



**LEARN, EARN AND SAVE:**  
RESEARCH HIGHLIGHTS THE  
CHALLENGES FACING YOUNG  
PEOPLE WHO ARE TRYING TO  
GET AHEAD

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“The knowledge generated by the Learn, Earn and Save learning partnership has helped The MasterCard Foundation sharpen its focus around the realities of mixed livelihoods and the multiple challenges faced by disadvantaged youth in East Africa.”

-Karen Moore, Program Manager, Youth Livelihoods

# INTRODUCTION

Many economically disadvantaged youth in East Africa are unable to access appropriate skills training linked to labour market or business opportunities. This limits their capacity to access and create sustainable livelihoods for themselves and their families. **Learn, Earn and Save**, a MasterCard Foundation Youth Livelihoods initiative, was established in 2011 to confront this challenge.

The initiative aimed to pilot and scale three approaches that would provide youth with market-relevant technical, employability, entrepreneurship and life-skills; access to jobs and opportunities to start their own small businesses; and access to financial education, savings groups and formal financial services.

The three projects included:

- **CAP Youth Empowerment Institute** (CAP YEI) in Kenya implements a three- to six-month Basic Employability Skills Training

(BEST) model, including job placement for out-of-school youth. The training is delivered through CAP YEI’s own centres and in partnership with vocational training centres.

- **Swisscontact** in Tanzania and Uganda organizes out-of-school youth into non-formal learning and savings groups to deliver nine months of training and apprenticeship in partnership with local market actors.
- **Fundación Paraguaya** in Tanzania works in partnership with secondary academic and technical schools to develop school-based businesses that contribute to students’ learning and the school’s financial self-sufficiency. It also develops business clubs where students learn about and engage in saving and small enterprise development. The school-based business approach, on which this research is focused, engages students for three to four years.

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# RESEARCH METHODOLOGY

The University of Minnesota (UMN) served as the learning partner for this initiative, conducting a five-year evaluation to answer these questions:

1. Did the programs change youth’s knowledge, attitudes, and skills related to learning, earning, and saving?
2. How did program participation affect youth’s livelihoods post-training?

A team of local and UMN researchers collected demographic and spoken survey data from 2,203 youth before training and upon completion of the training program and job placement. The survey included 45 items to assess change in youth’s knowledge, attitudes, and skills related to learning, earning, saving, and well-being. The research team also gathered annual interview data for five years from a sub-set of 230 youth, asking about their participation in further education/training, working for pay, savings patterns, goals, and challenges and opportunities in attempting to create a sustainable livelihood.

# FINDINGS

Analyses of the pre- and post-training and job placement data showed that program participation had a positive effect on youth's knowledge and skills. At the same time, youth expressed a strong desire for further training, to advance in the labour market, and to earn enough to meet their needs.

Immediately post-training and continuing over five years, youth reported working in **mixed livelihoods**; the majority out of necessity to make sufficient earnings and to cope with crises. By the fifth year, many youth were earning more consistently and in greater amounts, most often through work they secured or created by drawing on their networks. The youth who weren't earning in 2016 were enrolled in school with limited time for work. Over time, youth reported saving in community groups, via mobile money, and for those urban areas or with formal work, in banks. In addition to securing their own needs, youth supported others by paying for school fees or health care. A few were able to save and borrow to expand their businesses and pursue additional education, but many continued to cite insufficient capital as a barrier to enterprise growth and their own well-being.

Two main trajectories of youth livelihoods emerged: those who are **'getting ahead'** and those who are **'getting by'**. While both trajectories were apparent across all projects, the in-school nature of the Fundación Paraguaya partnership meant that fewer of the youth interviewed had made a complete transition into work.

## GETTING AHEAD

Forty percent of CAP YEI youth interviewed and 53 percent of Swisscontact youth interviewed were 'getting ahead'. Working in formal or informal employment in the same sector for at least three years, these young people reported increased earnings and a greater ability to provide for themselves and others.

