



# Impact Evaluation of DOLE's SPES: Findings, Challenges, and Lessons Learned

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The SPES IE is conducted in partnership with the Department of Labor and Employment, and its Institute for Labor Studies and Bureau of Local Employment.





# Impact Evaluation Research Supported by 3ie and the Australian Government



International  
Initiative for  
Impact Evaluation



# Outline

1. Overview of SPES
  - Research design
2. Implementation challenges
3. Who does SPES target?
4. Impact evaluation findings
5. Policy recommendations
6. Lessons for researchers



# 1. Overview of SPES

Special Program for Employment of Students

# SPES: Special Program for Employment of Students

Low-income youth



Formal employment

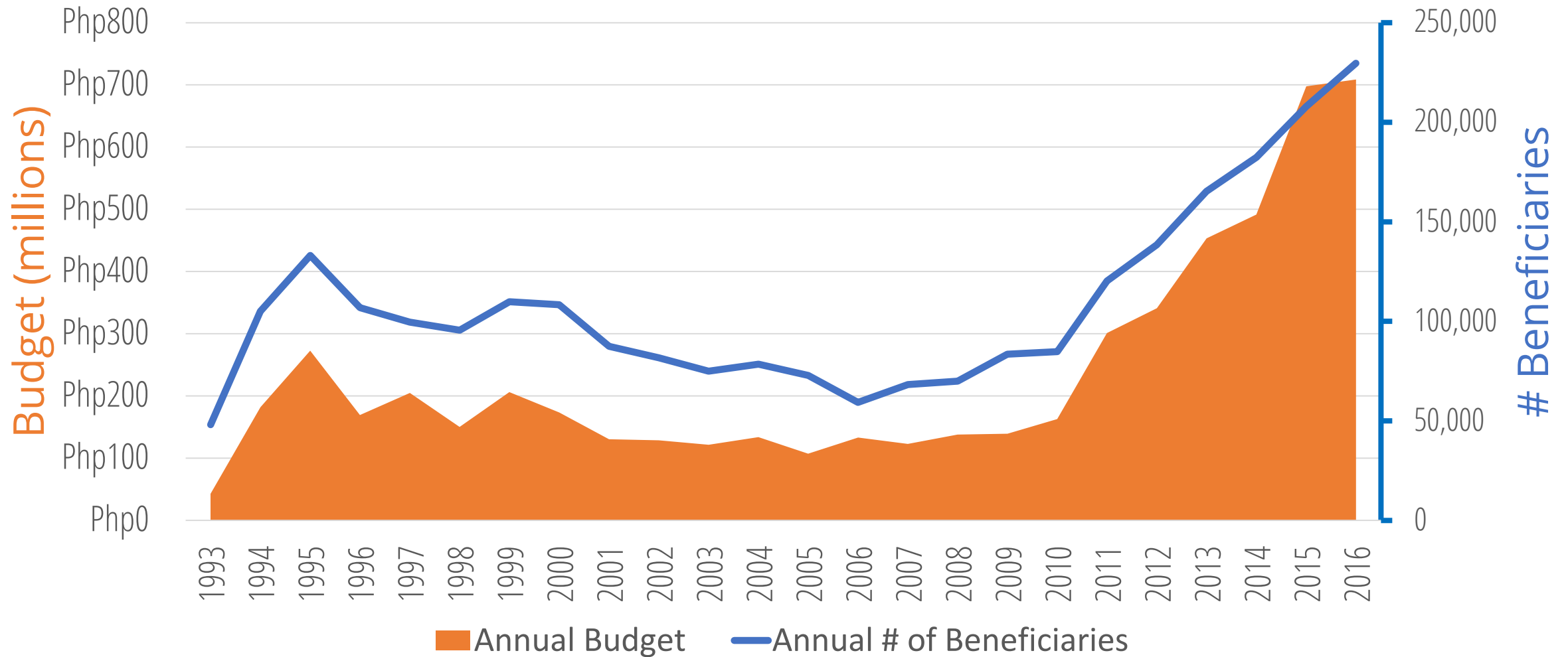


# Basic Components of SPES

- Targets “poor but deserving” youth enrolled or intending to enroll
- 20-52 working days during vacation
- Public Service Employment Offices (PESOs) facilitate matching
- DOLE provides 40% wage subsidy to employer



