



International Initiative
for Impact Evaluation



The Impact of Skills Training on Financial Behaviour, Employability, and Educational Choice of Youth:

Findings from a Randomized Controlled Trial in Morocco

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Youth Economic Exclusion in MENA and Morocco:

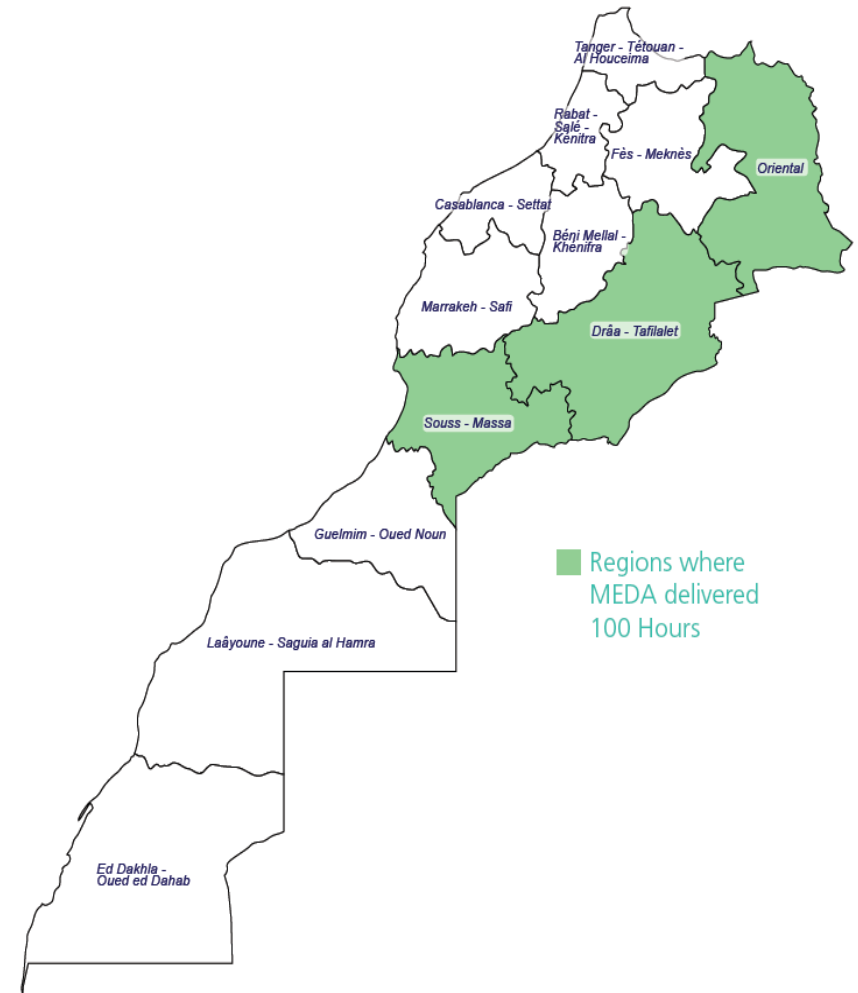
- **Labour market access in Morocco:**
19% unemployed; NEET youth: 40% among young men and 90% among young women (ILO 2014; World Bank 2012)
- **Lack of financial inclusion:** over 80% of MENA youth unbanked & low awareness of financial services among youth in Morocco (World Bank 2014)
- **Focus on skills development in MENA not matched by evidence on „what works“**

