



2022 Annual Report to Focusing Philanthropy

RESKILL TO REBUILD CAMPAIGN

February 23, 2023

IMPACT SUMMARY

Since the beginning of Focusing Philanthropy's most recent growth capital investment in January 2021, Per Scholas has doubled the scale of our operations, launched in seven new markets, and helped **6,576** newly enrolled learners train for quality jobs in the tech workforce. Graduates who enrolled in 2021 and 2022 are already earning more than **\$107M** in combined first-year wages, while the number of employer partners hiring five or more graduates annually has grown by **65%**. Moreover, employer partners last year paid for **1,133** training seats, more than double the number in 2020 and the first time this measure has breached 1,000. In addition, Focusing Philanthropy's generous investment has helped make it possible for us to enroll **1,529** Per Scholas alumni in upskilling training since the start of 2021 to accelerate their advancement, and nearly two in three 2020-enrolled alumni who began working two years ago have attained a thriving wage. Finally, your investment has brought us unprecedented recognition and opportunities to develop powerful new collaborations and partnerships, along with tens of millions of dollars in leveraged funding to advance and sustain our work. Not since Per Scholas was a small, relatively unknown neighborhood organization in the South Bronx has a single grantmaker made such a consequential investment in our long-term organizational growth and impact.

GOAL: SCALE

2022 MILESTONES

- Open training campuses in four U.S. cities during 2022
- Enroll 4,000 participants in immersive technology career training courses
- 85% of learners in immersive trainings will graduate
- 80% of learners who graduated 12 months previously will attain employment

We will first discuss our key performance indicators (KPIs) relevant to these milestones, and then describe several related accomplishments.

2022 KPIs

In 2022, Per Scholas enrolled 3,768 new learners across 20 cities and regions nationally, a 35% increase over 2021. We have additionally launched in three new cities: Orlando and St. Louis, which opened last year, and Indianapolis, which launched in January 2023. Per Scholas also began recruiting learners in Los Angeles for a 2023 launch and is conducting due diligence in Cleveland and Houston. We also continued enrolling a small number of remote learners in other regions, through customized training engagements with employer partners, including TEKsystems and Wells Fargo.

2,471 of the learners who enrolled in 2022 were fully remote, and 240 were in new hybrid (partially remote, partially in-person) courses, most commonly IT Support. As a result, a total of 2,711 Per Scholas learners experienced remote learning in whole or in part during 2022. The 1,057 remaining learners attended in-person classes, the most since 2019. In addition, many convened at the locations of allied organizations, the result of our new partnerships strategy. This and other scaling innovations are discussed below.

We were pleased that our enrollment grew more quickly in 2022 than in any prior year. However, we trained fewer individuals than our 2020 strategic plan milestone target for a few reasons:

- Early in 2022, the Omicron variant forced us to suspend in-person programming again for a brief period, and to maintain social distancing in both in-person and hybrid classrooms longer than we expected, severely limiting class size.
- We struggled to hire the instructional talent to teach all our planned classes, including remote, a challenge we are now addressing through a Center for Instructional Excellence, a new resource to build and develop our faculty.
- Despite a record number of new applications, we had a higher than anticipated rate of applicant withdrawals from the admissions process. We developed a real-time, automated candidate survey tool with MDRC to better understand the reasons, and will update our process based on addressable feedback.



ABOVE: COVID-19 forced us to continue social distancing in classrooms.

We continued to train a remarkably diverse talent pool that can meaningfully change the face of the tech workforce. Among all the learners Per Scholas enrolled in 2022 who shared their demographic information, 85% identified as people of color, including 45% who were Black/African American and 12% Latinx. 41% identified as female – 7pp more than in 2021, and a far greater share than we have ever recruited previously. A majority of learners have not attained a 4-year college degree (59%), roughly the same as in 2021 (57%). In addition, we continued to enroll a very large majority (71%) of Per Scholas learners from households earning less than 80% of the HUD median area income for three persons. On average, the annual pre-training wage for 2022 enrollees increased to \$21k, owing largely to a sharp decrease in the share of learners who were unemployed for 6 months or longer prior to Per Scholas.

The graduation rate for 2022-enrolled learners in finished classes is an outstanding 86%. Moreover, 72% are attaining professional certifications from CompTIA, Google and/or AWS, exceeding our 70% goal.

Job attainment is strong; we can now report **83% attainment** for learners who enrolled in the difficult year of 2020, the highest attainment percentage since 2017. In addition, **77% of learners** who enrolled in 2021 and graduated at least one year ago have gained jobs, and we expect this metric to top 80% soon. Job attainment for 2022-enrollees who graduated at least four months ago is currently recorded at around 45%, but this figure will rise as our job verification and recording catches up in the first quarter of 2023. However, the average initial wage for employed 2022-enrolled graduates to date – \$23.13/hour – is significantly higher than was the case for 2021-enrolled graduates at this time last year.

