Meet Your Future
Experimental Evidence on the Labor Market Effects of Mentors

Livia Alfonsi
HBS

Mary Namubiru
BRAC Uganda

Sara Spaziani
Brown University

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Africa Youth Un(der)employment Challenge

- 420 million young people in Africa today
- 140 million are unemployed; 130 million are underemployed [AfDB 2018]
- Consequences for well-being of millions, countries’ economic growth and world-wide development
Supply-Side Information Frictions are Relevant in Low-Income Settings

- How to find out about vacancies [Jensen 2012; Beam 2016; Groh et al. 2016; Abel et al. 2019; Abebe et al. 2021; Bandiera et al. 2022]

- Search process [Abebe et al. 2021; Carranza et al. 2021; Bassi and Nasamba 2021]

- Overly optimistic beliefs about their labor market prospects [Spinnewijn 2015; Mueller et al. 2021, Potter 2021; Abebe et al. 2021; Banerjee and Sequeira 2021; Bandiera et al. 2022]
Meet Your Future: Tailored, Relevant, Credible, and Low-Cost Information

Research Question: Can connecting young jobseekers with experienced workers improve their labor market trajectories?

Methodology: Experimentally generate mentorship relationships between skilled youth and successful workers in their sector of training.

Data: 6 survey rounds spanning 3 years and audio recordings of the mentoring sessions.

Main Findings: The program improved participants career trajectories
  ✗ Not via job referrals nor by building search capital
  ✓ Via info that corrects overoptimism and raises perceived returns to experience

Policy: Cost effective and scalable program with an estimated IRR of 300%
Meet Your Future: Tailored, Relevant, Credible, and Low-Cost Information

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Setting and Experimental Design
5 Vocational Training Institutes

- Post-secondary 2-year course in one of 13 occupations
- Common tool used to upskill youth [Alfonsi et al. 2020]

1112 Students

- 20 years old on average
- Pervasive overoptimism about entry wages and poor knowledge of wage dynamics

158 Mentors

- 25 years old on average
- Successful alumni of the same VTIs and courses
Experimental Design

1112 Students

1st (Stratified) Randomization

\[ T \quad N=646 \]

2nd Randomization

\[ C \quad N=466 \]

- Mentor_1
- Mentor_2
- Mentor_3
- Mentor_78
- Mentor_79
- Mentor_80
- Mentor_158

Students

Timeline
Impacts on Labor Market Outcomes
In the Short Run Treated Students Work More While Earning the Same

\[ Y_{i,s,t} = \beta_0 + \beta_1 T_i + X_i'\delta + \lambda_s + \epsilon_{i,s,t} \]

<table>
<thead>
<tr>
<th></th>
<th>Out of the Labor Force</th>
<th>Days Worked Last Month</th>
<th>Hours Practicing Technical Skills</th>
<th>Total Earnings Last Month</th>
<th>First Job Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>MYF Treatment</td>
<td>-.057***</td>
<td>1.267**</td>
<td>17.234***</td>
<td>1.900</td>
<td>18.469***</td>
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<tr>
<td></td>
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<td>(5.041)</td>
<td>(2.081)</td>
<td>(5.150)</td>
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<tr>
<td></td>
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<td>[.010]</td>
<td>[.002]</td>
<td>[.078]</td>
<td>[.002]</td>
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<tr>
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<td>.21</td>
<td>16.15</td>
<td>52.15</td>
<td>11.35</td>
<td>81.18</td>
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<tr>
<td>Treatment Effect (%)</td>
<td>-26.57</td>
<td>7.85</td>
<td>33.05</td>
<td>16.73</td>
<td>22.75</td>
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<tr>
<td>N</td>
<td>934</td>
<td>934</td>
<td>838</td>
<td>933</td>
<td>833</td>
</tr>
</tbody>
</table>

Notes: ITT estimates: OLS coefficients, clustered se in parentheses.

- At 3 months treated students are 27% less likely be out of the labor force, work more and spend more time practicing technical skills
- No differences in earnings nor job quality
- Initial matches are more stable
Labor Market Trajectories Get Steeper in the Medium Run

<table>
<thead>
<tr>
<th>Transitions</th>
<th>Medium Run</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internship to Job Transition Within Firm (1)</td>
<td>Internship to Job Transition Between Firms (2)</td>
</tr>
<tr>
<td>MYF Treatment</td>
<td>.041** (.019)</td>
</tr>
<tr>
<td>Control Mean</td>
<td>.18</td>
</tr>
<tr>
<td>Treatment Effect (%)</td>
<td>22.87</td>
</tr>
<tr>
<td>N</td>
<td>934</td>
</tr>
</tbody>
</table>

Notes: ITT estimates: OLS coefficients, clustered se in parentheses.

- More stable matches set them on a steeper job ladder
- 1 year later, treated students earn 18% more

QTEs  Cumulative earnings
Mechanisms
Conversation Content: Info on Entry Conditions, Few Job Referrals
Students Main Takeaway

**Entry Conditions**
- Upaid jobs
- Need for practical skills
- Prevailing wages
- Jobs arrival rate

**Search Tips**
- Tips for interviews
- Job search costs
- Find suppliers/customers/tools
- Tips for applications/CV writing

**Encouragement**
- Patient/Flexible
- Hard working/Disciplined
- Persistent
- Confident/Determined

**Referrals**
- Connection to firm owner/ workers contacts

21% 25% 53% 1%
Combining Direct Measures of Intermediate Outcomes with a Mentor IV Design We Find:

- **Job Referrals**: 7.4% received or were offered a referral; 2.6% found job via mentor, results hold without them.

- **Search Tips**: Treated students are not better at searching.

- **Entry Conditions**: Reservation wages down by 30%; 13% higher willingness to accept an unpaid job; Reject 27% fewer job offers; Results driven by the most optimistic.

