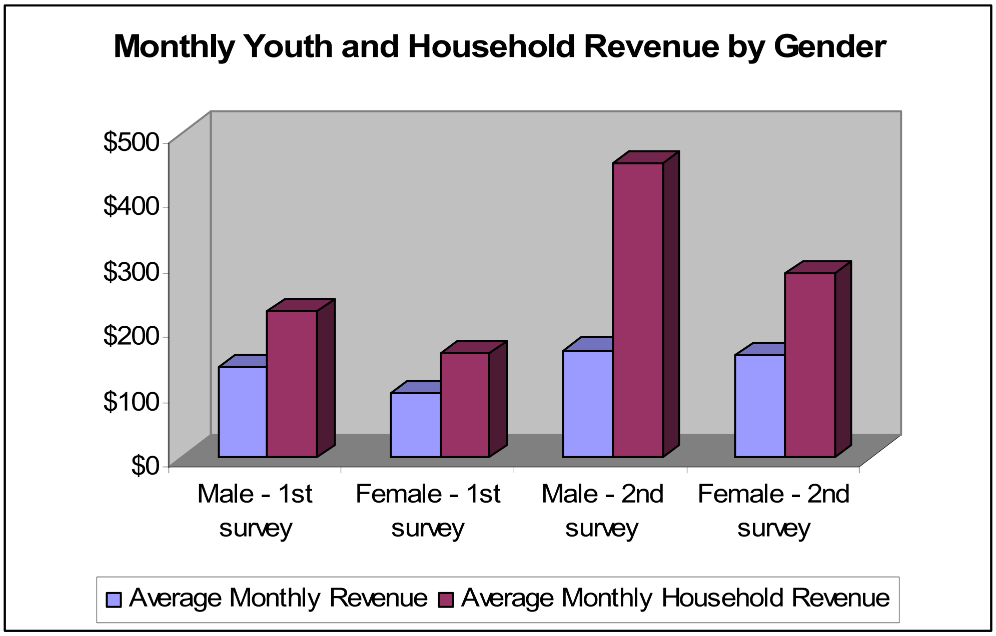
In both surveys, older participants had more trainings, more education, and tracked more accounts (such as cash flow and revenue). They also had more full-time employees. Participants between 25 and 30 introduced the greatest number of new services and products.

In both the first and second surveys, older participants also earned significantly more money and had a higher degree of confidence in expanding their business. They also were the least likely to put their health at risk in order to expand the business.

Participants aged 26–30 seemed the most entrepreneurial, as they expressed the most confidence in their ability to start another business or find employment if their current business failed.

By Gender. In the T1 sample, there were 55 female participants and 35 male participants, and in the T2 sample, there were 45 females and 39 males. With regards to participants' education levels, each participant was given a score of 1 point for primary education, 2 points for secondary education, and 3 points for college education. Male youth on an average had more years of education (2.4, indicating more than a secondary education) than female youth (2.1, indicating a secondary education).

Not surprisingly, male participants earned more than female participants in both T1 and T2 (as shown in the graphic below). In T1, male participants earned on average $40 more each month than female participants. By T2, however, the gap between male and female revenues decreased to $8, which indicates that concentrating on having more female participants had a very positive impact, reducing the gender gap by 80%. Female participants also came from poorer households, and their household income was lower than male participants' household income.



Despite efforts to reach out and engage female participants from the beginning of the program (recruiting more females than males), the demographics (education, household income, earnings) of males versus females suggest an initial advantage for males.

Encouragingly, despite the demographic odds, both female and male participants perceived their business management preparation to be at the same level. Female youth reported feeling “prepared” or “well prepared” with regards to most of the business management skills taught in the training.

III. Learning

Through its unique cross-sectoral approach, the CSY DRC Program, or locally named the YED Program, was able to have significant positive impact on the lives of the youth, and as a pilot program it offers various lessons that can be applied to future youth enterprise development program designs.

Focus on female youth to reduce gender income gap. The YED program assisted the participants in a way that reduced the average monthly income disparity between males and females from $40 per month (T1) to just $8 per month (T2). By ensuring that females consistently represented 60% of participants, the YED program was able to be sufficiently responsive to females’ concerns, allowing them to break traditional barriers and advance their businesses.

Strengthen youth business to increase employment for the whole community. As participants’ income rose, so did their ability to employ more people. Older and more educated participants, especially the ones who received the $300 grant, were able to hire more employees as their income increased. This finding suggests that targeting this profile of participants is more likely to have a multiplier effect on income in the community than targeting younger, less educated youth for enterprise development.

Household income increases, in tandem with individual participants' business income. Although there is not a clear causal link, qualitative data collected through discussions with the young participants and their coaches revealed that several of them regularly shared what they learned through YED with other family members. In fact, some had helped other family members to start new businesses.

Youth business and entrepreneurship interventions may be an effective strategy to increase business revenues of youth with low education levels. Findings showed that while youth revenues increased across youth groups with different education levels, there was a greater percentage increase among youth with lower education levels (primary education) than among those with higher education levels (secondary or college).

Strengthen youth business to have a positive impact on youth health choices. The program found that with increase in income from stronger business practices, youth increased expenditures on health. Also as youth's engagement with the YED program continued through trainings and positive associations with coaches and other business resources, their willingness to put their health at risk in order to expand their businesses decreased. Although it is not possible to attribute this finding exclusively to the ROADS or the YED program, and/or health risk factors that youth were already aware of, it is possible that a combination of these contributed to youth reporting their intentions of not risking their health to expand their businesses.

Poor youth with low levels of education have a heavier reliance on credit. Participants with lower levels of education had higher loan repayments in absolute amounts and as a percentage of their monthly expenses. This indicates that low-income and low-education youth have more difficulty maintaining smooth consumption through their business revenues. To address this problem, the YED program encouraged all youth to start a savings account and awarded grants of $40 to youth in Groups 1 and 2.

To learn more about the Cross-Sectoral Youth Project please visit **www.csy.edc.org**

AZMJ
4506 Rynex Drive
Alexandria, VA 22312 - USA
Phone 703-914-5533
www.azmj.org

Education Development Center, Inc.
55 Chapel Street
Newton, MA 02458 - USA
Phone 617-969-7100
www.edc.org