PROGRESS HIGHLIGHTS



New locations. Since the start of the grant period, Per Scholas has launched seven new training locations throughout the country, expanding our geographical footprint by 50% and bringing us many new funder and employer partners. We were especially pleased by our progress during 2022 expanding to Orlando, St. Louis, and Indianapolis. Match funding provided by Focusing Philanthropy made it possible for Per Scholas to secure **\$5.25M in local funding** to support our launch in these locations, with additional proposals pending.

In **Orlando**, our initial offerings are End User Desktop Support (EUDS) and Java Developer courses in partnership with TEKsystems. One class has completed training, and graduates have already achieved an 80% job attainment rate. Over the next three years, we aim to enroll more than 300 learners, generating at least \$13M in first-year wages. We have already received \$1.5M in new site support from TEKsystems and the BlackRock Foundation, and are in conversations with the Universal Foundation, Central Florida Foundation, the Heart of Florida United Way, Siemens Foundation, and the Newell Brands (Rubbermaid) Charitable Foundation. We additionally plan for this location to become the headquarters for a statewide Per Scholas office, with a Miami training location possible in the foreseeable future.

In **St. Louis**, we worked closely with the Cortex Innovation Community and the Global Center for Cybersecurity to build diverse relationships in the region and ensure that our programming responded to its most pressing tech talent needs. As a result, we were able to make St. Louis the

first market in which we are testing a fee-for-hire model with employers, which has thus far led to promising new employer partnerships and a 70% job attainment rate only two months after graduating the first cohort of learners. The location currently offers two courses: IT Support and Cybersecurity. With match funding from Focusing Philanthropy and the Lever for Change donors, we were also able to leverage \$1.25M in local support from the Kemper Foundation, Bellwether Foundation, and Bank of America. This year, we are exploring the possibility of evening and satellite training in partnership with several CBOs, and have just begun a new initiative working with groups that serve individuals involved with the criminal justice system.



New Indianapolis training location with leaders from Per Scholas and Goodwill of Central and Southern Indiana

In **Indianapolis**, we are combining our organizational and program strengths with Goodwill in a new partnership that has already raised \$2.5 million from the Lilly Endowment (awarded to Goodwill of Central and Southern Indiana), with additional support from Comcast, Salesforce and anonymous individual donors. This collaboration is an early full-scale test of our new partnerships strategy, described further below. As a result, earners in this city will be able to take advantage of many additional services Goodwill offers, and the agency will assist in recruiting candidates and connecting graduates with its corporate partners. We will launch our first training cohort in IT Fundamentals in March

2023, and expect that we will reach at least 500 diverse learners by 2027, fostering \$14.2M in first-year graduate earnings over the next 5 years.

Finally, in **Los Angeles**, we have raised funds from individual donors and from the James P. Irvine Foundation to support our launch, in addition to the resources that Focusing Philanthropy has provided and the generous connections it has helped us make. We began enrolling a small number of Los Angeles learners in late 2022 (in national remote cohorts), and recently convened its first official remote cohort with 19 learners. We expect to open a training location and begin providing in-person services in the near future.

Hybrid learning. We believe that training delivered through hybrid learning environments will have a significant impact on our ability to reach more learners at a lower cost, through a higher utilization of our real estate. Last year, we began small-scale testing in several local markets. We learned that overall, our hybrid course learners are performing on-par with others, but that there are some differences in exam-based certification rates, depending on the model. As a result, we are continuing our testing in 2023 to include three distinct hybrid model variations that we will implement and evaluate nationally over the course of the year. These variations will enable us to test both programmatic efficacy as well as our ability to increase the number of learners trained, without a corresponding increase in real estate costs.

Rural learners. Per Scholas has historically based its training locations in urban settings. But when we talk about addressing economic equity and inclusion, we cannot overlook rural

communities, which have been excluded from much of the historic economic investment in workforce development. In 2021, Per Scholas launched a partnership with Wilkes Community College (WCC) to create and pilot a pathway for rural learners in North Carolina to access IT workforce training. In January 2022 we were joined by [NC Tech Paths](#), a new local nonprofit with a mission of establishing Northwest NC as a nationally recognized region for tech talent while creating a roadmap for other rural communities to follow.

Our initial Software Engineering cohort at WCC commenced January 2022 with 16 learners selected from over 100 applicants. We have since enrolled 51 learners into three remote training cohorts at WCC, with an 80% graduation rate. Even more impressive – every one of the 21 graduates of our first two cohorts secured a job within two weeks or less of graduating. Employer partners to date include healthcare company Centene, Lowe’s Home Improvement (headquartered in Mooresville), and Inmar Intelligence, headquartered in Winston-Salem. This early success is a result of the thorough due diligence and close collaboration between Per Scholas, WCC and NC Tech Paths.

This year, in addition to growing our partnership with WCC and NC Tech Paths, we are in exploratory conversations with other educational institutions and community-based organizations in the state to create more opportunities for rural learners in other parts of the state. To this end, the Truist Foundation recently awarded \$1,000,000 to Per Scholas to support the expansion of our proven training model in North Carolina. This grant will help make it possible to train 500 new learners over the next two years (2023-2024), half of them from rural areas.