- **Encouragement**: More likely to start job search; Less likely to get discouraged and drop out of labor force; Mentors giving encouragement drive medium run results.
Combining Direct Measures of Intermediate Outcomes with a Mentor IV Design We Find:

- **Job Referrals** $\times$  
  - $7.4\%$ received or were offered a referral  
  - $2.6\%$ found job via mentor, results hold without them

- **Search Tips** $\times$  
  - Treated students are not better at searching

- **Entry Conditions** $\checkmark$  
  - Reservation wages down by $30\%$  
  - $13\%$ higher willingness to accept an unpaid job  
  - Reject $27\%$ fewer job offers  
  - Results driven by the most optimistic

- **Encouragement** $\checkmark$  
  - More likely to start job search  
  - Less likely to get discouraged and drop out of labor force  
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  - 2.6% found job via mentor, results hold without them

- **Search Tips**
  - Treated students are not better at searching

- **Entry Conditions**
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  - 13% higher willingness to accept an unpaid job
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- **Entry Conditions** ✓ → Reservation wages down by 30%  
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  → Results driven by the most optimistic

- **Encouragement** ✓ → More likely to start job search  
  → Less likely to get discouraged and drop out of labor force  
  → Mentors giving encouragement drive medium run results
Conclusions

- A mentorship program able to provide credible and relevant information to young job seekers improves employment outcomes, career trajectories, and education-career synergies

- Not by changing the fundamentals of the search problem, rather, the way young and overly optimistic jobseekers perceive it

Our findings highlight:
- Role of distorted beliefs as an important channel by which info frictions decrease earnings and career advancement
- Importance of balancing bad news with hope for better future outcomes to prevent discouragement, dropout and human capital wastage
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  - Role of distorted beliefs as an important channel by which info frictions decrease earnings and career advancement.
  - Importance of balancing bad news with hope for better future outcomes to prevent discouragement, dropout and human capital wastage.
Additional Slides
## Job Search Behavior and Reservation Wages

<table>
<thead>
<tr>
<th></th>
<th>Willingness to Accept a Job</th>
<th>Job Search</th>
<th>Search Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reservation Wage (1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MYF Treatment</td>
<td>-11.581***</td>
<td>-0.056</td>
<td>-8.525***</td>
</tr>
<tr>
<td></td>
<td>(3.357)</td>
<td>(.059)</td>
<td>(.4053)</td>
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<tr>
<td></td>
<td>[.004]</td>
<td>[.128]</td>
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<tr>
<td>Control Mean</td>
<td>36.76</td>
<td>.04</td>
<td>28.28</td>
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<tr>
<td>Treatment Effect (%)</td>
<td>-31.50</td>
<td>-157.94</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>737</td>
<td>934</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Would Accept Unpaid Job (2)</th>
<th>Refused Job Offer Searched (3)</th>
<th>Search Efficacy Index (4)</th>
<th>Search Intensity Index (5)</th>
<th>Started Job Search (6)</th>
<th>Search Duration Searched (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-.071**</td>
<td>-.057**</td>
<td>-.056</td>
<td>.018</td>
<td>.029**</td>
<td>-8.525***</td>
</tr>
<tr>
<td></td>
<td>(.031)</td>
<td>(.026)</td>
<td>(.059)</td>
<td>(.068)</td>
<td>(.014)</td>
<td>(.4053)</td>
</tr>
</tbody>
</table>

- Treated students revise their reservation wages down by 30%, are more willing to accept an unpaid job and reject fewer job offers **Pathways analysis**
- They search for a shorter time. However, they are neither better at searching nor search more intensively **Het**
- Results are driven by the over-optimistic students
Learning How Each Topic of Conversation Affects Outcomes

- **Goal:** \( Y_i = \beta_0 + \beta_1 \text{Info}_i + \beta_2 \text{Enc}_i + \beta_3 \text{Search}_i + X_i' \delta + \epsilon_i \)

- **Identification issue:** Non guided conversations

- **Solution:** Leverage the second randomization and instrument the conversation content with 158 mentor indicators

- **Assumptions:** Relevance; Exclusion Restriction
Mentors Providing Entry Conditions Info and Encouragement Drive Results

- Job Search Intensity and Effectiveness
- Willingness to Accept Job
- Short Run Labor Market Outcomes
- Career Trajectory

Table:
- Entry Conditions
- Encouragement
- Search Tips

Demographics
Cash Makes the Mentors Give More Actionable Search Tips Crowding Out Encouragement

Students who received the cash transfer received less encouragement and more actionable search tips
An Ineffective Cash Transfer

<table>
<thead>
<tr>
<th>Transitions</th>
<th>Medium Run</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Retained post Internship</td>
</tr>
<tr>
<td></td>
<td>(1)</td>
</tr>
<tr>
<td>T1 (MYF)</td>
<td>.06**</td>
</tr>
<tr>
<td></td>
<td>(.02)</td>
</tr>
<tr>
<td>T2 (MYF+Cash)</td>
<td>.02</td>
</tr>
<tr>
<td></td>
<td>(.03)</td>
</tr>
<tr>
<td>Control Mean</td>
<td>.18</td>
</tr>
<tr>
<td>T1 Effect (%)</td>
<td>32.69</td>
</tr>
<tr>
<td>T2 Effect (%)</td>
<td>13.57</td>
</tr>
<tr>
<td>N</td>
<td>934</td>
</tr>
<tr>
<td>T1=T2</td>
<td>0.28</td>
</tr>
</tbody>
</table>

The cash transfer had no differential impacts in the short run but attenuated the effects at 1 year.
Conclusions

- Connecting young jobseekers with experienced workers is effective at improving labor market outcomes
- Not by changing the fundamentals of the search problem, rather, the way it is perceived
- MYF is a cost effective and scalable program with an estimated IRR of 300%