MEDA Maroc: 100 Hours to Success

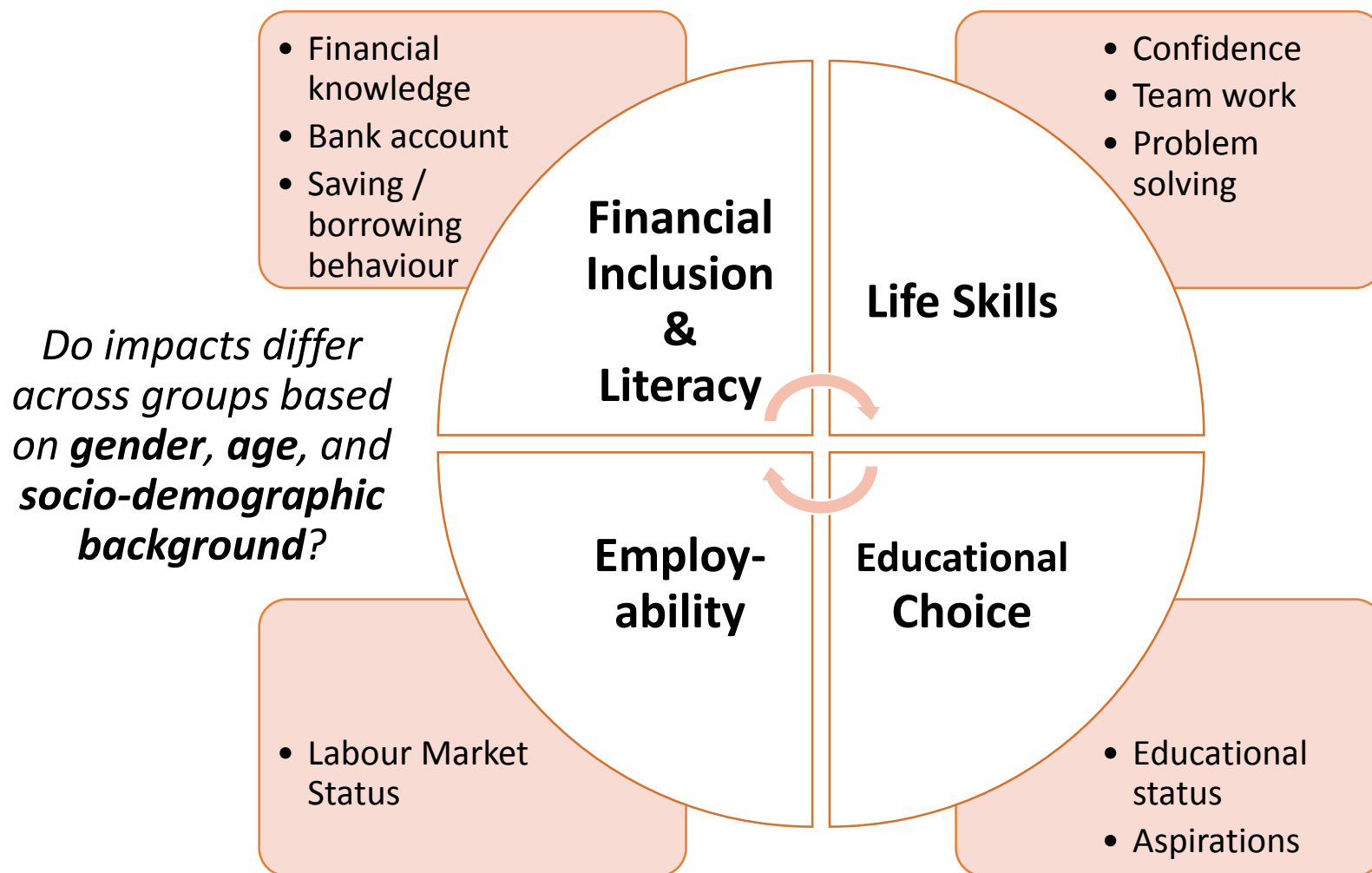
- **Component of larger YouthInvest project**, 2008-2014, to foster economic and financial inclusion of youth
- **Mix of training** providing 100 hours of instruction, with modules in three areas:
 - Financial literacy & management
 - Life skills
 - Business and entrepreneurial skills
- **Delivered over 1-3 month period** at existing youth centres (typically in the evenings)
- **Experiential teaching methods:** live examples, case studies & high interaction among participants.

MEDA Maroc: 100 Hours to Success

- **Target group:** 20'000 Moroccan youth between 15-25 years of age
- **Assumptions:**
 - Additional training teaches skills not covered by formal educational system
 - Key constraints on supply side of the labour market