Learner financial supports. Another way in which we might make it easier for many learners to attend Per Scholas is by helping them meet more of their personal and household expenses while in training. In 2022, Per Scholas released a report on a pilot program with the SkillUp Together Fund, which enabled us to offer \$1,000 stipends to learners throughout 2021. We found an 18% increase in graduation rates, an 11% increase in certification and a 10% higher likelihood of finding a job within four months for learners who received the stipend, compared with a very similar group of learners who did not. While Per Scholas can’t sustainably raise enough funding for a \$1,000 stipend for all learners¹, we are currently testing smaller incentives and we expect to implement a partnership with Google and Social Finance in 2023 that will provide interest-free loans to Per Scholas learners. Participants will be able to use the loans for any purpose and will not be required to begin repaying them until they earn at least \$40,000 annually. We will test demand from our learners for this new resource as well as its impacts on enrollment, learner demographics, graduation rates and job attainments.

Center for Instructional Excellence. Quality talent rests on quality instruction, and as we scale, ever-increasing demand for instructional talent is one of our top inhibitors to growth. Last year, Per Scholas developed the Center for Instructional

¹ One exception will benefit 120 women who graduate in 2023. Learners in this 100% government-funded cohort are much more likely to find a job. Per Scholas is eager to compare their training outcomes with other programs, but the results are much smaller.



Excellence to train and broadly develop our faculty. One of its first initiatives is an Instructor Academy that will train the next generation of diverse Per Scholas faculty from among our own graduates, and which will also upskill our existing instructional talent.

The Academy curriculum includes six weeks of classroom-based learning and a 10-week practicum for teaching fellows to upskill their tech knowledge, observe current classes, and be mentored by seasoned instructors. 16 Per Scholas alumni all graduated from the classroom instruction and moved into the practicum portion of the training. Since then, four of the the aspiring instructors excelled so much that we accelerated their entry into teaching assistant roles. One fellow will even serve as lead instructor for a week. We expect the other 12 participants will be assigned instructional roles after they complete the practicum and as positions open.

The first Instructor Academy cohort has been enthusiastic about its experience so far. Quality ratings by learners for various aspects of the 6-week pedagogy training averaged 83%, unusually high for a startup program. In addition, 93% said they were in the right place to learn instructional skills. We look forward to reporting more about this inaugural cohort's progress over the coming year.

Partnerships strategy. Finally, Per Scholas continued to build its new partnership-based expansion strategy throughout 2022. This strategy seeks to expand Per Scholas' in-person geographical reach without requiring us to invest in new training campuses and all their staffing and infrastructure.

In 2022, we pursued two variations on this strategy. The first variation entails allying with providers in regions that are new to Per Scholas. As already described, we just launched the first Per Scholas class in Indianapolis, hosted by Goodwill of Central and Southern Indiana, in our first test of this strategy outside Colorado, where our Denver location is hosted by ActivateWork. We look forward to learning from this new partnership over the coming year. If it is successful, then the strategy is likely to become the primary way in which we continue to expand our footprint in coming years.

In New York City, we continued elaborating on the second variation of our partnership strategy, growing the number of *satellite* training partners (those located in a market that Per Scholas already serves, but in places where it is still difficult for learners to access in-person training) from two to four, adding Cypress Hills Local Development Corporation and the Isaacs Center in Manhattan to Commonpoint Queens and JCC Staten Island. Satellite learners gather on-site at the partner locations and attend live Per Scholas courses remotely, via classroom telepresence technology. The two sets of learners additionally act as one class. 92% of 2022-enrolled learners in finished satellite classes have graduated, and half of those graduating at least four months ago have landed jobs that pay an average of \$19.34/hour. Further, the job attainment rate for the very first cohorts of satellite training graduates, all of whom enrolled in the latter half of 2021, is now **89%**. Best of all, our cost per satellite learner in 2022 was just about \$5,000, because satellite partners assume responsibility not just for providing a classroom, but also for recruiting, learner support services, and assistance with job placement.

LOOKING AHEAD

For 2023, Per Scholas has planned to increase its enrollment goal more modestly than in the past two years, to 4,500 new immersive learners. Although lower than we had originally projected in 2020, this total still represents a robust 30% growth rate relative to 2022. We project currently

that approximately 2,000 of these new learners will be fully remote, and 1,000 will be in hybrid classes. The remaining 1,500 learners will be in-person, either in our own classrooms or at partner locations.

Our slower rate of growth is based on two factors: First, we remain concerned about a possible recession and don't want to overproject either our ability to generate new resources or our capacity to support job attainment. Secondly, we believe a slower growth year will be beneficial for our staff and our ability to complete key technology infrastructure projects that are critical for continued growth. That said, if conditions change and especially if we are able to attract more customized training employer partners over the course of 2023, then we may exceed that target.