Next: Why are young jobseekers overly optimistic?
MYF Dream Team

Research Assistants
★ Pedro De Souza Ferreira
★ Ottavia Anna Veroux

URAP students
★ Elena Kiryakova
★ Yash Dave
★ Hao Wang

Interns
★ Nicola Lipari
★ Cristina Perricone
★ Matteo Giugovaz
★ Marco Vicini
★ Elvin Bora
★ Yannik Stuka
★ Matilde Casamonti
★ Carmelita Gatto
★ Paola Giannattasio

Enumerators
★ Sylvia Ssenyonjo
★ Lillian Ahirwe
★ Christine Akumu
★ Mariam Nakaziba
★ Elisabeth Nassuna
★ Benedict Kole
★ Caroline Busingye
★ Jackson Nsibo
★ Vivian Nshemerirwe
★ Moreen Mugaba
★ Winnifred Nabukeera
★ Nanziri Juliet
★ Nyakato Brenda

Funders: IDRC via CEGA, J-PAL PPE, G²LIC|IZA, CAS & IRLE @UCB
Thank you!
livia.alfonsi@berkeley.com
APPENDIX
References


References


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Jobs and Skills by Age

PANEL C: In Regular Work, by Skills and Age

Source: Bandiera et al. 2022
Optimism Leads to More Refusals

% Refused

BL  ML  CVD  CC  Always  Median

Below Mean  Above Mean
High Take-Up and Engagement with the Program

- Treatment take up: 91%
- Average # interactions: 6.8
- Average total interaction time = 3.2h
- More interactions among mentor-mentees closer in age and from same VTIs
High Take-Up and Students Engagement with the Program

- Treatment take up: 91%
- Average # interactions: 6.8
- Average total interaction time = 3.2h
- More interactions among mentor-mentees closer in age and from same VTIs
- High satisfaction, identification and transportation across all student-mentor pairs confirm with the text data
- Neutral or positive sentiment
High Take-Up and Students Engagement with the Program

- Treatment take up: 91%
- Average # interactions: 6.8
- Average total interaction time = 3.2h
- More interactions among mentor-mentees closer in age and from same VTIs
- High satisfaction, identification and transportation across all pairs
- Neutral or positive sentiment
- Conversations led by the mentors but engaged students
Setting
History of the VTI Industry in Uganda

- Renewed awareness of vocational education critical role in national development
- After decades of alienation (colonial and post-colonial education policies did not prioritize productive skills acquisition)
- The Ugandan VTI system traces back to the 1940’s when WWII camps were converted to re-train demobilized soldiers and youth to attain skills for survival
- In 1968 the Government came up with a strategy of strengthening vocational training schemes
- The idea did not take off for another 36 years when Uganda’s Parliament enacted a much broader and decisive legal framework under the BTVET Act in 2008
- Determination of: institutional and legal regime, scope and levels of different programmes, the roles of different providers, the establishment of the Uganda Business and Technical Examinations Board
Comparing Education Systems: Uganda, US, Germany

**Ugandan Educational System**
- Primary Schools: 7 years
- Lower Secondary Education
- Upper Secondary Education: 2 years
- Vocational Training Schools
- Tertiary Education

**US Educational System**
- Primary Schools: ~5 years
- Middle Schools
- High Schools: 4-Year, Junior, Senior, Combined
- Vocational Technical Institutions
- Junior / Community College
- Undergrad Programs
- Bachelor’s Degree
- Master’s Degree Studies
- Professional Schools
- Doctoral Studies
- Continuous Vocational training

**German Educational System**
- Primary Schools: 4 years
- High Schools
- Comprehensive Schools
- Junior high Schools
- Upper Secondary Schools
- Vocational Training Schools
- Dual System of Vocational Training
- University
- Advanced Technical College
- Continuous Vocational training

Legend:
- General Education
- TVET
Locations - Students

- Location of Origin
  - 84% comes from Central or Eastern Uganda
  - 56% comes from a rural area (far from town)
  - 72% have either Kampala or Jinja as preferred location where to search (94% if we consider up to the third preference)
Locations - Alumni

Location of Current Work (pre-Covid)
- 87% work in Central or Eastern Uganda
- 64% work in Kampala or Jinja metropolitan area
## Sector Relevance and Gender Composition Nationwide

<table>
<thead>
<tr>
<th>Sector</th>
<th>(1) Young Adults UNHS</th>
<th>(2) % Female</th>
<th>(3) % Male</th>
<th>(4) VTI Graduates UNHS</th>
<th>(5) % Female</th>
<th>(6) % Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and hospitality</td>
<td>0.044</td>
<td>0.524</td>
<td>0.476</td>
<td>0.049</td>
<td>0.349</td>
<td>0.651</td>
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<tr>
<td>Tailoring</td>
<td>0.006</td>
<td>0.600</td>
<td>0.400</td>
<td>0.006</td>
<td>0.794</td>
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<tr>
<td>Electrical work</td>
<td>0.001</td>
<td>0.115</td>
<td>0.885</td>
<td>0.006</td>
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<td>0.782</td>
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<tr>
<td>Motor-mechanics</td>
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<td>0.072</td>
<td>0.928</td>
<td>0.016</td>
<td>0.041</td>
<td>0.959</td>
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<td>Construction</td>
<td>0.037</td>
<td>0.004</td>
<td>0.996</td>
<td>0.035</td>
<td>0.016</td>
<td>0.984</td>
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<tr>
<td>Plumbing</td>
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<td>0.000</td>
<td>1.000</td>
<td>0.003</td>
<td>0.000</td>
<td>1.000</td>
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<tr>
<td>Secretary and accounting</td>
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<td>0.408</td>
<td>0.592</td>
<td>0.011</td>
<td>0.591</td>
<td>0.409</td>
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<tr>
<td>Teaching (pre-primary and primary)</td>
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<td>0.470</td>
<td>0.530</td>
<td>0.171</td>
<td>0.495</td>
<td>0.505</td>
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<td>Hairdressing</td>
<td>0.013</td>
<td>0.425</td>
<td>0.575</td>
<td>0.019</td>
<td>0.593</td>
<td>0.407</td>
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<tr>
<td>Machining and fitting</td>
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<td>0.034</td>
<td>0.966</td>
<td>0.012</td>
<td>0.000</td>
<td>1.000</td>
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<td>Retail</td>
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<td>0.441</td>
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<td>0.556</td>
<td>0.158</td>
<td>0.320</td>
<td>0.680</td>
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<tr>
<td>Other unskilled</td>
<td>0.099</td>
<td>0.153</td>
<td>0.847</td>
<td>0.141</td>
<td>0.204</td>
<td>0.796</td>
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<tr>
<td>Other skilled</td>
<td>0.086</td>
<td>0.270</td>
<td>0.730</td>
<td>0.240</td>
<td>0.380</td>
<td>0.620</td>
</tr>
</tbody>
</table>
Available Data - Students

