

## Per Scholas & Focusing Philanthropy Bold Initiative Update May 2023

### IMPACT SUMMARY

It has been two years, since Focusing Philanthropy's Bold Initiative with Per Scholas began with the goal to set thousands of individuals on a path to economic advancement. Since January 2021, Per Scholas has doubled their scale of operations, launched in **seven** new markets, and helped a total of **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 **\$245M** 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 surpassed 1,000 learners, creating more than \$8M in earned revenue. In addition, Focusing Philanthropy's investment has helped make it possible to enroll **1,529** Per Scholas alumni in upskilling training since the start of 2021 to accelerate their advancement. As a result, nearly two in three 2020-enrolled alumni who began working two years ago have attained a thriving wage.

Finally, Focusing Philanthropy's investment has brought Per Scholas 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 their 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.

### I. GOAL: SCALE

**Enrollment.** 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.

Of the learners who enrolled in 2022, 2,471 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 a new partnerships strategy with community-based organizations.

**Outcomes.** 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 the 70% goal.



Job attainment is strong; **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 Per Scholas expects 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 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.

**Diversity.** Per Scholas 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 – 7% more than in 2021, and a far greater share than ever recruited previously. [NOTE: because these are not conventionally recognized poverty measures (or if they are they don't sound impressive) let's drop for now.]



**Rural learners.** Per Scholas has historically based its training locations in urban settings. Per Scholas plans to include 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.

The initial Software Engineering cohort at WCC began January 2022 with 16 learners selected from over 100 applicants. Since then, Per Scholas has 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 the first two cohorts secured a job within two weeks or fewer following graduation.

This year, in addition to growing the partnership with WCC, Per Scholas is conducting exploratory conversations with other educational institutions and community-based organizations in North Carolina 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 its 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.

## II. GOAL: INNOVATION

**Learner financial supports.** Another way to make it easier for many learners to attend Per Scholas is by helping them meet some 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. Per Scholas 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 learners, they are currently testing smaller incentives and expect to implement a partnership with Google and Social Finance in 2023 that will provide interest-free loans to 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. Per Scholas will test demand

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 Per Scholas scales, the ever-increasing demand for instructional talent is a top inhibitor to growth. Last year, Per Scholas founded the Center for Instructional Excellence to train faculty. One of its first initiatives is an Instructor Academy that will train the next generation of diverse Per Scholas faculty from among program graduates, and which will also upskill 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. Sixteen Per Scholas alumni graduated from the classroom instruction and moved into the practicum portion of the training. Since then, four aspiring instructors have excelled to the extent that they quickly earned teaching assistant roles. 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.

**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, Per Scholas pursued two variations on this strategy. The first variation entails allying with providers in regions that are new to Per Scholas. Per Scholas launched their first class in Indianapolis, hosted by Goodwill of Central and Southern Indiana, in the first test of this strategy outside of Colorado, where the Denver location is hosted by ActivateWork. If it is successful, the strategy is likely to become the primary way in which Per Scholas continues to expand its footprint in coming years.

In New York City, Per Scholas continued with the second variation of the 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). The number of satellites in the city grew 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 satellite learners 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, the 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.

### III. GOAL: INFLUENCE

**Diverse by Design.** Diverse by Design, Per Scholas' tech workforce diversity campaign in cooperation with several 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, Per Scholas 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. They also launched a podcast series and have so far aired seven episodes on DEIB topics with several hundred listeners.



In 2023, our 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. In addition, the Diverse by Design brand will grow to encompass Per Scholas' thought leadership, including activities like the ones described immediately below.

**Sectoral thought leadership.** Following Barrow Street Consulting's second evaluation of Per Scholas' 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, they published a report in 2022 summarizing the findings. In addition, last fall, Per Scholas published a research paper and brief showing beneficial effects accruing from SkillUp stipends that many Per Scholas learners received in 2020. They presented that analysis to an audience of other sectoral leaders in October. Additionally, they published an evaluation report describing early impacts from the new satellite training model in New York City. All three reports successfully engaged targeted provider, funder, and policymaker audiences, and resulted in new queries and conversations about Per Scholas' work.