INFLUENCE

Applicable milestones

- Increase the number of employers hiring ten or more training graduates to 25

2022 KPIs

For all of 2022, we have so far recorded 2,254 job attainments (including both initial job attainments and advancements, any enrollment year) with 1,139 different employers, at an average wage of \$24.99/hour. This brings the total attainments recorded since the beginning of 2021 to 4,896, with an average hourly wage of \$24.40. Counting all of them (i.e. not just 2021- and 2022-enrolled graduates attaining their first post-training jobs), Per Scholas graduates who



First Per Scholas graduating class in St. Louis (November 2022). Seven of the graduates have already attained jobs, five with employers who are contributing a hiring fee toward their training costs.

gained new jobs over the past two years are accumulating more than \$248M in first-year wages alone.

At least 993 (44%) of the 2022 attainments were directly facilitated by Per Scholas with 324 employer partners, resulting in a significantly higher **direct placements/employer ratio of 3.06**. In 2020, prior to our Focusing Philanthropy investment, this ratio was 2.5, and last year, it had only grown to 2.6.

The reason for the 2022 surge was strong hiring by volume employers. TEKsystems alone hired 277 graduates in 2022: 111 more than in 2021. Nine other employers – Nagarro, Wells Fargo, PeopleShores PBC, Lowes, GalaxE.Solutions, Proteam Solutions, Nationwide, and Protiviti – hired 223 directly placed graduates between them, even though none had been volume (10+) employers before.

In fact, 35% of all 2022 hires were shared between just 23 employers who hired ten or more graduates, and 43% were shared between 51 employers who hired five or more graduates. While the former metric is just short of our 25-employer milestone target, the latter is growing faster than we expected. For comparison, the number of 10+ employers in 2021 was 16, and the number hiring five or more was 33. Both of the 2022 figures are likely to grow as more late-year attainments are verified and recorded. Please see the attachment for complete details.

Per Scholas also increased earned revenue to \$8.1M. As a result, we enrolled a record 1,133 new learners whose training costs were at least partially paid by employers, or three in every ten learners who began training last year. This total number is higher than in 2021, when employer partners funded training for 776 learners.

As in other recent years, the largest single share of employer partner revenue came from our mainstay partner TEKsystems, which renewed its collaboration with Per Scholas for another three years at the beginning of 2022. The next largest customized training partnership, 302 learners, was with TEK Global Services, a TEKsystems affiliate that recently ramped up its engagement

with Per Scholas as well. In addition, Per Scholas increased or acquired new contracts with financial firms Wells Fargo, Capital One, and American Express. Technology services firms accounted for the balance of our new customer base, including AST, Infosys, and Ankura. These customers sought a wide range of skill sets in 2022, including Application Support, Cybersecurity, Data Engineering, End User Desktop Support, Mainframe Engineer, Quality Engineering, and React Developer. In addition to increasing revenue from customized training, we are very pleased with the early results of our first fee-based hiring pilot in St. Louis. Thus far, the first cohort has earned \$33,000 in placement fees, and 70% of the graduates have launched careers. As a result of this early success, we are proceeding with tentative plans now to make all three of our planned 2023 new locations (Houston, Indianapolis, and Los Angeles) fee-for-hire markets as well.

PROGRESS HIGHLIGHTS

We took several important steps in 2022 to secure these positive outcomes and to strengthen them even more in coming years. Two highlights include reorganizing all our employer-facing personnel, and developing a comprehensive new marketing and communications strategy which we are beginning to implement now. In addition, we charted a more impactful path for Diverse by Design and amplified our sectoral thought leadership and advocacy voice. Descriptions of these activities follow.

Enterprise talent solutions reorganization. Earlier progress reports have detailed some of the many internal changes we made over the course of 2022 in our employer engagement. To summarize, we named a Chief Enterprise Solutions Officer, Damien Howard, and more closely aligned all our employer-facing personnel, including business development staff for employer-paid talent solutions, local business solutions staff, and a new business solutions team nationally. We also began investing heavily in lead generation, sales and client management technology alongside intensive staff training and professional development. Other funders, notably the Charles Koch Foundation and another major foundation that prefers to remain anonymous, have contributed very substantially to these efforts.

New marketing and communications strategy. One key to continuing to build our enterprise talent solutions practice, and to fostering our sustainability as a whole, will be beginning to activate a comprehensive new marketing and communications strategy. I

This strategy identifies and targets numerous specific personas across five key audiences: enterprise businesses, learners, alumni, donors, and staff members. It further establishes a unified Per Scholas brand architecture, with the overarching slogan “Unlocking Potential.” Our training programs for learners and alumni, for example, will be headlined Per Scholas Careers, while our employer-paid services will be known as Enterprise Talent Solutions, and further subdivided under the brands Talent Solutions Essential (our market-driven placement), Talent Solutions Plus (fee-for-hire) and Talent Solutions Prime (full-fledged customized training).