# SPES Budget and Beneficiaries Per Year



SOURCE: Department of Labor and Employment Bureau of Local Employment





# Research Questions

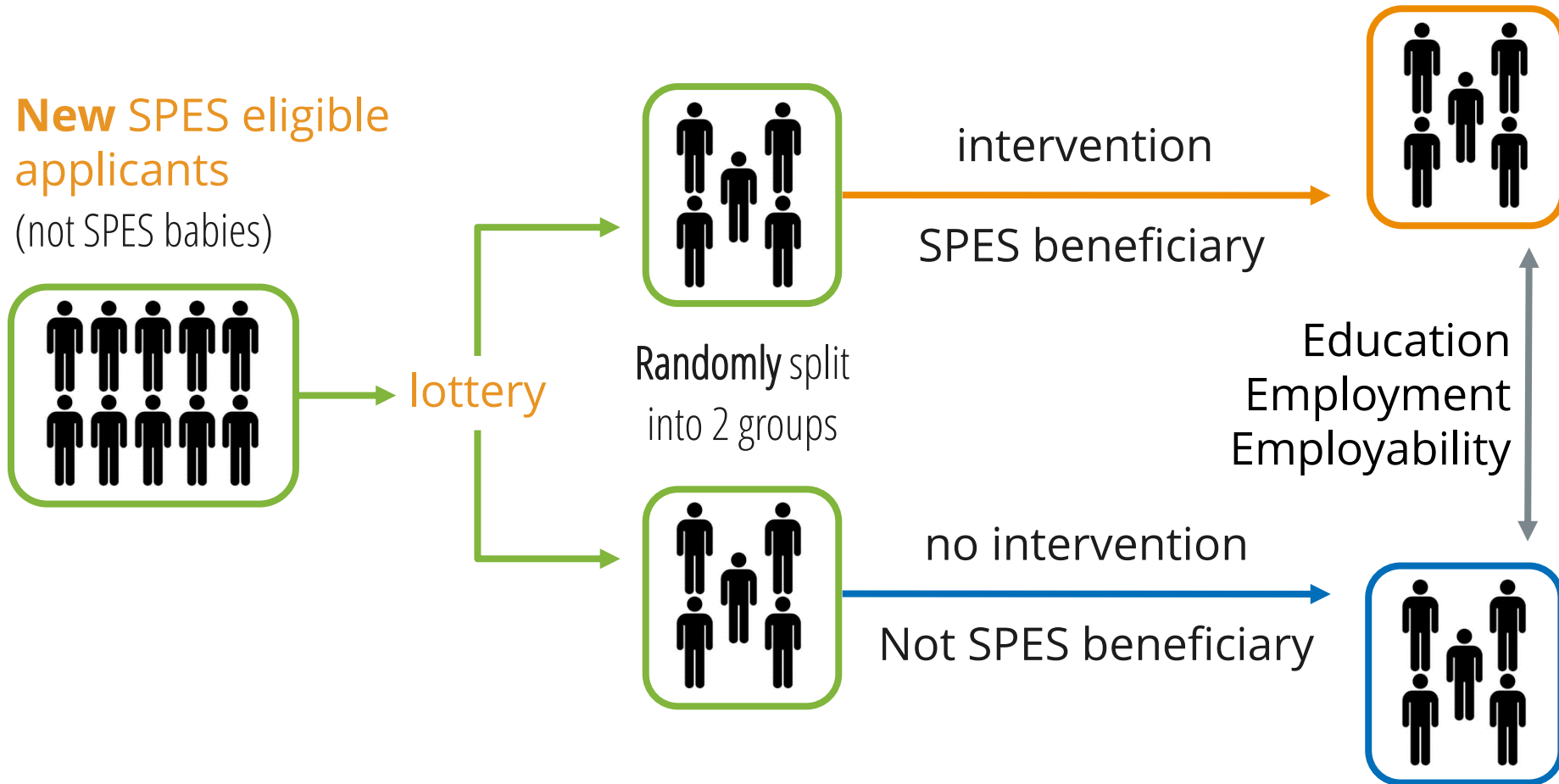
RQ1: What is the causal impact of SPES on youths' **academic outcomes**?

RQ2: What is the causal impact of SPES on youth **employability**?

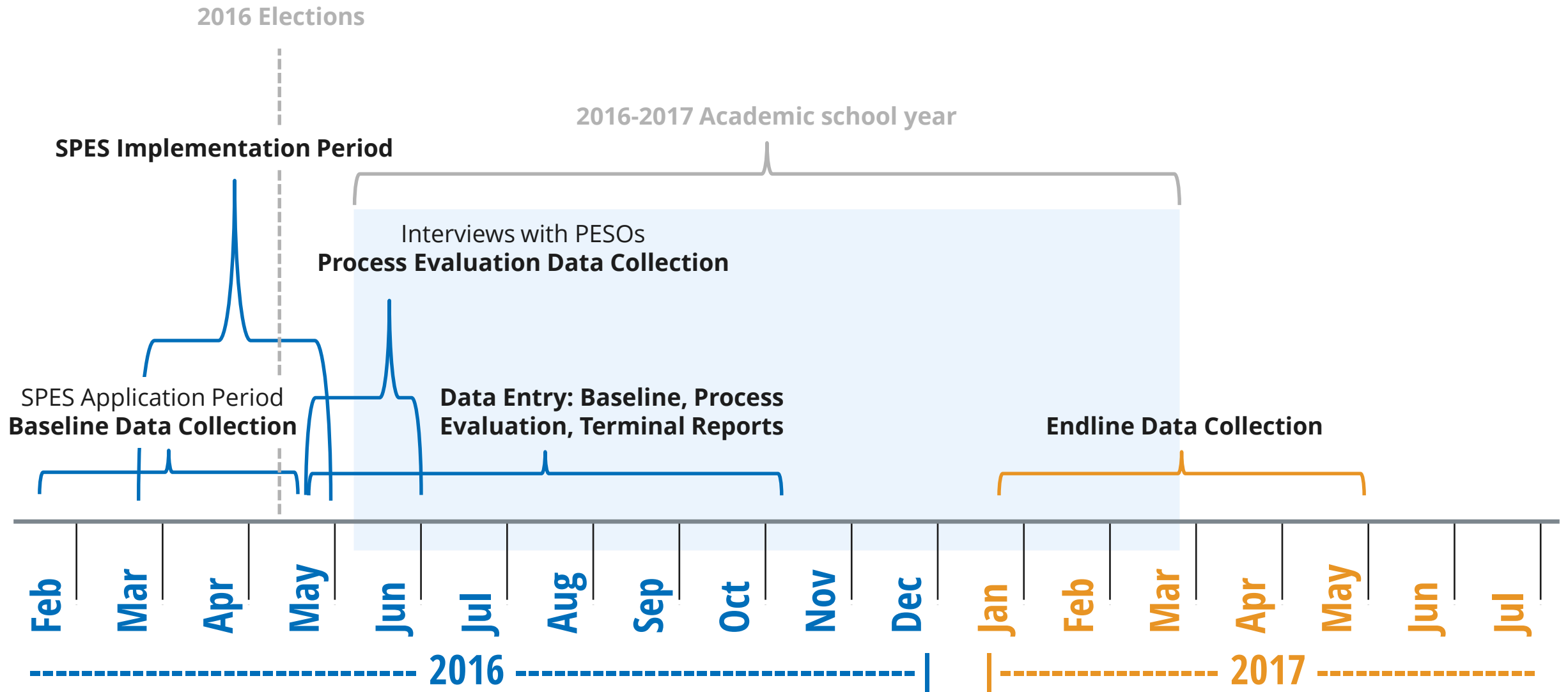
RQ3: What is the impact of SPES on youth **employment and job search**?



