

Summary Results of a Large-Scale Randomized Evaluation of the Effectiveness of the Freedom Employability Academy in India

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Background

Freedom Employability Academy (FEA) is a non-profit organization in India that provides free, in-person employability training for individuals 15 or older. Students enrolled in FEA's program attend 100-minute training sessions, six days a week, for one year. Students learn English language skills, computer skills, and personal qualities such as the value of perseverance and hard work. In contrast to other employability training programs that focus on providing skills for low-end jobs and which have generally not resulted in sustained employment, FEA's curriculum instead focuses on providing skills which can potentially lead to professional jobs.

Evaluation

From September 2019 to August 2020, researchers from Stanford University conducted a large-scale randomized controlled trial (RCT) to evaluate the effectiveness of FEA's program. Specifically, researchers randomized 1,260 prospective students to receive immediate acceptance into the program (the treatment group - 648 students) or one-year deferred acceptance (the control group - 612 students). Less than halfway through the evaluation period, stay-at-home and school lockdown policies associated with the COVID-19 pandemic fully halted instruction. Despite the interruption in program instruction that resulted in treated students receiving an average of only 2.5 months (instead of 12 months) of training, researchers nevertheless followed up by assessing treatment and control students' employability outcomes after one year.²

¹ This study benefited from two tireless research assistants, Manyu Angrish and Piyali Thakur.

² Partly because of the pandemic, in-person instruction was sporadic from December 2019 to March 2020. In-person instruction was completely shut down on the day of the national lockdown (March 25, 2020).

The Stanford researchers used a novel methodology to measure students' employability outcomes. First, they used an automated over-the-phone English assessment to measure students' English language (listening and speaking) skills. Second, they asked each student to participate in an automated, video-recorded job interview in which questions were asked in both Hindi and English. A team of twenty hiring managers from third-party firms were then randomly assigned to view the job interview videos and assess the employability of students.³ Specifically, hiring managers were asked to rate the likelihood that they would hire the student on a 0 to 100 scale in a general entry level job as well as in an entry level job that required English language skills, as well as the expected starting monthly salary of the student in an average entry level job. Importantly, hiring managers were "blind" with respect to the treatment and control conditions of the students – in fact, at the time of the evaluation they did not know that an experimental study was being conducted with the interviewed students. With these measured outcomes in mind, researchers examined the causal effects of FEA's program for the average student as well as for students from different backgrounds.

Results

Despite the fact that students in the study attended only about 2.5 (out of 12) months of FEA's program, treated students showed markedly improved, statistically significant employability outcomes. The English language skills (listening and speaking) of treated students increased by 0.2 SDs. According to the objective evaluations of hiring managers, treated students were also 4.2 percentage points more likely to obtain employment in an entry level job and 4.5 percentage points more likely to obtain employment in an entry level job that required English language skills. According to the assessments of the hiring managers, treated students could also earn significantly higher starting salaries than control students (a difference of 535 rupees per month).⁴ Similar effects were found for students across gender, mother's education level, and prior employment status, meaning that the program had broad-based effects across FEA's student population.

³ To increase reliability, each video was viewed by three different and randomly selected hiring managers. The twenty hiring managers were selected based on their levels of experience and generally came from the sectors that students had initially expressed interests in joining. Because they mostly worked at large companies, the hiring managers had experience in hiring across a variety of entry level jobs.

⁴ The average highest monthly estimated starting salary for the control group was 12,324 rupees per month. After 2.5 months at FEA—and with no other changes—students could expect 4.33% more per month as a starting salary.

Using an instrumental variables regression analysis to examine dosage effects as well as a linear extrapolation of the effects of increased dosage, the Stanford researchers also estimated what the impacts of FEA’s program would have been if students had been able to attend the program for a longer duration. The results show that students who attended the program for 9 months (out of 12 months) would increase their English listening and speaking language skills by 0.45 SDs, would be 8.8 percentage points more likely to obtain employment in an entry level job, 9.2 percentage points more likely to obtain employment in an entry level job that required English language skills, and earn an additional 1,176 rupees per month.⁵ Students who attend for the full 12 months would increase their English listening and speaking language skills by 0.60 SDs, would be 11.7 percentage points more likely to obtain employment in an entry level job, 12.3 percentage points more likely to obtain employment in an entry level job that required English language skills, and earn an additional 1,568 rupees per month.

The career effects of attending 12 months of FEA on employment incomes can also be estimated. The average student in the study was 20.6. Assuming that students work for 45 years longer (until the age of 65) and that all employees receive annual salary increments of 7 percent, students who complete their FEA training would make 5,376,659 rupees more on average over their careers.⁶

These estimates may well be lower-bound estimates as they only consider the direct effect of attending FEA on the student’s employability outcomes. They do not take into account other ways in which FEA’s program might affect student employability outcomes. For example, by enrolling in FEA’s program, students might be better positioned to complete more education (including college); also, FEA students might be better informed or more aggressive on the job market (and would therefore be better positioned to locate higher-paying jobs).

⁵ By completing the FEA program, a student should expect a starting salary that is 12.72% higher than if they had not enrolled in the program.

⁶ We adopt a conservative 7% annual salary increment. Indian firms are routinely surveyed on salary increments. [Aon Consulting](#) has been surveying Indian firms for 26 years. Since 2007, the average salary increment has been 10.225%. [Wilson Towers Watson](#) also conducts salary increment surveys. Their data covers 2018-2021 and their annual increments are in line with Aon’s estimates. They suggest that the average salary increases 8.85%, although the COVID-19 pandemic hampered increments. It should be noted that these increments—as well as our projected career earnings—do not take inflation into account.