Implementation priorities in 2023 are spread across five key initiatives:

- Rolling out the new brand architecture

- Building Diverse by Design as a storehouse and laboratory for public thought leadership, and a robust lead generation/cultivation resource for partner engagement.
- Better driving more candidates through our admissions funnel with comprehensive new lead generation, and a process that more candidates will experience as positive and nurturing, rather than a series of hoops to jump through.
- Providing much more capable and comprehensive local marketing support. All of our locations need it, and some have grown large enough that it is becoming essential.
- Redesigning our internal communications to be more streamlined, transparent and impactful. We already took one important step in this direction during 2022 when we adopted Bob as our new HR system/key knowledge repository, and replaced two other systems.

Per Scholas is excited about the new strategy, which is much more sophisticated than we have



ABOVE: Diverse by Design forum at EY, New York City, November 2022

implemented before, and especially its potential to help us boost engagement across all our key audiences. We believe its success will be a vital contributor to ensuring our sustainability as Per Scholas continues to grow. Of course, the new strategy's implementation over the course of 2023 will be accompanied by numerous tests, and we look forward to sharing what we learn from them.

Diverse by Design. Diverse by Design, our tech workforce diversity campaign in cooperation with employer partners, has convened ten events since the beginning of 2021 with more than 1,300 attendees, most of whom represented specific companies that are interested in DEIB (diversity, equity, inclusion, and belonging) solutions and innovations. Over the course of 2022, in addition to mounting four events, we built Diverse by Design's advisory council leadership (currently nine members), sought additional sponsors, and developed a more powerful mission and vision that is

better aligned with current labor market conditions as well as Per Scholas' and employer partners' needs. We also launched a podcast series, and have so far aired seven episodes on DEIB topics with several hundred listeners.

In 2023, our ambitious plans call for Diverse by Design to grow into a working laboratory for DEIB innovations, and a vehicle for engaging employers interested in developing new talent partnerships. Examples are likely to include new apprenticeship programming under the Diverse by Design banner, as well as work to engage with the Department of Commerce's Job Quality Initiative.

Sectoral thought leadership. Following Barrow Street Consulting's second evaluation of our remote learning model in 2021, which found that very large majorities of learners and instructors agreed that Per Scholas had built and then improved a high-quality remote learning experience, we published a [report](#) in 2022 summarizing our formative research partnership and findings. In addition, last fall, we published a [research paper and brief](#) showing beneficial effects accruing from SkillUp stipends that many Per Scholas learners received in 2020. We presented that analysis to an audience of other sectoral leaders in October. Finally, we published an [evaluation report](#) describing early impacts from our new satellite training model in New York City. These and other knowledge resources for the field are now collected on our website, and are branded as Per Scholas Perspectives. All three reports successfully engaged their targeted provider, funder and policymaker audiences, and resulted in new queries and conversations about our work. Per Scholas staff leaders additionally presented at numerous conferences, seminars and other gatherings for the field throughout 2022, on both local and national levels.

Finally, we ramped up our participation in coalition advocacy to reauthorize and improve WIOA, and developed relationships with more than 20 federal legislators across our markets, some of whom included us in member item requests. To facilitate this expanding new activity, we also hired our first Manager of Government Affairs and Policy, Salwa Majeed.

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ADVANCE

Applicable milestones

- Engage 1,500 immersive training graduates in advancement programming, including 750 in technical upskilling opportunities
- 80% of employed graduates who completed immersive training at least 24 months previously will attain a thriving wage (120% of regional MIT living wage for a single individual)

2022 KPIs AND PROGRESS HIGHLIGHTS

We are proud to report that Per Scholas engaged at least 2,000 alumni in 2022, more than meeting our grant milestone. About 40% of that total, 771 graduates, enrolled in part-time, remote upskilling classes during 2022, and in the ones that have finished, 54% graduated, surpassing our 50% goal.

However, there were big differences in the alumni upskilling graduation rates between instructor-led classes and asynchronous online courses that participants completed on their own. Instructor-led courses have a 76% completion rate; in asynchronous classes, the completion rate was 36%, less than half that proportion but still higher than typical for self-paced online courses. Moreover, those who completed either type of course demonstrated higher wages on average than when they started the course, and a faster rate of increase than those alumni who did not complete a course (see thriving wage analysis, below).

The Per Scholas Alumni Strategy

To achieve a thriving wage, our alumni need support in multiple strategic ways depending upon their needs, resources, and supports.

COMPREHENSIVE COACHING MODEL

Immersive Coaches: Creating Individual Career Plan and portfolios during training.

Advancement Coaches: Attain first job, second job and/or 1 wage gain

Financial Coaches: Establish financial goals with learners to track and support as alumni.

PROFESSIONAL NETWORKS

Alumni will have the opportunity to attend lunch and learns, networking events, guest lecture, and enhance their social networks.



INDIVIDUAL CAREER PLAN

A **Digital Plan** created during immersive training and used as the central record for each alumni to progress in their career goals.

UPSKILLING

Following the **Individual Career Plan**, the coach and the alumnus identify Per Scholas classes that are necessary for career and wage progression.