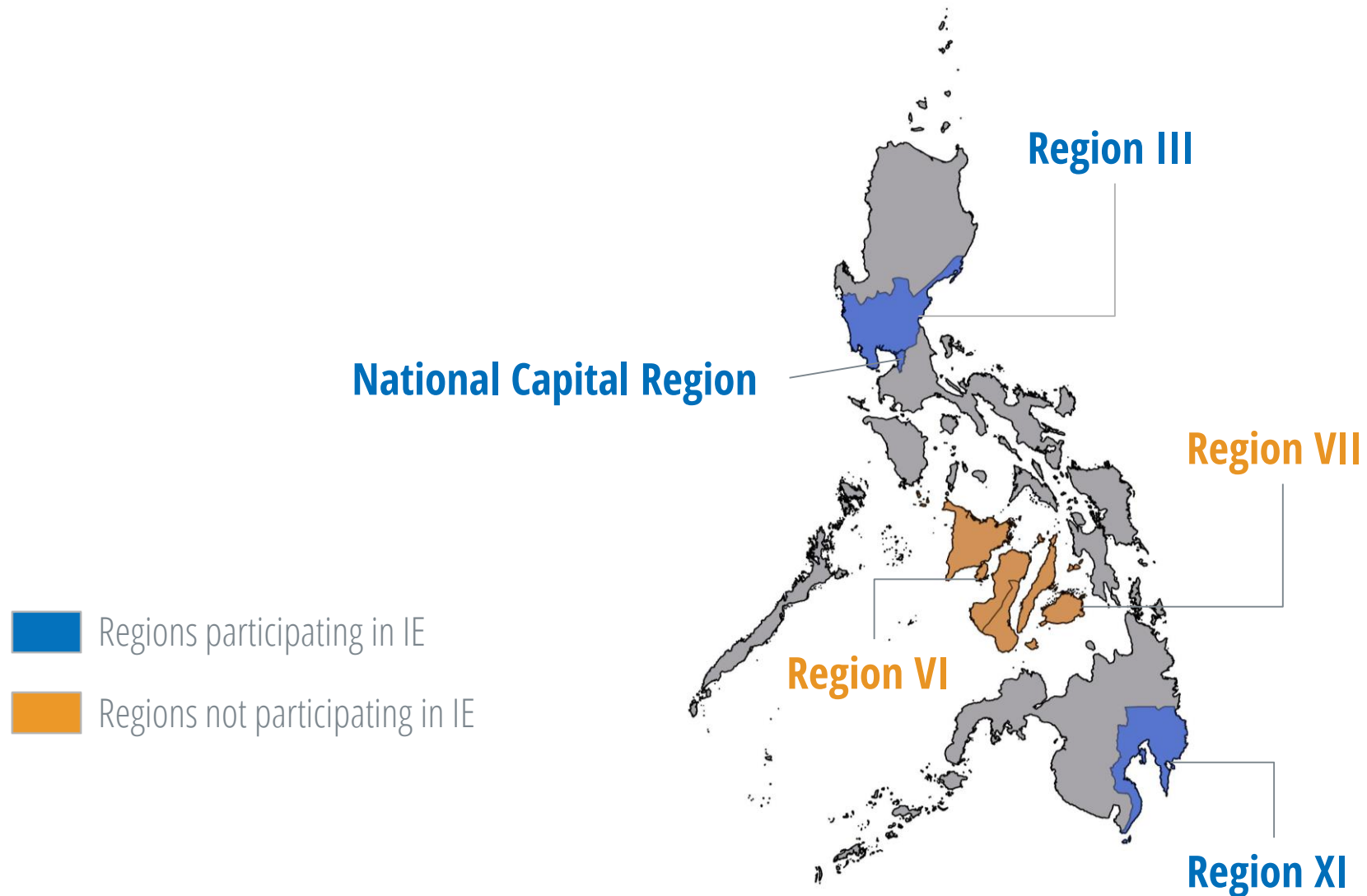
# Research Design



# Research Timeline



# Research Target Regions



# 2. Implementation Challenges

1. Recruiting PESOs
2. Collecting data
3. Ensuring treatment compliance

# Recruiting PESOs: Challenges

- May 2016: National and local elections
  - Delay project, risk cancellation?
  - Push through, expect resistance from mayors?
- Communication difficulties between regional and local level PESOs
  - PESO managers accountable to LCE
  - Regional directives did not always reach local level
  - Regional offices not always fully informed
- Local perceptions of impact evaluation as auditing



# Recruiting PESOs: Responses

## What we did

- Extensive back-up list of PESOs
- Direct outreach to local offices (with regional support)
- Limited control group to one year

## What we could have done

- Additional regions
- Better orientation of local PESOs
- Quicker outreach to local PESOs (regional timelines were not correct!)



# Obtaining Oversubscription

- Despite PESO support, many hesitant to allow oversubscription
- Either greater buy-in or stronger accountability
- Reluctant to coordinate advertising efforts locally
- National or regional advertising efforts to circumvent LCE?