- Baseline
  - Demographics; Savings; Employment Network (4 people); Planned job search strategy; Labor market expectations; Raven’s

- Midline
  - Planned job search strategy; Labor market expectations; Employment Network (+4 people); Savings; Risk and time preferences

- CVD Survey
  - Labor market expectations; Employment network; Livelihood; Migration; Time use

- CC and CC2 Survey
  - Drop-out status and Labor market expectations

- Post Interaction Survey - *collected for treated students immediately following CS1*
  - Engagement in the conversation, topics of discussion, identification and connection with the alum, main take-always, plans for future interactions

- Endline 1 and Endline 2
  - Job search and Labor market outcomes. Content and frequency of additional interactions with alum.
Available Data - Alumni

- Baseline
  - Demographics; First and Current job; Soft skills; Availability for program
- Follow-up 1, 2 and 3
  - Labor market outcomes during and after the Covid-19 shock [different paper]
- MYF Check-in - collected for the 158 alumni involved in MYF
  - For each student the alum is asked about: his/her identification with each student and a ranking between the students, each student’s employability one and three months after the program and a ranking, the student’s interest in the program.
Experimental Design
Despite Covid-19 Attrition Rates Were Satisfactory
LOGBOOK of __________

<table>
<thead>
<tr>
<th>STUDENTS’ NAMES and PHONE NUMBERS</th>
<th>KEY CALL 1</th>
<th>KEY CALL 2</th>
<th>KEY CALL 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Date (day and month)</td>
<td>Date (day and month)</td>
<td>Duration (in minutes)</td>
</tr>
</tbody>
</table>

Please use this logbook to keep track of the day and time of each KEY CALL. For KEY CALL 2 and 3 keep track of the duration of the conversation and of the 3 main topics you have discussed with the student. Remember the enumerator will ask you to tell him/her about the information in this logbook. Please, write clearly.
**Logbook, example**

**LOGBOOK of ASAPH MAKUKA**

<table>
<thead>
<tr>
<th>STUDENT'S NAME AND PHONE NUMBERS</th>
<th>KEY CALL 1</th>
<th>KEY CALL 2</th>
<th>KEY CALL 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Date (day and month)</td>
<td>Date (day and month)</td>
<td>Duration (in minutes)</td>
</tr>
<tr>
<td>Brian Naparirwa 0979234116</td>
<td>8/Feb/2021</td>
<td>2/March/2021</td>
<td>80</td>
</tr>
<tr>
<td>Stephen Osage 0775247978</td>
<td>9/Feb/2021</td>
<td>8/March/2021</td>
<td>15</td>
</tr>
<tr>
<td>Babu Birahim 0778839719 0701423769</td>
<td>10/Feb/2021</td>
<td>11/March/2021</td>
<td>25</td>
</tr>
<tr>
<td>Aaroun Kanswa 0778528203 0757066711</td>
<td>11/Feb/2021</td>
<td>5/March/2021</td>
<td>20</td>
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<tr>
<td>Namkeeta Heleun 0786485744</td>
<td>8/March/2021</td>
<td>8</td>
<td>5</td>
</tr>
</tbody>
</table>

*Note: Use this logbook to keep track of the day and time of each KEY CALL. For KEY CALL 2 and 3, keep track of the duration of the conversation and of the 3 main topics you have discussed with the student. Remember the enumerator will ask you to tell him/her about the information in this logbook. Please, write clearly.*
Project Timeline, Data and Attrition

- **Initial Focus Groups Discussions**: June 2018
- **STUDENTS BASELINE**: May 2019
- **STUDENTS MIDLINE1**: November 2019
- **STUDENTS MIDLINE2**: June 2020
- **STUDENTS MIDLINE3**: January 2021
- **STUDENTS ENDLINE1**: June 2021
- **STUDENTS ENDLINE2**: February 2022

- **STUDENTS ENDLINE1**: February 2022

- **1st Covid-19 Lockdown**: September 2020
- **2nd Covid-19 Lockdown**: February – March 2021

**Data**: students, alumni, attrition

**Back**
The MYF Program

Mentoring Session 1

Calls initiated by the Enumerator & followed by Post Interaction Surveys

1st – 14th

Mentoring Session 2

Calls initiated by alum

15th – 28th

Alumni Training
Multiple 1-day sessions in 3 locations

Jan

Feb

Mar

Apr

2020

COACHING SESSION 1 & 2
WINDOW BEGINS

EXAMINATIONS

COACHING SESSION 3
WINDOW BEGINS

Alumni check-in

March 25th to April 10th

Alumni check-in

Calls initiated by alum

Calls initiated by the Enumerator & followed by Post Interaction Surveys

FACILITATION
CS 1
(40,000 UGX)