### IV. GOAL: ALUMNI ADVANCEMENT

Per Scholas engaged at least 2,000 alumni in 2022, the largest number ever. 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 the goal of 50%.

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).

**Financial capability.** Per Scholas built an alumni financial coaching model rooted in practical actions graduates can take to bolster their financial security. They developed a map to identify key engagement points, milestones, and success outcomes with a new emphasis on the goal of growing wealth after achieving financial stability. Per Scholas financial counselors also began to receive customized, advanced



Change Machine training, and participate in building 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, Per Scholas 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, with a very low initial score on the CFPB Financial Well-Being Scale. Typical findings for those who score at a low level show that only 5% can 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. Now many of these learners have graduated, providing a real test of alumni financial coaching services over the coming year. Per Scholas plans to share outcomes about the participants' engagement and financial progress, and the lessons learned about the best ways to help them advance.

**Career Coaching.** Per Scholas is in the process of testing a new career advancement coaching model. We have run several tests since June, engaging to varying degrees with 400+ graduates. So far, we have provided direct one-on-one coaching to ~30 alumni, and group job search support to roughly 20. In summary, the findings are that coaching needs vary significantly among Per Scholas graduates depending upon where they are in their alumni journey, their pre-training professional experience, and the support and engagement provided by their employers.

Over the coming year, MDRC will work with Per Scholas to help develop the new coaching 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. In 2022, alumni engagement events included 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 Per Scholas is 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 that will lead to more active collaboration.

**Thriving Wage Attainment.** Over the course of 2022, Per Scholas conducted preliminary analyses of the outcomes of the alumni advancement strategy. At the end of 2022, the average wages of alumni who completed an upskilling course 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 earned \$1.51 more on average, even though in this sample, the non-completers earned more to start.

Notably, Per Scholas is also seeing differences in thriving wage attainment - 85% of 2020-enrolled alumni who completed an upskilling course in the sample are earning a thriving wage, compared with 61% of those who have been working just as long, but haven't completed an alumni course.

We focus on a "thriving wage," which is one that provides enough to pay for necessities, have some disposable income, and save for the future, rather than the customary, lower standard of a "living wage" because the latter is insufficient to support a family or allow for savings.

## V. GOAL: SUSTAIN

This goal encapsulates a wide range of activities to ensure that Per Scholas' growth continues well after this campaign has finished, both by increasing revenue, and reducing the costs to train new learners.

**Revenue growth.** Per Scholas grew earned revenue to \$8.2M in 2022, of which about \$7.7 million came from employer talent solutions partnerships. As a result, Per Scholas 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.

Per Scholas is also pleased that philanthropic revenue in 2022 once again exceeded targets, and they continue to attract major new funders. We also gained several other large new grants and concluded the year-end 2022 giving campaign with \$2.1+M raised from generous individuals.

Finally, within the coming months, Per Scholas 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 to attain and sustain the 10,000-learner enrollment goal, which we plan to achieve in 2026.

**Training cost reduction.** Throughout the first two years of the Focusing Philanthropy Bold Initiative grant, we acknowledge the cost per learner (CPL) increased not just with inflation, but also as Per Scholas invested in innovations along with new people, processes, and systems to support training growing numbers of learners. For 2022, the preliminary CPL figure works out to \$11,610, significantly more than the \$9,416 reported in 2021.

While many innovation and capacity building investments continue, Per Scholas expects that we 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 new regions, can save substantial sums: the cost to serve satellite learners in New York City, for example, has consistently been less than half of the general CPL. Per Scholas is charting a path to additional savings through hybrid learning, as well as by continuing to improve the 100% remote offerings.

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, Per Scholas has set the goal to enroll 4,500 immersive learners this year at a total direct cost of \$40.5M, or \$8,998 apiece: a **22% reduction**.

## VI. LEARNER STORY

**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.