# Distribution of Participating PESOs

	# Invited	Enrollees represented	Participated in data collection		Agreed to participate in Impact Evaluation		Participation in Impact Evaluation	
<b>NCR</b>	18	4422	6	33%	3	50%	3	17%
<b>Region III</b>	13	5321	26	200%	12	46%	9	69%
<b>Region VI</b>	22	2421	21	95%	1	5%	0	0%
<b>Region VII</b>	15	3802	13	87%	2	15%	0	0%
<b>Region XI</b>	16	2461	14	88%	12	86%	10	63%
<b>Total</b>	84	18427	80	95%	30	38%	22	26%



# Data Collection: Baseline

## Data sources

1. SPES application form
  - *Demographic information*
  - *Grade level, age, etc.*
2. Supplemental questionnaire
  - *Consent form*
  - *Contact information*
  - *Baseline education/work experience*
3. PESO officer checklist
  - *Verify data*
  - *Applicant assessment*



# Data Collection: Baseline

## Implementation

### In theory:

- Applicants visit SPES offices
- Fill out 2 forms
- PESO officer verifies
- PESO or IPA encodes
- IPA matches records

### In practice:

- Some applications started early
- Some PESOs only fill out forms *after* selecting beneficiaries
- Applicants leave parts of forms blank
- Inaccuracies/missing data in administrative data



# Data Collection: Baseline

## Recommendations

### For researchers:

- Have staff on site from beginning
- Coordinate “application days”
- Avoid over-reliance on administrative data

### For policymakers:

- Increase data sharing with regional level
- Encoding systems to minimize burden (see Region XI)
- Incentives for high quality data
- FB groups to stay in touch with applicants?



# Data Collection: Endline

## Data sources

### 1. SPES terminal reports

- *Name*
- *Number of days worked*
- *Earnings*



### 2. Phone survey

- *Education status*
- *Employment status*
- *Self-reported employability*
- *Experience with SPES*



# Data Collection: Endline

Phone survey innovations

## 1. Multiple phone numbers

- Respondent, alternate, 3 family members, 1 friend
- Text before calling, text after several missed calls
- Use numbers of family/friends to ask for updated number

## 2. E-mail (not effective)

Response rate: 75%



# Data Collection: Endline

Phone survey innovations

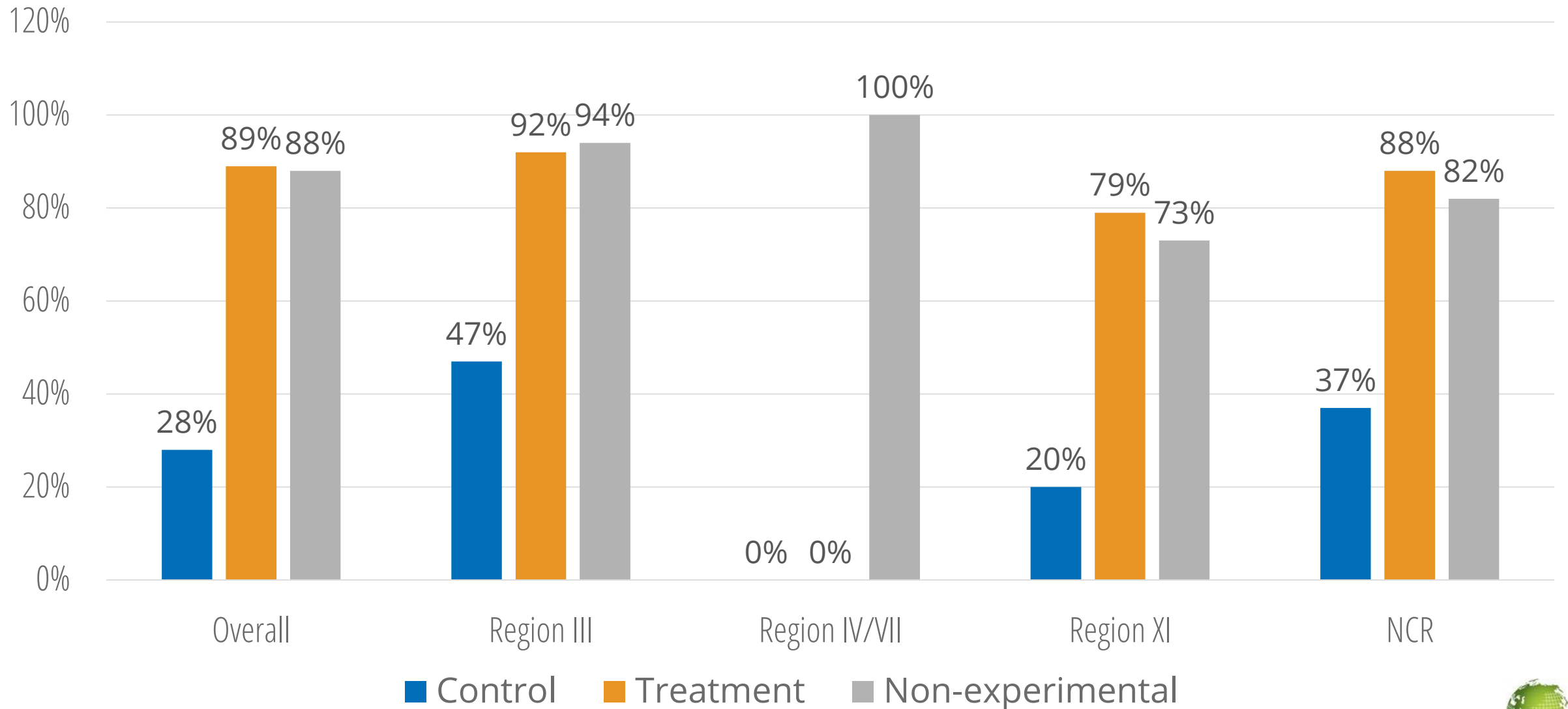
## 3. Intensive follow-up efforts

- Facebook search
- Field visits
  - Coordinate with PESOs
  - Locate respondent at home

Overall response rate: 86%, no differential attrition



# SPES Take-up, by Treatment Status and Region





# Imperfect Treatment Compliance

- Treatment compliance: 75% on average, but one-fifth had rates lower than 50%
- Most have one batch per year, so likely ignoring lists rather than not withholding
- LATE adjustments, still see reduced power
- What incentives do PESOs have to comply?