FACILITATION
CS 2
(30,000 UGX)

FACILITATION
CS 3
(30,000 UGX)
The Mentors Training

- Mentors were guided through ways in which they could help the students by going through a long list of examples in each of the 4 categories
- They were explained the structure and admin of the program
- They were given logbooks and instructed on how to fill them
- Mentors are provided $\sim$40 in three separate batches conditional on performing the three coaching sessions, as well as reimbursements of the airtime incurred to make the phone calls. The facilitation did not depend on students’ success in the labor market
The Mentors Training
Alumni Sample Construction - Records digitization
Mentors Selection

- Like most VTIs, none of our partners tracked their students’ career developments or kept contact information.
- We digitized schools’ hard copies of registries containing contacts for the 2014-19 graduating cohorts.
- We excluded 90 alumni that did not provide availability or never worked in the occupation of training.
- We interviewed the rest of them (twice) and assigned scores to: (i) accessibility, (ii) quality of first and current jobs, (iii) labor market indicators, (iv) school performance, and (v) soft skills.
- We matched students with the best alumni who attended their same VTI and course.
Experimental Design
Pre-Registration and Peer Review

This study was:

1. Registered on the AEA Registry in 2019
2. Peer-reviewed based on the merits of its research question and methodological framework before empirical results realized
3. Accepted based on pre-results review at the Journal of Development Economics
Mentor-Mentee Closer in Age, from Same School and SES Talked More

- Data analyzed dyadically, i.e. mentors and students characteristics considered in tandem

- Because of the symmetry condition that follows from unidirectionality we specify [Fafchamps and Gubert 2007] dyadic regression model as:

  \[ SL_{ij} = \beta_0 + \beta_1 |z_i - z_l| + \beta_2 (z_i + z_l) + \gamma |w_{ij}| + u_i \]

- We observe three primary inhibitors: students and mentors from different VTIs, age gaps, and different socioeconomic status

- No statistically significant differences with mixed gender pairs, yet 86% of pairs are same gender
How much is 12$?

- Average $ spent for one day of search = 4$
- Short run control mean monthly income = 12.3$ (SD = 54$)
- At baseline 70% of students reported having no savings. Of those who saved, half had savings that amounted to less than 100,000 UGX (∼27 USD)
### ITT Estimates: Savings and Job Search Expenditures

<table>
<thead>
<tr>
<th></th>
<th>Job Search Daily Expenditure (1)</th>
<th>Saving (2)</th>
<th>Saving ML1 (3)</th>
<th>Saving ML2 (4)</th>
<th>Saving ML3 (5)</th>
<th>Saving EL1 (6)</th>
<th>Savings Above EL1 (7)</th>
<th>Savings Amount EL1 (8)</th>
<th>Saving EL2 (9)</th>
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<tbody>
<tr>
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<td>-0.009</td>
<td>0.042</td>
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<td>0.007</td>
<td>0.545</td>
<td>-0.009</td>
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<td></td>
<td>(.730)</td>
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<td>(.035)</td>
<td>(.028)</td>
<td>(.042)</td>
<td>(.047)</td>
<td>(.057)</td>
<td>(5.297)</td>
<td>(.046)</td>
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<td>T2 (MYF+Cash)</td>
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<td>0.008</td>
<td>0.026</td>
<td>0.037</td>
<td>0.071**</td>
<td>0.103***</td>
<td>7.566</td>
<td>-0.038</td>
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<tr>
<td></td>
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<td>(.042)</td>
<td>(.047)</td>
<td>(.028)</td>
<td>(.043)</td>
<td>(.034)</td>
<td>(.035)</td>
<td>(8.910)</td>
<td>(.043)</td>
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<td>.29</td>
<td>.41</td>
<td>.47</td>
<td>29.44</td>
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<td>Control SD</td>
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<td>.49</td>
<td>.50</td>
<td>57.31</td>
<td>.50</td>
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<tr>
<td>T1 Effect (%)</td>
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<td>-2.75</td>
<td>16.86</td>
<td>11.77</td>
<td>2.63</td>
<td>-6.73</td>
<td>1.55</td>
<td>1.85</td>
<td>-1.71</td>
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<tr>
<td>T2 Effect (%)</td>
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<td>9.33</td>
<td>3.36</td>
<td>9.91</td>
<td>12.45</td>
<td>17.21</td>
<td>22.13</td>
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<td>780</td>
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<td>907</td>
<td>912</td>
<td>910</td>
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<tr>
<td>T1=T2</td>
<td>0.97</td>
<td>0.49</td>
<td>0.32</td>
<td>0.83</td>
<td>0.43</td>
<td>0.03</td>
<td>0.05</td>
<td>0.49</td>
<td>0.43</td>
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</tbody>
</table>
Randomization and Identification

Stratified (private) randomization at student level [Bruhn and McKenzie 2009]

- VTI: Potentially correlated with treatment implementation
- Hard to find: To reduce the risk of having differential attrition by treatment status
- Gender: Male positively correlated with labor market outcomes
- Indicator for smartphone ownership: strongly correlated with labor market outcomes and expected treatment take up

One balance variable [Athey and Imbens 2017]

- Ever worked pre intervention

Identification assumption: within each strata, T, and C do not differ on average in all observable and unobservable characteristics
Earnings Expectations Over Immediate and Future Prospects

<table>
<thead>
<tr>
<th></th>
<th>Immediate Prospects (3 months)</th>
<th>Future Prospects (1 Year)</th>
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<tbody>
<tr>
<td></td>
<td>Expected Earnings Minimum (1)</td>
<td>Expected Earnings Maximum (2)</td>
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<td>Control Mean</td>
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<td>Control SD</td>
<td>75.08</td>
<td>74.94</td>
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<td>T Effect (%)</td>
<td>-8.11</td>
<td>-7.77</td>
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<tr>
<td>N</td>
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<td>883</td>
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## Overoptimistic Students Drive Results on Reservation Wage and Willingness to Accept Job