Additionally, over the past year, we developed and began testing alumni financial coaching and advancement coaching, and mounted greater efforts to build a vibrant alumni community.

Financial capability. We worked during 2022 to build an alumni financial coaching model rooted in practical actions graduates can take to bolster their financial security. We developed a journey map to identify key engagement points, milestones and success outcomes with a new emphasis on growing wealth after achieving financial stability. Our financial counselors also began to receive customized, advanced Change Machine training, and we built a Financial Wellness Video Library with more than 20 titles covering eight content areas, including navigating taxes, building credit, managing debt, increasing savings and setting financial goals.

In July, we launched a 650-learner pilot of the newly extended model in five Per Scholas markets: Atlanta, Baltimore, Chicago, Dallas, and Seattle. To date, we have enrolled 266 participants while they were immersive learners, with an average initial score of 19 on the CFPB Financial Well-Being Scale. Typical findings for those who score at this level (“very low”) include that just 5% could come up with \$2,000 in an emergency; four in five experience food insecurity at times; and nearly all find it difficult to make ends meet.² Now many of these learners have graduated, providing a real test of alumni financial coaching services over the coming year. We look forward to sharing information about the participants’ engagement and financial progress, and the new lessons we learn about the best ways to help them advance.

Advancement Coaching. In addition, we built and are still in the process of testing a new career advancement coaching model. We have run nine lean tests since June, engaging to varying degrees with 400+ graduates. So far, we have provided direct one-on-one coaching to nearly 30 alumni, and group job search support to roughly 20. Our high-level findings are that coaching needs vary significantly among our graduates depending upon where they are in their alumni journey, their pre-training professional experience, and the support and engagement provided by their employers.

² See this [CFPB-published interpretation guide](#).

For example, we have found that new graduates looking for their first tech jobs benefit from participating in weekly job search support groups, where they can set goals, discuss their job search experiences, and provide mutual encouragement. But even with new graduates, a one-size-fits-all model is elusive due to their wide variety of needs. Some graduates need help overcoming imposter syndrome, others with getting their bearings in a professional setting, and still others don't require coaching at all.

Another group of alumni who will become an advancement coaching focus as a result of our tests in 2022 are those who have been working for at least a year and are considering a job change. Coaching needs with this group tend to involve individualized job search strategies alongside working on assets such as updated resumes, LinkedIn profiles, and interviewing skills. While this pool of alumni isn't large, in the current labor market, those seeking job changes are probably likely to achieve higher wages sooner in new jobs than by waiting for advancement in their current positions.

Over the coming year, MDRC will work with us to help develop these new services into an evaluable program model. In 2022, MDRC won a WorkRise grant for this project, in part because there is very little known about the best ways to design and implement advancement coaching with reliable efficacy.

Community-building. Finally, Per Scholas continued to grow its alumni Slack and LinkedIn online communities, which have become very heavily trafficked and are the main places graduates go to find out about alumni events and services (we also maintain an alumni-facing website for those who prefer not to use either platform). In 2022, events we used to engage alumni were primarily networking sessions, webinars, hiring fairs, and recruiting sessions for individual employer partners. Very recent examples include multiple online sessions covering job-seeking skills presented by Hired; an in-person networking event for alumni in Philadelphia; a panel discussion about finding a first tech job from Women Who



Code; and recruiting sessions presented by Salesforce and Kelly Services. As some of these examples show, one way in which we are fostering better alumni engagement without having to mount every alumni event ourselves is by leveraging relevant events hosted by employer and sectoral partners. This tactic also increases our visibility with those partners, in ways we hope will lead to more active collaboration.

2023 Goals. In 2023, in addition to upskilling offerings, our alumni programming will gain steam with a dedicated marketing and communications channel, including a graduate portal linking our Slack and LinkedIn alumni communities; larger numbers of networking and other alumni events; and more intentional efforts to enlist graduates as volunteers, spokespeople and donors. We also hope to extend our partnerships with employers who have hired substantial numbers of Per Scholas graduates to help us advance their skills and careers, with specific contributions that

include professional development, mentorship and networking with corporate volunteers. Finally, over the course of the year, we will create better linkages between our alumni upskilling graduates and business solutions staff who can help them take advantage of new advancement opportunities.

With all of these considerations in mind, we have identified the following specific 2023 alumni program goals:

- 1,000 alumni will enroll in upskilling classes.
- The extended financial coaching pilot will enroll the remainder (384) of its 650 participants.
- The advancement coaching model will launch its full-fledged pilot in a research evaluation project with MDRC later this year. This pilot will seek to include “all individuals who have wages in the bottom 50 percent of the placement wage distribution and have been placed within three months of the beginning of the pilot,” or about 250-300 graduates.
- At least 1,000 alumni will participate in other activities.

THRIVING WAGE ATTAINMENT

Over the course of 2022, we conducted preliminary analyses of the outcomes of our alumni advancement strategy. As of the beginning of 2023, the average wages of alumni who completed an upskilling course in the prior year had increased by 20%, or \$4.52/hour, from \$21.51 to \$25.82. This is eight percentage points higher than alumni who did not complete an upskilling course. In fact, the upskilling completers now earn \$1.51 more on average, even though in this sample, the non-completers earned more to start.