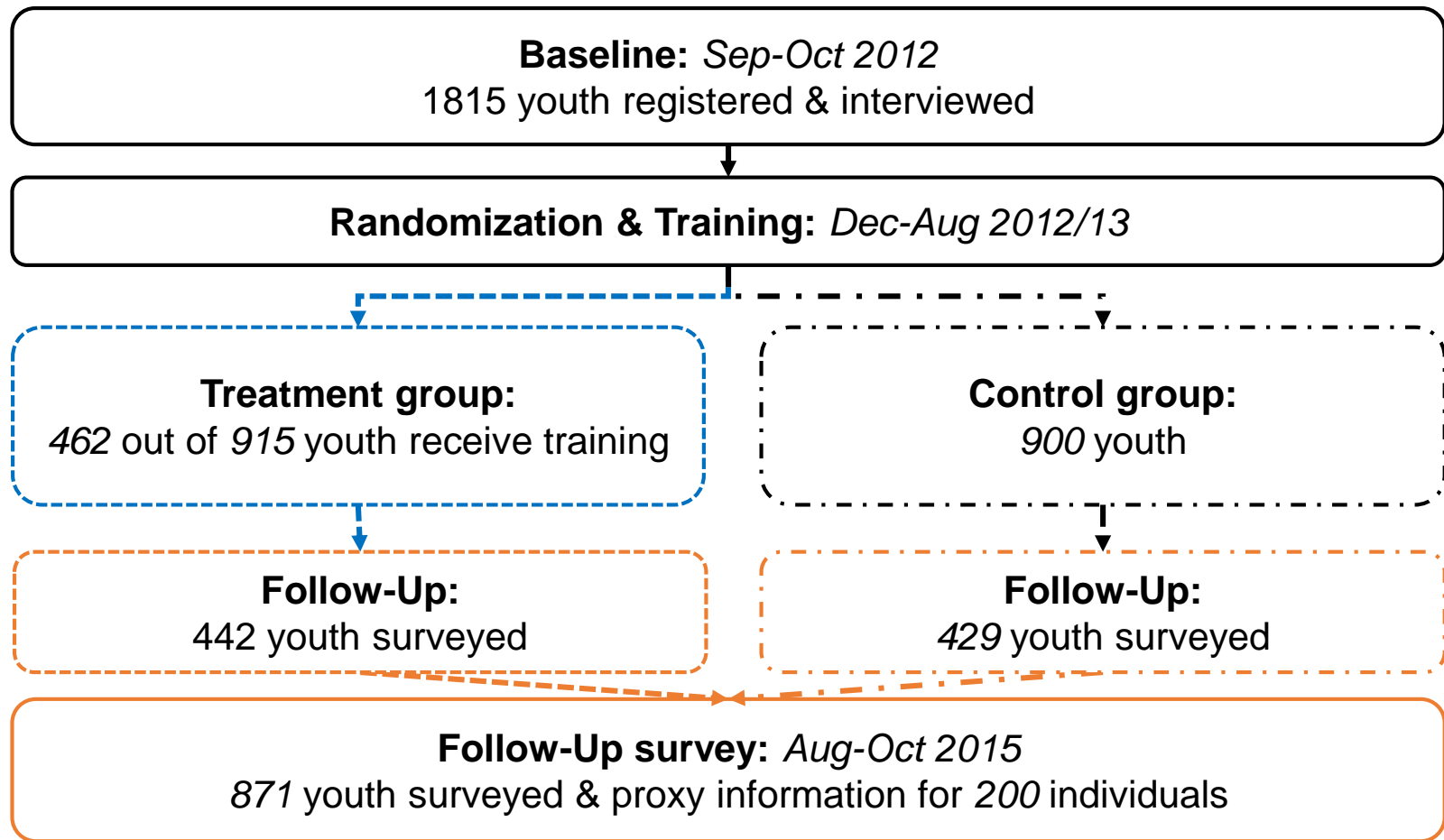
Evaluation Questions & Indicators



Evaluation Design Identification Strategy

- **Randomization:** two groups sharing on *average* the same characteristics – confirmed by baseline survey
- Only members from the treatment group are offered place at 100 Hours to Success
- **Impacts:** We compare (changes in) outcomes between both groups using data from the baseline and follow-up survey