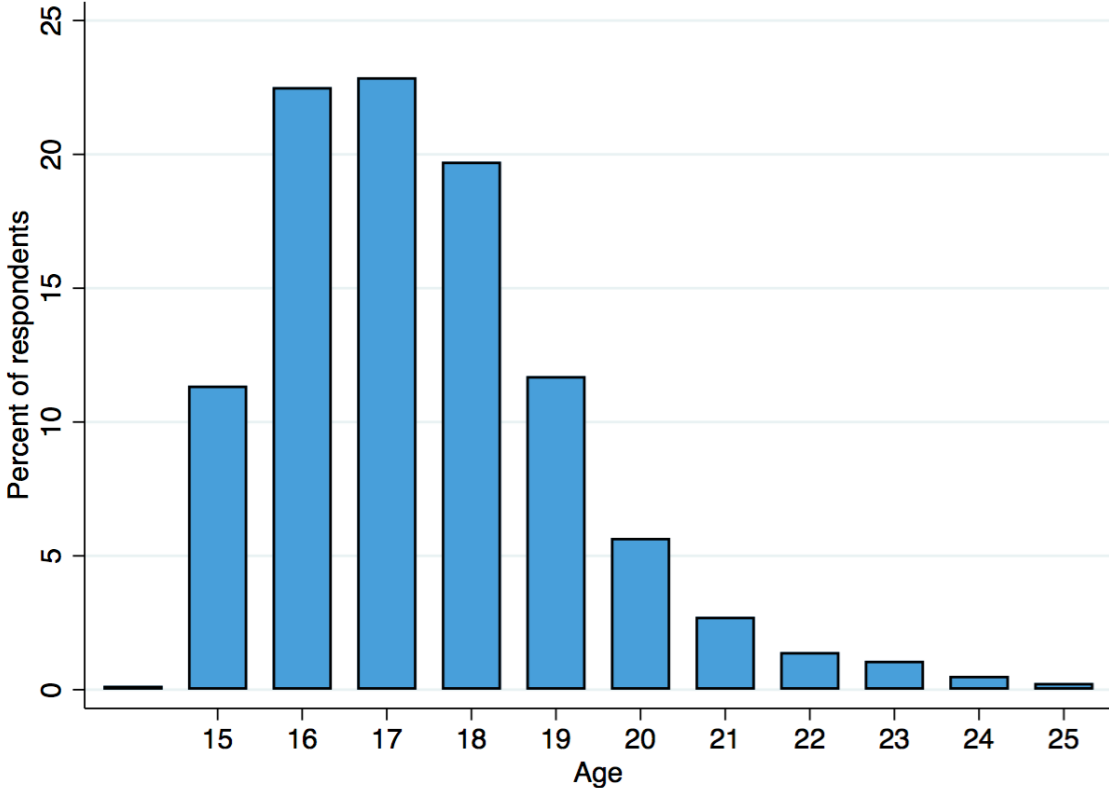


# 3. Who Does SPES Target?

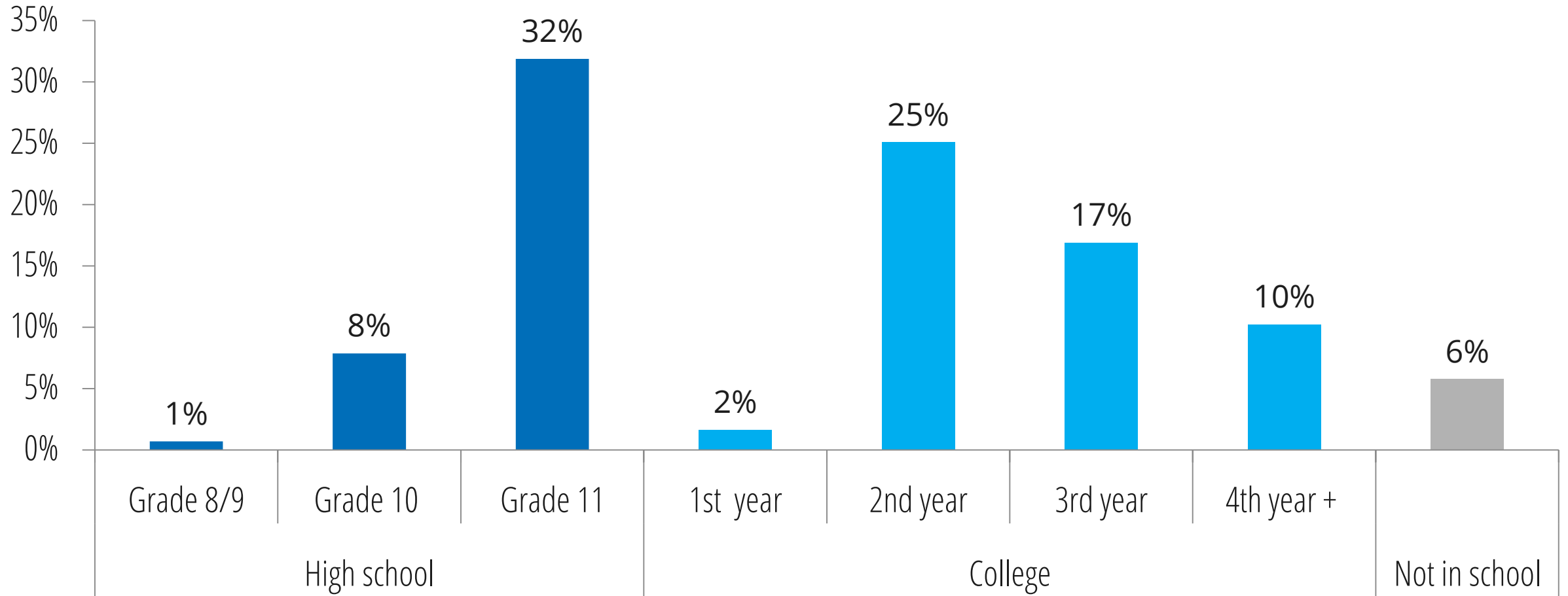
Who are the “poor but deserving”?