Our strategic plan looks specifically at the share of alumni who can reach a thriving wage, which varies widely by the cost of living in a given market. Our own current follow-up measurement shows that 41% of 2022-enrolled graduates who have become employed to date are earning a thriving wage with their first jobs, so we are able to achieve half of the 80% goal just with initial attainments. We also know that many graduates who enrolled in 2020 have made impressive advancements. In fact, of 130 2020-enrolled alumni who became employed at least two years ago, and whose employment we verified again over the past six months, 62% had achieved a thriving wage for their regions.

The real challenge, then, is helping at least another 18% of employed graduates attain a thriving wage to reach (and we hope, surpass) our 80% goal. While early career wage progression data is not easy to find, we are able to document via Lightcast (formerly Emsi and Burning Glass) job postings that positions requiring at least three years of technology workforce experience generally pay above thriving wage thresholds. Additionally, the WorkAdvance impact evaluation showed that on average, Per Scholas participants experienced a 24% year-over-year increase in income between their second and third years after graduating.³ This average included RCT treatment group participants who weren’t working at all, implying that the actual increase for those who were employed is considerably higher. Our alumni strategy this year will target upskilling and coaching opportunities to those learners in high cost markets or whose initial job attainments do not earn a thriving wage, focusing our resources on accelerating career growth for learners with whom we can have the biggest impact.

³ Kelsey Schaberg. [Can Sector Strategies Promote Longer-Term Effects? Three-Year impacts from the WorkAdvance Demonstration](#). MDRC, 2017.

SUSTAIN

Although it is not associated with any specific milestone in our Economic Opportunity Challenge grant, Per Scholas has also adopted a cross-cutting “Sustain” goal. The goal encapsulates a wide range of activities to ensure that our growth continues well after the grant has finished, both by increasing revenue, and reducing our costs to train new learners.

Revenue growth. Per Scholas grew earned revenue to \$8.1M in 2022, of which about \$7.7 million came from employer talent solutions partnerships. As a result, we enrolled 1,133 new learners whose training costs were at least partially paid by employers, or three in every ten learners who began training last year. This total is higher than in 2021, when employer partners funded training for 776 learners. In addition, we earned about \$400K from our legacy asset recovery service, which works with corporate and institutional partners to recycle end-of-life technology.

As in other recent years, the largest single share of employer partner revenue came from our mainstay partner TEKsystems, which renewed its training partnership with Per Scholas for another three years at the beginning of 2022. It accounted for 570 2022-enrolled learners alone. The next largest customized training partnership, 302 learners, was with TEK Global Services, a TEKsystems affiliate that has ramped up its engagement with Per Scholas as well. In addition, Wells Fargo accounted for 58 learners, and Infosys for 55. Other employer-customized training engagements in 2022 were smaller, typically one or two cohorts. Finally, learners in customized trainings could choose from eleven courses in 2022, including Application Support, Cybersecurity, Data Engineering, End User Desktop Support, Mainframe Engineer, Quality Engineering and React Developer.

Per Scholas is also pleased that our philanthropic revenue in 2022 once again exceeded our targets, and that we continue to attract major new funders.

Finally, within the coming months, we will launch an updated growth capital campaign to replace the one that commenced just prior to the pandemic in 2019. The revised campaign will seek the additional investment Per Scholas needs in order to attain and sustain our 10,000-learner enrollment goal, which we plan to achieve in 2026.

Training cost reduction. Throughout the first two years of the grant, our cost per learner (CPL) increased not just with inflation, but also as we invested in innovations along with new people, processes and systems to support training much larger numbers of learners. For 2022, the preliminary CPL figure works out to \$11,610, significantly more than the \$9,416 we reported for 2021 at this time last year.

While many innovation and capacity building investments continue, we expect that they will begin yielding significant CPL dividends in 2023. We are especially excited about the rapidly growing evidence that partnership-based training, including local satellite partners in existing markets and market-based partners in regions we do not yet serve, can save very substantial

sums: our cost to serve satellite learners in New York City, for example, has consistently been less than half of our general CPL. We also hope to chart a path to additional savings through hybrid learning, as well as by continuing to improve our 100% remote offerings. To that end, one innovation that we hope to highlight in future reports is the application of the new generation of AI tools to help learners master course material and ultimately reduce our instructional costs.

Of course, all other things being equal, the biggest driver to lower CPL is higher training volume, and so steady enrollment growth in 2023 will be instrumental to achieving lower per learner costs. In all, we have identified a goal to enroll 4,500 learners this year at a total cost of \$40.5M, or \$8,998 apiece: **an impressive 22% reduction**. Moreover, that figure is lower in real terms than we have achieved in several years. Of course, none of the enhanced organizational capacity and innovations fueling this accomplishment would have been possible without Arrow's and Focusing Philanthropy's support.