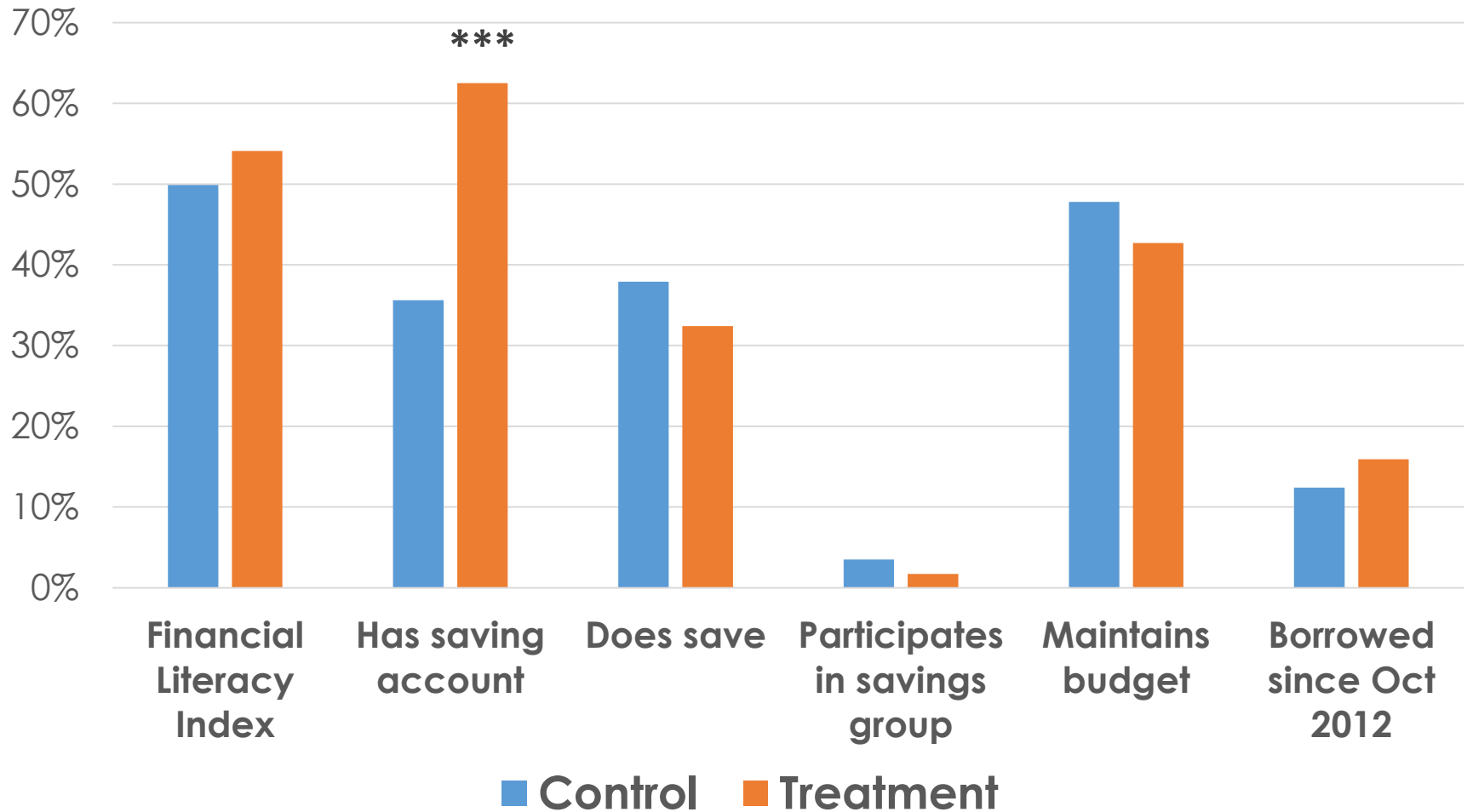
Evaluation Design & Timeline



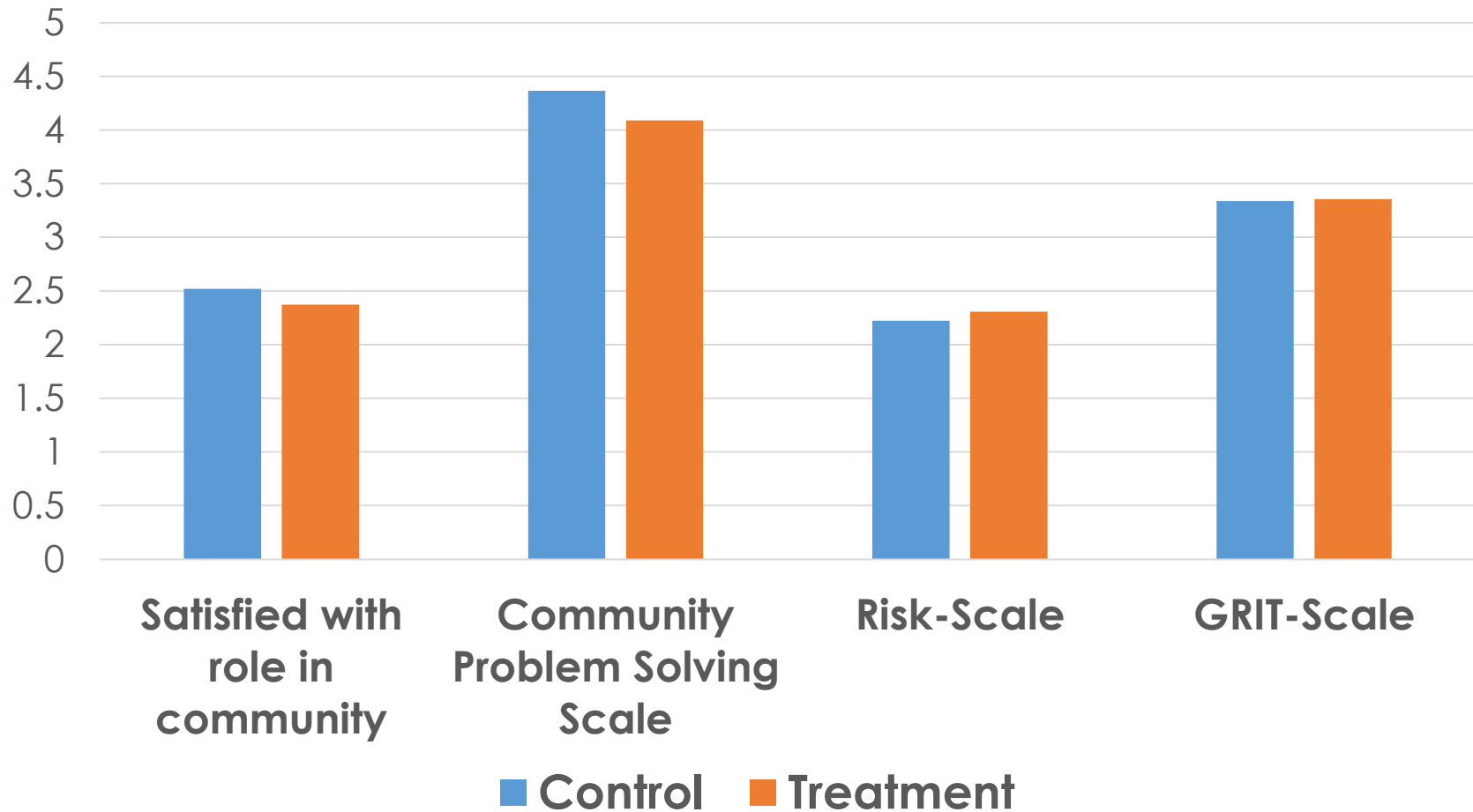
Evaluation: Caveats

- **Take-Up:** Only 462 out of 900 youth that were offered the training enrolled in the programme
 - Presenting *Local Average Treatment Effects* (LATE)
- **Drop-Outs / Non-Attendance:** Not all youth that enrolled completed the training
- **Attrition in follow-up:** 52% of youth could not be interviewed in endline survey
 - Baseline values (observables) still balanced
 - Results robust to variety of sensitivity checks
 - But: Little room for disaggregation!