<table>
<thead>
<tr>
<th></th>
<th>Reservation Wage (1)</th>
<th>Would Accept Unpaid Job (2)</th>
<th>Refused Job Offer Searched (3)</th>
<th>Search Duration Searched (4)</th>
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</thead>
<tbody>
<tr>
<td>MYF Treatment</td>
<td>-11.58***</td>
<td>.07**</td>
<td>-.06**</td>
<td>-10.58**</td>
</tr>
<tr>
<td></td>
<td>(3.36)</td>
<td>(.03)</td>
<td>(.03)</td>
<td>(4.90)</td>
</tr>
<tr>
<td>MYF Treatment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>× Feb expectations above mean</td>
<td>-23.52***</td>
<td>.14**</td>
<td>-.11</td>
<td>-8.06</td>
</tr>
<tr>
<td></td>
<td>(5.99)</td>
<td>(.06)</td>
<td>(.09)</td>
<td>(8.32)</td>
</tr>
<tr>
<td>× Feb expectations below mean</td>
<td>1.43</td>
<td>.02</td>
<td>-.06</td>
<td>-5.85</td>
</tr>
<tr>
<td></td>
<td>(3.13)</td>
<td>(.05)</td>
<td>(.06)</td>
<td>(6.53)</td>
</tr>
<tr>
<td>Difference</td>
<td>-24.951</td>
<td>.116</td>
<td>-.052</td>
<td>-2.204</td>
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<tr>
<td>P-Value</td>
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<td>.131</td>
<td>.545</td>
<td>.835</td>
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<td>Control Mean</td>
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<td>.54</td>
<td>.21</td>
<td>33.94</td>
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<tr>
<td>Control SD</td>
<td>48.14</td>
<td>.50</td>
<td>.41</td>
<td>73.45</td>
</tr>
<tr>
<td>Treatment Effect (%)</td>
<td>-31.50</td>
<td>13.09</td>
<td>-27.24</td>
<td>-31.17</td>
</tr>
<tr>
<td>N</td>
<td>737</td>
<td>739</td>
<td>745</td>
<td>740</td>
</tr>
</tbody>
</table>
Mentors Heterogeneity Matters

\[ Y_i = \gamma_{i1} + X_i' \delta + \mu_i \]

---

**Short Run Index (std. dev)**

- Mentors (density)
  - Std. dev. of estimates: .71
  - Std. Dev. of prior: .47

**Medium Run Index (std. dev)**

- Mentors (density)
  - Std. dev. of estimates: .68
  - Std. Dev. of prior: .45

---

- Estimates
- Posteriors
- Prior distribution
Mentors Providing Info and Encouragement Drive the Results on Labor Market Outcomes

\[ Y_i = \beta_0 + \beta_1 \hat{\text{Info}}_i + \beta_2 \hat{\text{Enc}}_i + \beta_3 \hat{\text{Search}}_i + X'_i \delta + \epsilon_i \]

<table>
<thead>
<tr>
<th>Mechanisms</th>
<th>Labor Market Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search Behavior Index (1)</td>
<td>Willingness to Accept Job Index (2)</td>
</tr>
<tr>
<td><strong>Entry Conditions</strong></td>
<td>.02</td>
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<tr>
<td></td>
<td>(.12)</td>
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<tr>
<td><strong>Encouragement</strong></td>
<td>-.05</td>
</tr>
<tr>
<td></td>
<td>(.08)</td>
</tr>
<tr>
<td><strong>Search Tips</strong></td>
<td>.02</td>
</tr>
<tr>
<td></td>
<td>(.11)</td>
</tr>
<tr>
<td><strong>Control Mean</strong></td>
<td>-.01</td>
</tr>
<tr>
<td><strong>N</strong></td>
<td>934</td>
</tr>
<tr>
<td><strong>F-Test of joint significant (pval)</strong></td>
<td>.47</td>
</tr>
<tr>
<td><strong>AP Partial F (pval)- Info</strong></td>
<td>.00</td>
</tr>
<tr>
<td><strong>AP Partial F (pval)- Encouragement</strong></td>
<td>.00</td>
</tr>
<tr>
<td><strong>AP Partial F (pval)- Search Tips</strong></td>
<td>.00</td>
</tr>
<tr>
<td><strong>Sargan (pval)</strong></td>
<td>.85</td>
</tr>
</tbody>
</table>
## Type of Support Provided, Job Search and Willingness to Accept a Job

### Table 1/2

<table>
<thead>
<tr>
<th></th>
<th>Willingness to Accept a Job</th>
<th>Job Search</th>
<th>Search Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Started Job Search (1)</td>
<td>Reservation Wage (4)</td>
<td>Would accept Unpaid Job (5)</td>
</tr>
<tr>
<td>Entry Conditions</td>
<td>-.04 (.05)</td>
<td>.07 (.11)</td>
<td>.05 (.10)</td>
</tr>
<tr>
<td>Encouragement</td>
<td>.02 (.03)</td>
<td>-.11 (.08)</td>
<td>-.01 (.07)</td>
</tr>
<tr>
<td>Search Tips</td>
<td>.03 (.05)</td>
<td>-.09 (.11)</td>
<td>.04 (.10)</td>
</tr>
<tr>
<td>Control Mean</td>
<td>.78 (.05)</td>
<td>.04 (.07)</td>
<td>-.01 (.06)</td>
</tr>
<tr>
<td>N Mentors</td>
<td>158</td>
<td>158</td>
<td>158</td>
</tr>
<tr>
<td>N</td>
<td>934</td>
<td>934</td>
<td>934</td>
</tr>
<tr>
<td>F-Test of joint significance (pval)</td>
<td>0.64 (.05)</td>
<td>0.35 (.07)</td>
<td>0.93 (.07)</td>
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<td>.00 (.07)</td>
<td>.00 (.07)</td>
</tr>
<tr>
<td>AP Partial F (pval)- Encouragement</td>
<td>.00 (.06)</td>
<td>.00 (.07)</td>
<td>.00 (.07)</td>
</tr>
<tr>
<td>AP Partial F (pval)- Search Tips</td>
<td>.00 (.06)</td>
<td>.00 (.07)</td>
<td>.00 (.07)</td>
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<tr>
<td>Sargan (pval)</td>
<td>.54 (.05)</td>
<td>.73 (.07)</td>
<td>.42 (.07)</td>
</tr>
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</table>