REFLECTION

It has now been two years since Focusing Philanthropy's extraordinary \$5 million Reskill to Rebuild leadership investment in our strategic growth plan. It is appropriate to reflect on the extraordinary impacts that its support has had in the lives of thousands of new Per Scholas learners and graduates. There are now numerous ways to illustrate this point: we could observe, for example, that a third of all the new learners that Per Scholas has trained in its 27-year history enrolled in the past two years, or that our new locations since the beginning of 2021 have brought Per Scholas training within reach of nearly 18 million more individuals, or even that the annual wages resulting from all graduate job attainments over the past two years already amount

to 49 times Focusing Philanthropy’s generous \$5 million growth capital commitment. This support has also been transformative for our relationships with a growing number of employers, especially larger companies realizing that through Per Scholas, they can diversify their tech workforces and overcome crippling talent shortages at the same time. But it has accomplished many other beneficial changes that we hardly anticipated, a good number in Per Scholas itself.

The Reskill to Rebuild leadership support we received from Focusing Philanthropy, along with the Economic Opportunity Challenge prize, provided the first really substantial capital infusion not just to help Per Scholas scale more rapidly, but to develop our longer-term organizational capacity and experience to match our ambitions. This support has helped bring us extraordinarily capable new staff leaders with a wealth of knowledge, ideas, experience, and skills. It has permitted us to invest in our technology infrastructure and in our core mission support functions, including HR, finance, development, marketing, and communications. It has also now helped us leverage *several other* new 7- and even 8-figure investments from supporters including Ascendium Education Group, Ballmer Group, BlackRock Foundation, Blue Meridian partners, Comcast, Google, JPMorgan Chase, PwC, the Harry and Jeanette Weinberg Foundation, and Wilson Sheehan Foundation. Many of these funders, as well as dozens more who gave us lesser amounts, are supporting Per Scholas because we have expanded into geographies that are important to them. Finally, the investment has not only helped us attract new employer partners, but also build our capabilities to become an even more valued talent solution. This in turn has resulted in rising employer partner income – nearly \$8M last year – along with employer-paid training seats for nearly 2,000 learners since the beginning of 2021.

In short, after two years, the Focusing Philanthropy has not only helped us set thousands of individuals on a path to economic advancement; it has transformed Per Scholas and all our programming into a much more impactful and accessible economic mobility engine for BIPOC people, women, and others from underrepresented and economically marginalized communities. We are even more excited than before about all the new opportunities ahead.

LEARNER STORIES

We are proud to share the stories of two learners who benefited from Per Scholas in 2022.



Rashad Huntley’s work life prior to Per Scholas was inconsistent and unenjoyable, with low pay and no path for career advancement. He knew it was time to pursue a career in tech, something he had always wanted to do.

One challenge Rashad faced was visual impairment. Per Scholas was able to obtain a screen to magnify the work in front of Rashad, along with dual monitors, and enabled Zoom text for training. “It was a great experience,” Rashad says, “Per Scholas Columbus was accommodating, and it was nice to know that there are tools for me to succeed,” Rashad recalled. He worked in study groups with his peers to do well and enjoyed the professional development aspect of the training as well. By the end of the course, Rashad earned two certifications: Google IT Support Professional and CompTIA A+.

Soon after graduating, Rashad landed a job with Modis, an IT staffing agency, where he is working as a Service Desk Analyst I for a large retail group. He is also studying to attain additional certifications and wants to pursue a career path in cybersecurity. About Per Scholas, Rashad says his training experience gave him more confidence as a person with visual impairment and encouraged him to achieve his goals.



In late 2021, **Jasmin Smith** was a struggling artist trying to figure out the next step in her career. She had a Bachelor's degree in art and loved the creative process but was having difficulty finding meaningful and stable work for her skills. She felt that she wanted to get more involved in tech – a lifelong interest – but wasn't sure how to make the leap to a new field.

Jasmin found out about Per Scholas through friends who had graduates from the program. Hearing other people's success stories inspired Jasmin to apply. "I wasn't happy with where I was at in my life," Jasmin recalled. "This opportunity presented itself, and I knew this was the moment to change."

Jasmin was accepted into Per Scholas Dallas' Software Engineering course. "It was probably one of the most mentally challenging things I have ever done," Jasmin reflected. "But I had so much support. My classmates and teachers were there for me, and we had office hours and could message anyone with questions whenever we wanted."

Jasmin excelled in the course, and when she graduated in March 2022, she was named the valedictorian of her class. The same day as her graduation, Jasmin received a job offer, which she happily accepted. She now works as a Digital Measures Programmer at NCQA, and loves her work because it challenges her every day, while also allowing her to be creative. Jasmin also feels that her work is really making a positive difference in people's lives, which is the most important part for her.

A month after starting her new job, Jasmin was able to move into her own place, and she feels that her entire life has changed for the better. She plans to continue in her current role, and hopes to someday start an organization that teaches children how to code, helping them get a foot in the door in tech through a mixture of graphic design, art, and coding.