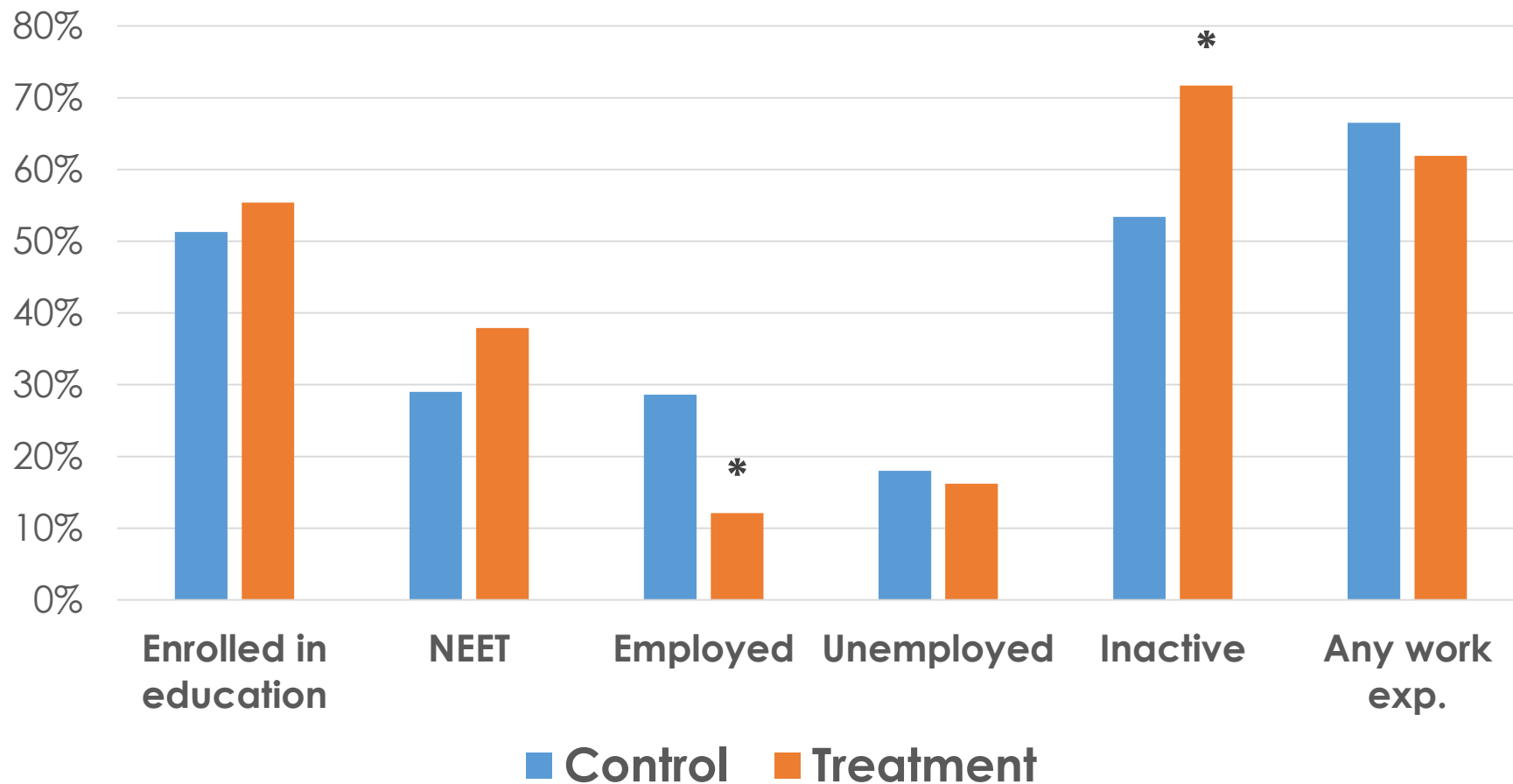
Financial Literacy & Inclusion



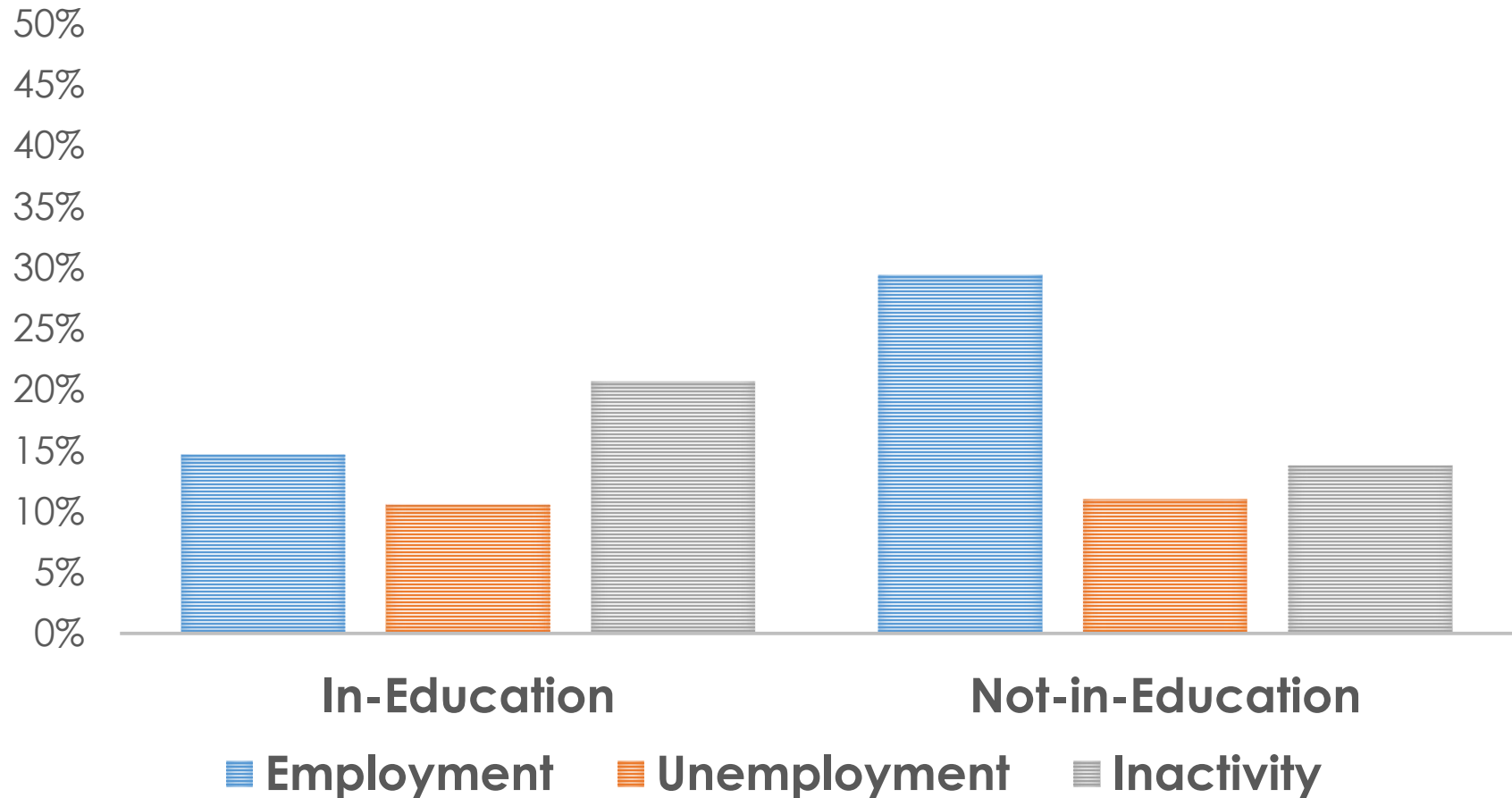