# Nearly All New SPES Applicants Ages 15-20

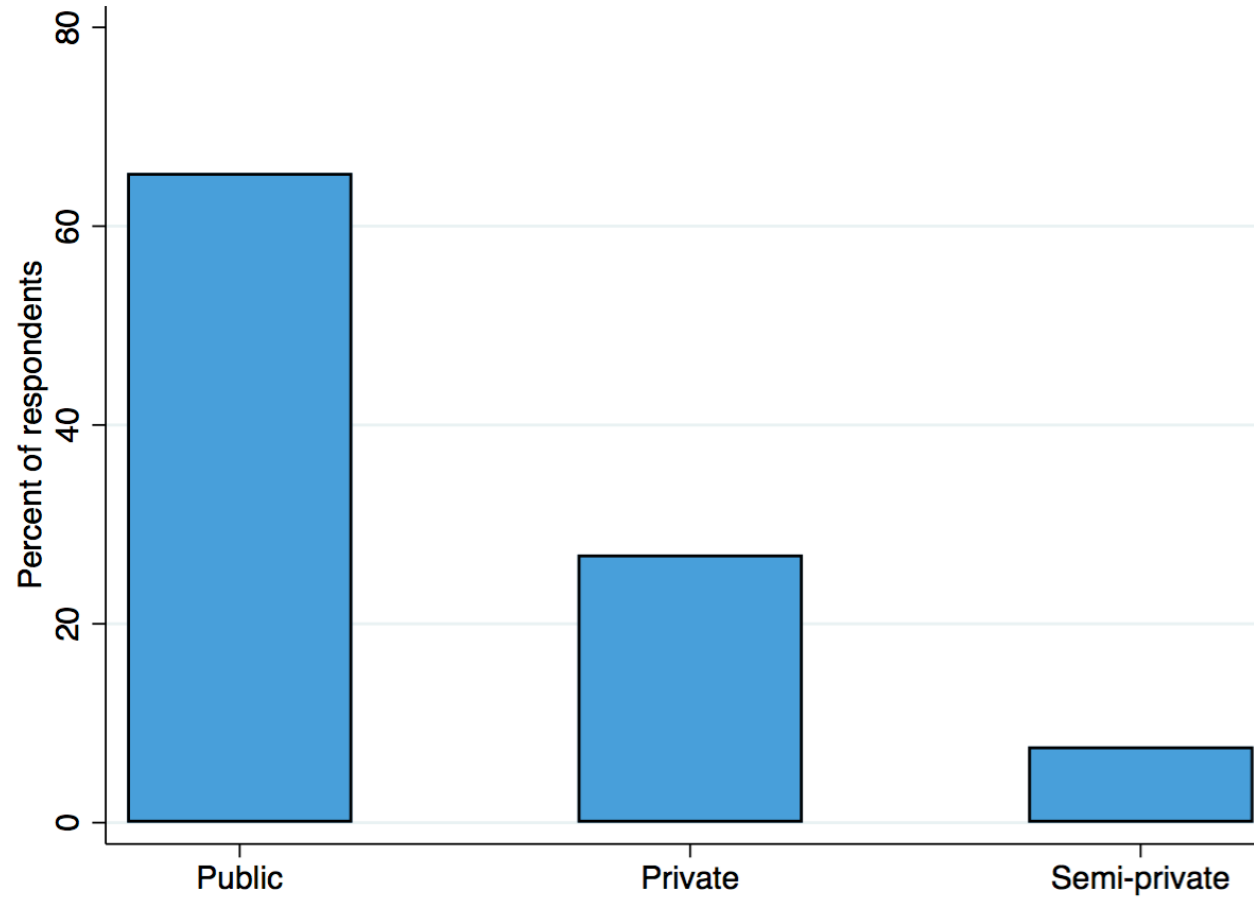
Age	Share
15-16	34%
17-18	43%
19-20	17%
Over 20	6%



# Grade Level of SPES Applicants at Endline



# Nearly 1/3 Attend Private Schools



# Targeting of SPES Beneficiaries

- SPES applicants came from families that are **relatively poor**.<sup>1</sup>
  - 63% were likely to live below 200% of the Philippine national poverty line (Php95 per person per day).
  - 4% were likely to live below 100% of the national poverty line (Php47 per person per day).
  - 26% were DSWD 4Ps beneficiaries.

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<sup>1</sup> Based on the Progress out of Poverty Index (PPI) and calculations are based on the 2009 Philippine national poverty line of approximately P47.35 /person/day.



# Targeting: Qualitative Evidence

- Significant mayoral involvement in implementation, using SPES to build political support
  - Short application periods, minimal advertising
  - Or, applications distributed via barangay captains
  - Many asked to show voters IDs (or parents')
  - Mayors will provide lists of beneficiaries

How to align incentives between local and national level?