* * * indicates significance at the 1% level.
## Type of Support Provided and Labor Market Outcomes

**Table 2/2**

<table>
<thead>
<tr>
<th>Entry Conditions</th>
<th>Out of the Labor Force (1)</th>
<th>Days Worked Last Month (2)</th>
<th>Time Practicing Technical Skills (3)</th>
<th>Total Earnings Last Month (4)</th>
<th>First Job Duration (5)</th>
<th>Retained post Internship (6)</th>
<th>Internship to Job Transition (7)</th>
<th>Out of the Labor Force (8)</th>
<th>Total Earnings Last Month (9)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-.08*</td>
<td>1.73*</td>
<td>13.92</td>
<td>6.34</td>
<td>17.94</td>
<td>.03</td>
<td>.01</td>
<td>-.02</td>
<td>11.36*</td>
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<tr>
<td></td>
<td>(.05)</td>
<td>(1.05)</td>
<td>(13.76)</td>
<td>(4.51)</td>
<td>(13.83)</td>
<td>(.05)</td>
<td>(.06)</td>
<td>(.05)</td>
<td>(6.09)</td>
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<tr>
<td>Encouragement</td>
<td>-.07**</td>
<td>1.14</td>
<td>20.84**</td>
<td>3.02</td>
<td>26.44***</td>
<td>.08**</td>
<td>.08**</td>
<td>-.04</td>
<td>8.79**</td>
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<tr>
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<td>(.03)</td>
<td>(.71)</td>
<td>(9.40)</td>
<td>(3.07)</td>
<td>(9.43)</td>
<td>(.03)</td>
<td>(.04)</td>
<td>(.04)</td>
<td>(4.25)</td>
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<td>-.04</td>
<td>.05</td>
<td>-.00</td>
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<td>(.05)</td>
<td>(.06)</td>
<td>(.05)</td>
<td>(5.92)</td>
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<td>916</td>
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<td>0.05</td>
<td>0.28</td>
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<td>.00</td>
<td>.00</td>
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<tr>
<td>AP Partial F (pval)- Encouragement</td>
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<td>.00</td>
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<td>AP Partial F (pval)- Search Tips</td>
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<td>.01</td>
<td>.07</td>
<td>.47</td>
<td>.26</td>
<td>.04</td>
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</table>
### ITT Estimates: Willingness to Accept Job and Search by Treatment Arm

<table>
<thead>
<tr>
<th></th>
<th>Willingness to Accept a Job</th>
<th>Job Search</th>
<th>Search Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reservation Wage (1)</td>
<td>Would Accept Unpaid Job (2)</td>
<td>Refused Job Offer Searched (3)</td>
</tr>
<tr>
<td>T1 (MYF)</td>
<td>-13.42***</td>
<td>.08**</td>
<td>-.02</td>
</tr>
<tr>
<td></td>
<td>(3.89)</td>
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<td>(.03)</td>
</tr>
<tr>
<td>T2 (MYF+Cash)</td>
<td>-9.74***</td>
<td>.07*</td>
<td>-.09**</td>
</tr>
<tr>
<td></td>
<td>(3.59)</td>
<td>(.04)</td>
<td>(.03)</td>
</tr>
<tr>
<td>Control Mean</td>
<td>36.76</td>
<td>.54</td>
<td>.21</td>
</tr>
<tr>
<td>T1 Effect (%)</td>
<td>-36.50</td>
<td>14.15</td>
<td>-10.42</td>
</tr>
<tr>
<td>T2 Effect (%)</td>
<td>-26.50</td>
<td>12.03</td>
<td>-43.30</td>
</tr>
<tr>
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<td>745</td>
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<tr>
<td>T1=T2</td>
<td>0.27</td>
<td>0.79</td>
<td>0.04</td>
</tr>
</tbody>
</table>

► MYF only and MYF + Cash have the same effects on willingness to accept a job. Neither has an effect on job search intensity/efficacy.
# ITT Estimates: Short Run Labor Market Outcomes by Treatment Arm

<table>
<thead>
<tr>
<th></th>
<th>Out of the Labor Force (1)</th>
<th>Days Worked Last Month (2)</th>
<th>Hours Practicing Technical Skills (3)</th>
<th>Total Earnings Last Month (4)</th>
<th>First Job Duration (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>T1 (MYF)</td>
<td>-.05** (0.02)</td>
<td>1.54** (0.65)</td>
<td>22.71*** (7.16)</td>
<td>3.19 (2.55)</td>
<td>17.96** (7.40)</td>
</tr>
<tr>
<td>T2 (MYF+Cash)</td>
<td>-.06** (0.02)</td>
<td>1.00 (0.63)</td>
<td>12.39** (5.59)</td>
<td>.67 (2.41)</td>
<td>18.92** (7.01)</td>
</tr>
<tr>
<td>Control Mean</td>
<td>.21</td>
<td>16.15</td>
<td>52.15</td>
<td>11.35</td>
<td>81.18</td>
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<tr>
<td>T1 Effect (%)</td>
<td>-22.90 (9.56)</td>
<td>9.56</td>
<td>43.55</td>
<td>28.11 (22.13)</td>
<td></td>
</tr>
<tr>
<td>T2 Effect (%)</td>
<td>-30.04 (6.22)</td>
<td>6.22</td>
<td>23.75</td>
<td>5.91 (23.30)</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>934</td>
<td>934</td>
<td>838</td>
<td>933</td>
<td>833</td>
</tr>
<tr>
<td>T1=T2</td>
<td>0.59</td>
<td>0.43</td>
<td>0.19</td>
<td>0.35 (0.92)</td>
<td></td>
</tr>
</tbody>
</table>