Life Skills



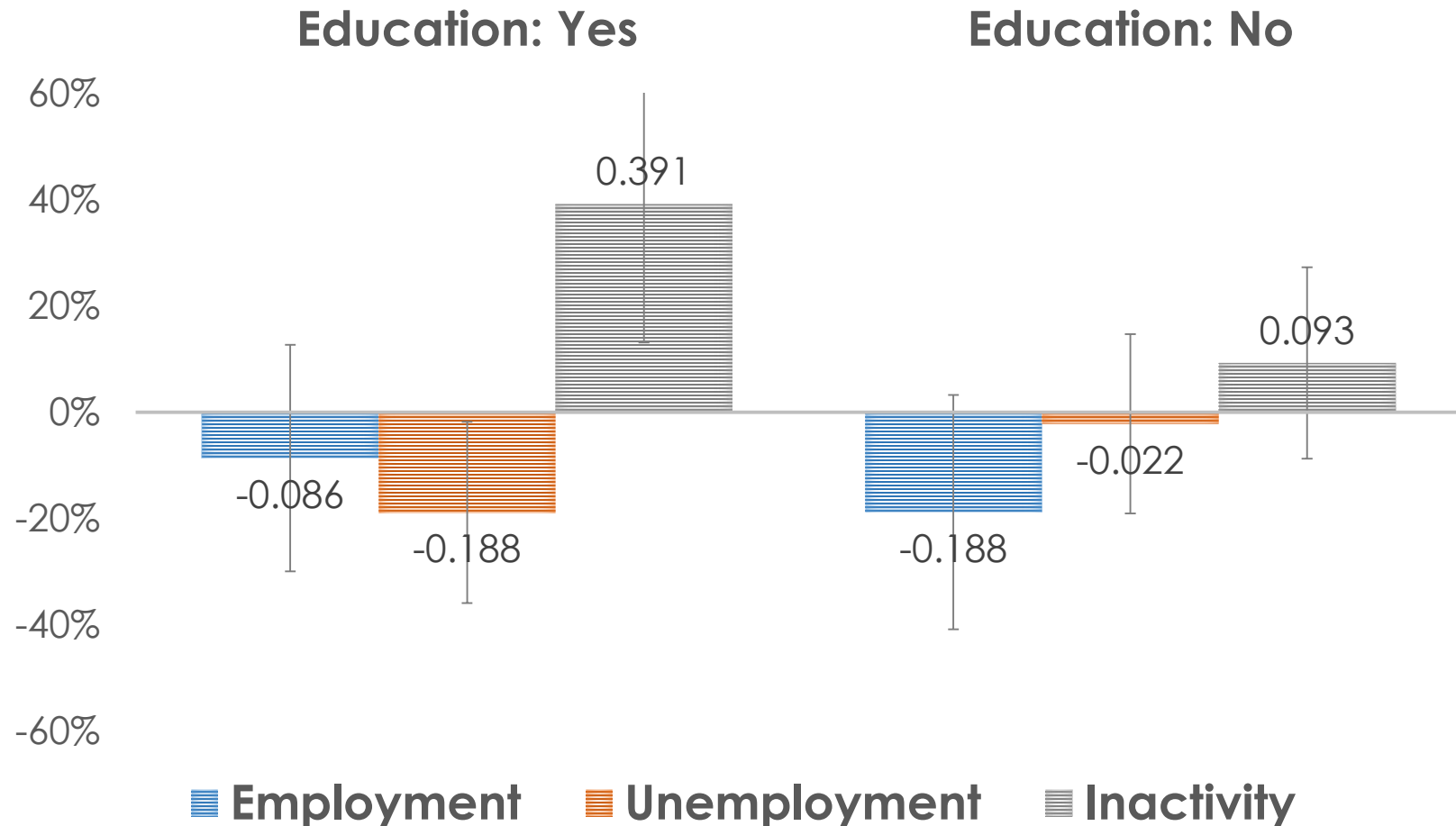
Labour Market Outcomes & Educational Choice