# Targeting: Qualitative Evidence

## Who is poor?

- Some prioritize 4Ps recipients, others exclude 4Ps
- Show BIR exemption or certificate of indigency

## Who is deserving?

- Substantial disagreement, variety of approaches
- Passing GWA or "good moral character"? (in guidelines)
- Tests and/or interviews





# 4. Impact Evaluation Findings

# Education

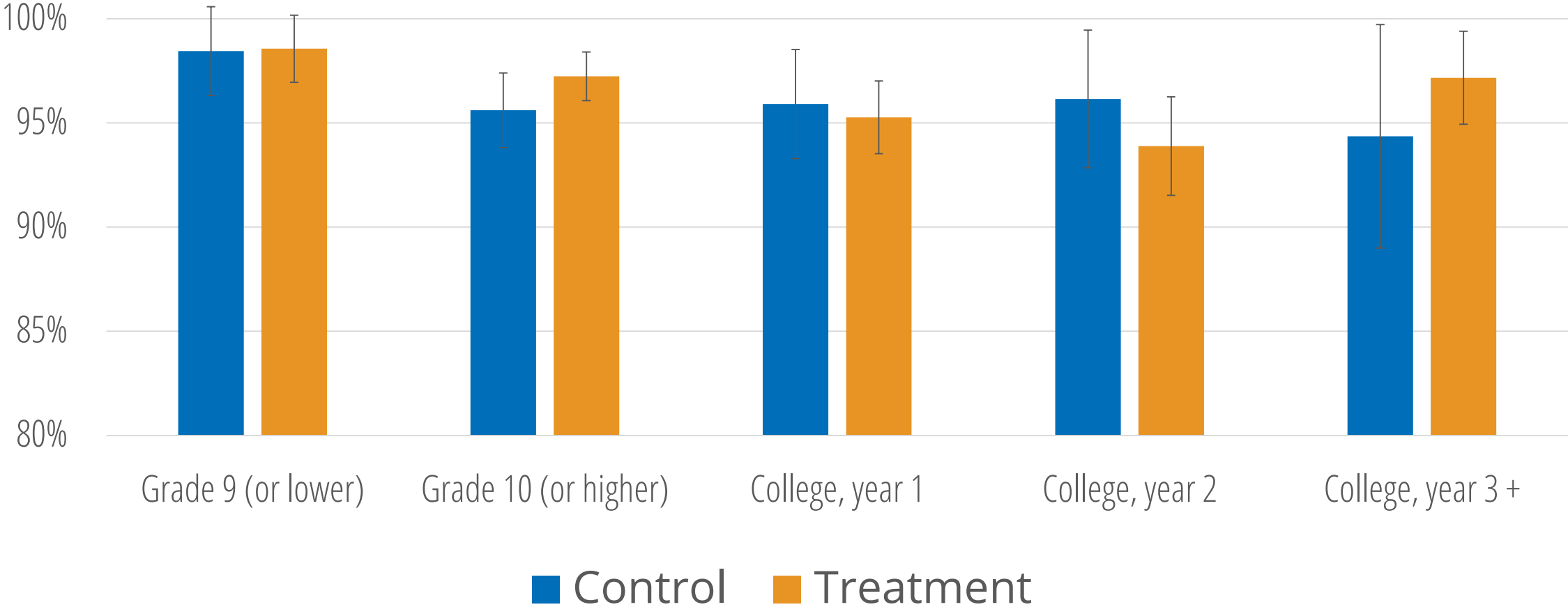
RQ1: What is the causal impact of SPES on youths' academic outcomes?

# Education

- **With or without SPES, SPES applicants will enroll in school:**
  - In the medium-run, SPES participation does not increase school enrollment – school enrollment is roughly 95% regardless of whether applicants were chosen to receive SPES.
- However, **SPES increases enrollment for men**, who are at higher risk of dropping out of school.
- SPES participation **does not increase college graduation rates** in the medium-run.
- Among those not enrolled, the most common reason was **financial problems** (57%).



# Enrollment Rates, by Completed Grade Level



# SPES Does Not Increase Enrollment Nor Graduation

	Enrolled in school	Graduated college	Graduated high school	Grade weighted average*	Will enroll, 2017-18
<b>Enrolled in SPES</b>	0.016 [0.020]	-0.0064 [0.0075]	-0.031* [0.017]	0.054 [0.082]	0.023 [0.023]
<b>Observations</b>	3,282	3,280	3,178	3,241	3,270
<b>Mean, control group</b>	0.94	0.0074	0.44	0.00	0.92

*Grade weighted average standardized by education level and type of scale.*



# SPES Increases Enrollment Among Men

	Enrolled in school	Graduated college	Graduated high school	Grade weighted average*	Will enroll, 2017-18
<b>Men</b>	0.062* [0.037]	-0.010 [0.014]	-0.017 [0.028]	-0.095 [0.15]	0.075* [0.041]
<b>Women</b>	-0.0078 [0.023]	-0.0047 [0.0087]	-0.029 [0.021]	0.14 [0.097]	0.00015 [0.028]