>Treatment effects on short run outcomes are equally strong for students who received MYF only and those who received MYF + Cash
Decomposition of the Effect of MYF on Pathways to Employment

Reduced-form Estimates of the Effects of MYF on Pathways to Employment at 1 Year

<table>
<thead>
<tr>
<th>Pathway Description</th>
<th>MYF Treatment</th>
<th>Control Mean</th>
<th>T Effect (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treated</td>
<td>-.023 (.016)</td>
<td>.07</td>
<td>-33.08</td>
</tr>
<tr>
<td></td>
<td>-.024 (.030)</td>
<td>.24</td>
<td>-9.84</td>
</tr>
<tr>
<td></td>
<td>.056* (.032)</td>
<td>.26</td>
<td>21.52</td>
</tr>
<tr>
<td></td>
<td>.005 (.024)</td>
<td>.12</td>
<td>3.85</td>
</tr>
<tr>
<td></td>
<td>.015 (.029)</td>
<td>.22</td>
<td>6.89</td>
</tr>
</tbody>
</table>

- Each pathway is described by the combination of one of three possible statuses: unemployed; working for zero/negative wage; working for positive wage
- We report pathways with >5% of students
- Treated students are more likely to make the unpaid work to paid work transition
### Limited Knowledge of Labor Market Dynamics: Expected and Actual Job Ladders

<table>
<thead>
<tr>
<th></th>
<th>Expected</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>52%</td>
<td>48%</td>
<td>42%</td>
<td>61%</td>
<td>55%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>1 YEAR</td>
<td></td>
<td>22%</td>
<td>25%</td>
<td>33%</td>
<td>3%</td>
<td>6%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Paid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unpaid</td>
<td></td>
<td>26%</td>
<td>28%</td>
<td>25%</td>
<td>36%</td>
<td>39%</td>
<td>82%</td>
<td></td>
</tr>
<tr>
<td>Unemp</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3 MONTHS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid</td>
<td>61%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unpaid</td>
<td>55%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemp</td>
<td>15%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Students undervalue unpaid initial job spells
- Underestimate the risks related to being unemployed for long periods
Overoptimism Also Using (Pre-Covid) Mentors Data

![Graph showing expected monthly earnings (USD) with various lines and bars representing different groups and time periods.](image_url)
Quantile Treatment Effects of MYF on Monthly Earnings

![Graph showing treatment effects on monthly earnings across different quantiles of total earnings in the last month.](image-url)
Empirical Distributions of Monthly Earnings in Treatment and Controls
Construction of Mentor Types

▶ Each mentor is randomly assigned to N students. Or, in other words, to a student \( i \) and the rest of the students \( N - i \)

▶ For each student \( i \) we use the leave-out mean of the topics discussed by the mentor with the \( N - i \) to define a mentor type

▶ For example, the leave-out mean for the general information dummy tells us the number of times in which general information was the main topic discussed by the mentor with the \( N - i \) students. It can be written as:

\[
\text{Info}_{-i} = \sum_{i=1}^{N-1} \text{Info}_i
\]

▶ Last, for each \( i \) the mean mentor type is built by taking the highest of the three leave-out means, that is:

\[
\overline{\text{Info}}_i = 1 \quad \text{if} \quad \text{Info}_{-i} > \text{Encouragement}_{-i} \quad \text{and} \quad \text{Info}_{-i} > \text{Search}_{-i}
\]
Understanding the Treatment: Students Main Takeaway in Detail

- Patience
- Persistence
- Self-confidence
- Resilience after failure
- Unpaid jobs
- Need for practical skills
- Prevailing wages
- Job offers arrival rate
- Vacancies characteristics
- Discrimination
- Tips for interviews
- Job search costs
- Finding suppliers/customers
- Tips for applications
- Best locations
- Tips for CV writing
- Existing openings
- Negotiation
- Accessing tools

Search Tips
- Encouragement
- Entry Conditions
Understanding the Treatment: Micro-Topics in Detail

- Search Tips
- Entry Conditions
- Encouragement

- Patience and Flexibility
- Persistence and Hard Work
- Resilience after failure
- Self-confidence
- Job offers arrival rate
- Need for practical skills
- Vacancies characteristics
- Prevailing wages
- Unpaid jobs
- Discrimination
- Tips for applications
- Tips for interviews
- Best locations
- Finding suppliers/customers
- Tips for CV writing
- Existing openings
- Job search costs
- Negotiation
- Accessing tools

% of Conversations
Understanding the Treatment: Main Takeaway Over Time

**Frequency**
- Take-up: 91%
- Recording: 90%
- Talking at 3 months: 75%
- Talking at 1 year: 54%

**Content Stability**
- 41% exclusively General Info or Encouragement
- 7% exclusively Search Tips
Mentors Heterogeneity by Number of Assigned Mentees

- Job Search Intensity and Effectiveness
- Willingness to Accept Job
- Short Run Labor Market Outcomes
- Career Trajectory

Diagram showing the distribution of mentors across different categories with varying number of assigned mentees.
Mentors Heterogeneity by Type: FE Distributions

Panel A: Short Run Labor Market Index

Panel B: Career Trajectory Index