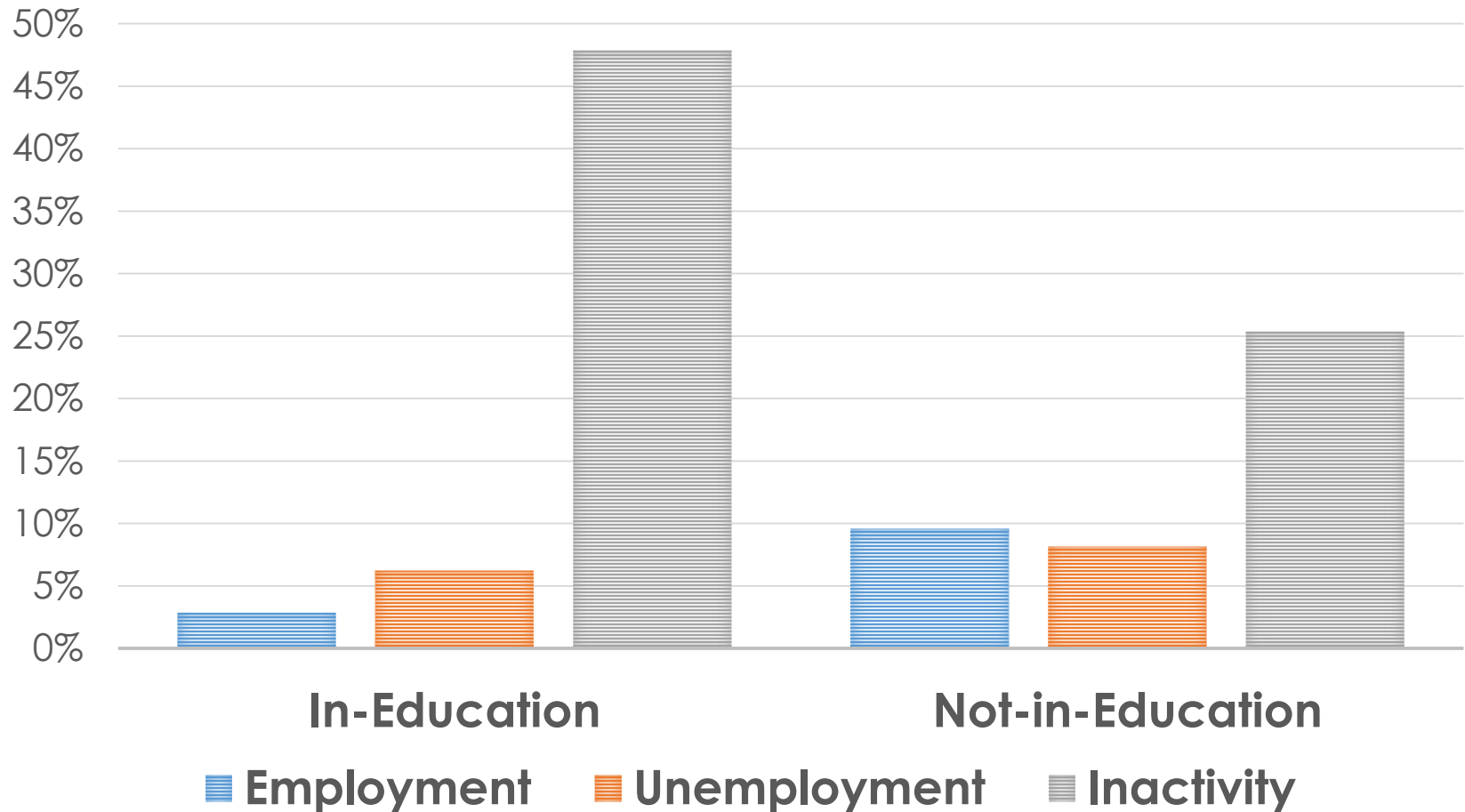
Labour Market Status & Education: Men, Follow-Up