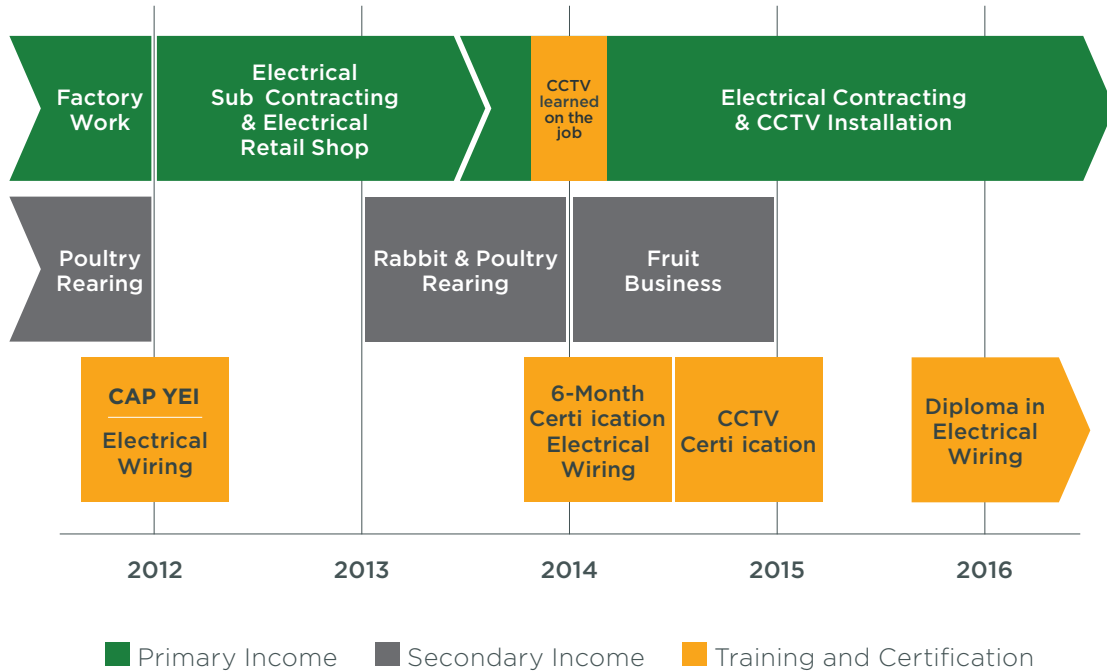
The trajectory experienced by James, a participant in the CAP YEI program, provides an example of 'getting ahead' (Figure 1). James gradually built skills and experience through a combination of on-the-job learning and formal training. Through experiential knowledge, gained while working on the job, including informal training in CCTV installation, James was able to save enough money to return to school to obtain a certification so that he could expand his business. He also started a diploma course on electrical wiring. Household animal husbandry and food production served as a secondary source of income.



Inside a meeting of SMART Ladies Business Club in Morogoro, Tanzania as part of Fundación Paraguaya's program.

FIGURE 1

James' Trajectory - Consistently Pursuing a Trade, and Additional Certification



“... farming can give me development and progress, which can bring me change.”

When Isaac joined the Fundación Paraguaya program at his technical college, he had earned 60,000 Tanzanian shillings (around USD\$25) from farming a half acre plot given by his father. While studying, Isaac continued to farm with assistance from his mother, but he also relied on casual work – brick making – to meet his basic needs. Using the improved farming methods and the business skills of goal setting and market analysis learned in school, Isaac more than tripled the earnings from his farm by his fourth year in the program. In 2016, Isaac no longer needed to supplement his farm income by doing casual labour. He had expanded his farm to more than four acres and diversified crops by steadily saving profits and investing in a pig, which he sold to buy more land. With his technical and entrepreneurial skills, Isaac was confident the agricultural trade would bring him prosperity.

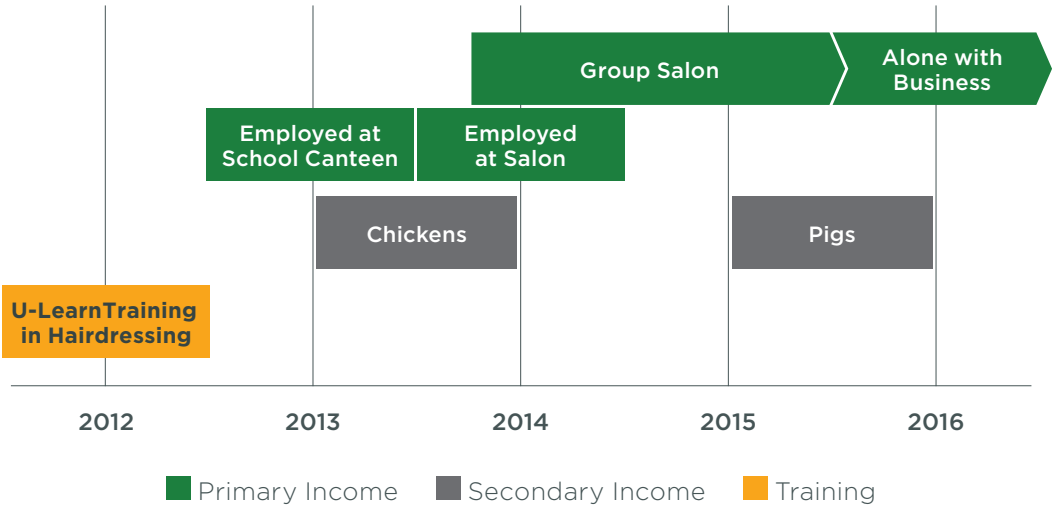


**GETTING BY**

Fifty-four percent of CAP YEI youth interviewed and 44 percent of Swisscontact youth interviewed were ‘getting by’ over time. These youth reported shifting jobs frequently, some with bouts of un- and underemployment, as they were unable to secure stable, decent work or to earn enough through their enterprises to meet their basic needs. For example, Charity,

a participant in the Swisscontact U-LEARN project, was only able to ‘get by’ through the years. Trained in hairdressing in Uganda, Charity moved from one enterprise to another every one to two years, earning little and encountering constant setbacks in raising animals as another source of income (Figure 2).

**FIGURE 2** Charity’s Trajectory – Chasing Different Enterprise Opportunities



A third group of youth pursued education or training as their primary activity for three or more years, and many worked while going to school. A greater proportion of youth who were ‘getting ahead’ were able to further their education over time, while those ‘getting by’ struggled to pay for enrollment or exam fees.

In both the short- and long-term, there were stark **gender differences** in earning and well-being. Females tended to be trained in traditionally female trades (e.g., knitting, hospitality, hairdressing), while males tended

to be trained in traditionally male trades (e.g., masonry, carpentry, electrical, auto mechanics). Over time, females reported lower earnings, making it difficult to meet needs, particularly for those with dependents. Sexual harassment from bosses and customers was also a challenge for women. With little recourse to address exploitation, many young women expressed a desire to be self-employed (but often lacked capital), or pursued further education and training in hopes of gaining additional skills and credentials to secure better employment.

# CONCLUSION

The majority of youth interviewed reported enhanced confidence, recognition in the community, and improved financial and emotional status. However, many, particularly those that are just 'getting by', remained poor or vulnerable. To achieve sustainable livelihoods, the learning partner recommends that programs consider the following:

- Increasing foundational knowledge (literacy/numeracy);
- Providing greater depth of training (technical, business, life, financial skills); and
- Providing pathways for certification or further education.

In addition, programs should address structural constraints that youth face, such as:

- Gender-segregated workforce;
- Lack of access to capital (money, tools, space, land); and
- Need for ongoing mentorship.



Inside a meeting of the Tupendane Mavuno savings group. The group, which is part of Swisscontact's program, started in July 2014 with 15 girls and now has more than 40 members.

Further results and analysis from the Learn, Earn and Save Longitudinal Research will be published in 2017.

## FOR FURTHER INFORMATION, PLEASE CONTACT:

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