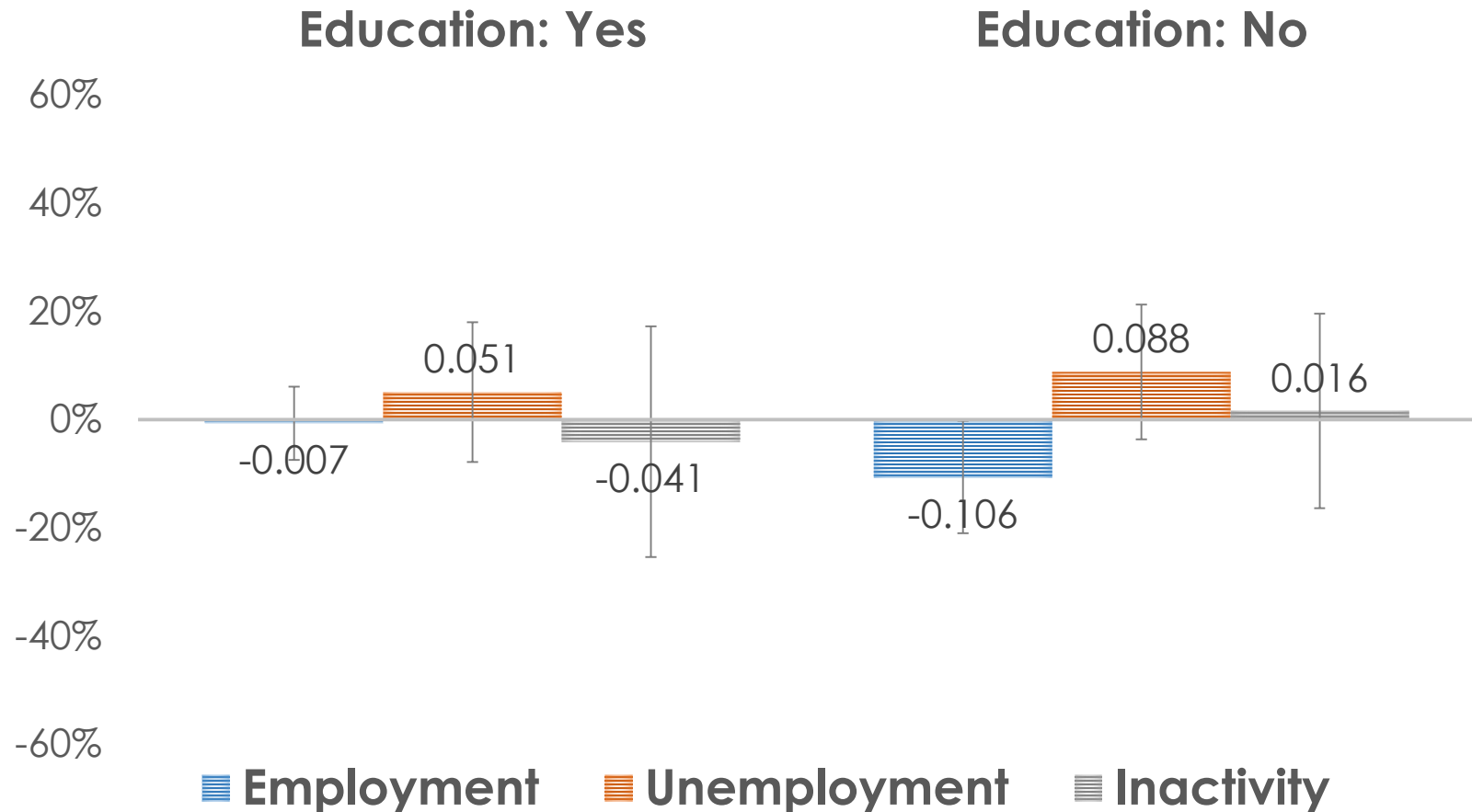
Labour Market Status & Education: Impacts for Men



Labour Market Status & Education: Women, Follow-Up



Labour Market Status & Education: Impacts for Women



Findings: Summary

- **Maintaining bank accounts:** Yes!
Changing financial behaviour: (rather) No!
- **Life Skills:** No evidence of long-term impact
- **Increased investment education:** both in terms of length and heightened attention ... but only for male youth

Conclusion: Lessons learned

- **Encourage education: Skills trainings can trigger greater investment in human capital**
 - Important if lack of skills is a key constraint for young people in the labour market (are there high skill premia?)
 - But: (formal) education \neq job guarantee (cf. SWTS Egypt)
- **Targeting**: youth (15-25 years) might still be too diverse when aiming at school-to-work transition and/or financial training:
 - Striking and increasing gender differences wrt labour market participation: 44% men vs, 12% women employed at time of follow up (avg. age: 23)
 - Saving requires income and borrowing collateral

Avenues for future research in youth employment

- **How to increase take-up and reduce drop-out?** (i.e. low relevance/quality vs. low self-control vs. lack of information)
- **How to impact (financial) behaviour with classroom based trainings?**
- **Global evidence favours multi-pronged interventions but how to combine components best?**
Financial literacy, life skills, business management, internships, apprenticeships...

**Thank you for your
attention!**