*Grade weighted average standardized by education level and type of scale.*



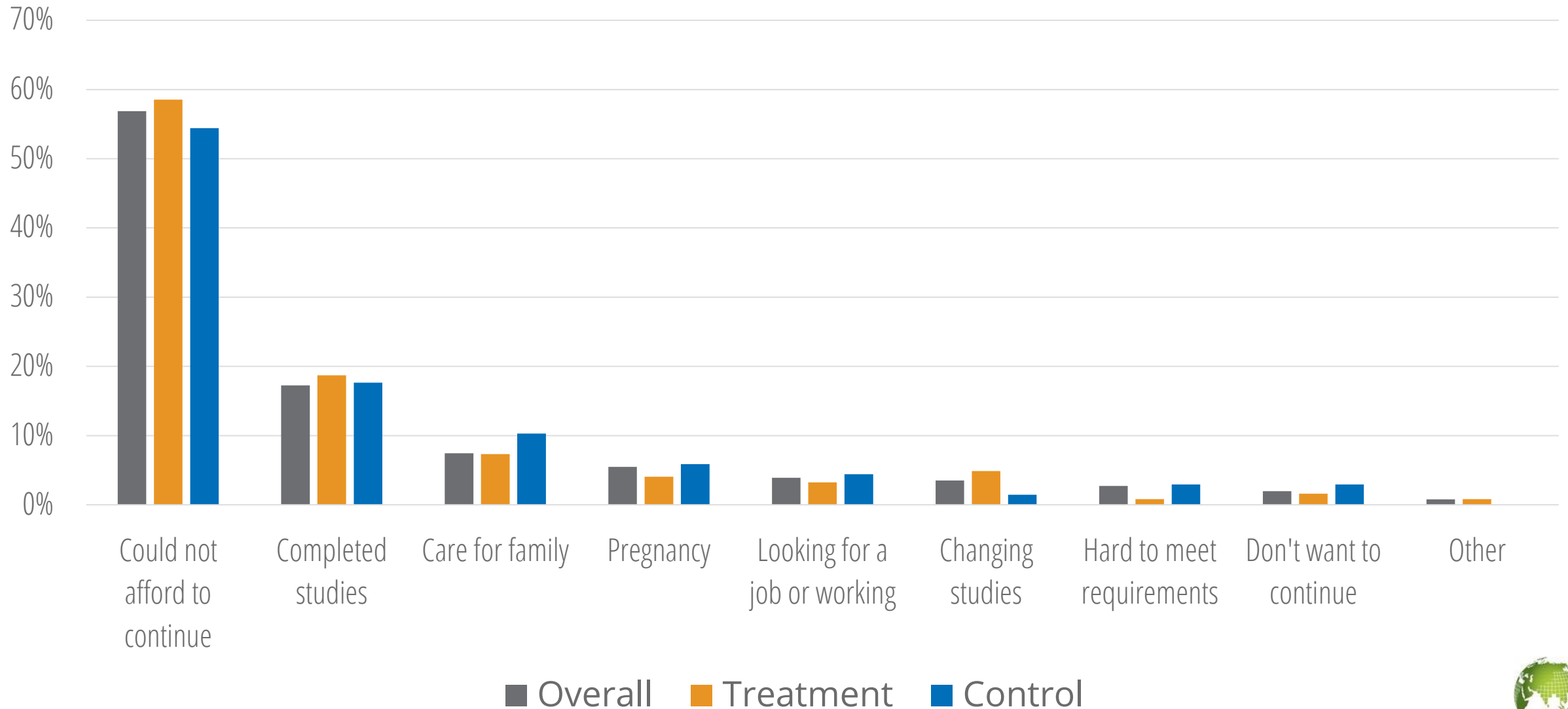
# High School Students May Benefit More from SPES

	Enrolled in school	Graduated college	Graduated high school	Grade weighted average*	Will enroll, 2017-18
<b>High school</b>	0.028 [0.020]	0.0016 [0.0017]	-0.018 [0.020]	0.12 [0.093]	0.0021 [0.016]
<b>College</b>	-0.022 [0.039]	-0.017 [0.020]	-0.024 [0.024]	-0.0066 [0.16]	0.064 [0.056]

*Grade weighted average standardized by education level and type of scale.*



# Most Students Drop-Out for Financial, Family Reasons





# Education

Why no impact on education in medium-run?

- **High enrollment**
  - SPES population not at high risk of dropping out
- **Time frame**
  - School year had not yet ended for many
  - Lower levels would not graduate for several more years
  - May see greater attrition in the following school year
- **K-12 implementation**
  - No high-school graduates in 2017



# Employability

RQ2: What is the causal impact of SPES on youth employability?

# Employability

- SPES participants **engage in a variety of office tasks**, but **do not gain skills**:
  - Aside from answering phones, SPES participants do not gain experience in office related work tasks
- SPES participation **does not affect students' self-esteem** or **self-reported life skills** in the medium-run.
- SPES **improves students' confidence about their work prospects** after graduation, but it **did not affect their wage perceptions**.



# SPES Does Not Affect Work Readiness

	Self-esteem index	Work tasks index	Life skills index	Workplace skills index
<b>Enrolled in SPES</b>	-0.037 [0.089]	0.10 [0.084]	0.051 [0.089]	-0.12 [0.086]
<b>Observations</b>	3,281	3,281	3,281	3,281
<b>Mean, control group</b>	0.016	-0.087	-0.055	-0.0018



# SPES Increases Confidence About Job-Finding

	Likely find job w/in 6 months of grad.	Lowest wage willing to accept	Expected wage after graduation	Expect to finish college or higher	Expect to enroll in SPES, 2017
<b>Enrolled in SPES</b>	0.092** [0.042]	-101 [99.0]	-211 [198]	0.010 [0.019]	-0.0069 [0.035]
<b>Observations</b>	3,102	3,098	3,098	3,282	3,235
<b>Mean, control group</b>	0.65	345	586	0.95	0.79



# Employment

RQ3: What is the impact of SPES on youth employment and job search?

# Employment

- SPES participation **increased the likelihood of being currently employed** with a private employer, LGU, or NGO compared to control group (70% increase).
- For every 100 SPES beneficiaries, 3.9 beneficiaries are moved into employment because of SPES.
- Without SPES, **very few applicants would have worked during the summer.**
- SPES participation reduces the likelihood of summer work, but only 18% of those not chosen for SPES report either formal or informal summer work.



# SPES Increases Current Employment

	Working	Looking for work	Earnings
<b>Enrolled in SPES</b>	0.039* [0.020]	-0.031 [0.035]	-3,283 [2,586]
<b>Observations</b>	3,282	3,281	204
<b>Mean, control group</b>	0.056	0.22	4199





# Cost Effectiveness

# Cost Effectiveness

SPES costs **Php3,561** per beneficiary.



# Cost Effectiveness

For every 100 SPES beneficiaries,  
1.6 are prevented from dropping out of school,  
costing DOLE **P222,600 per drop-out.**



# Can SPES Be Cost Effective?

If 100% of beneficiaries enrolled  
*(5.7 percentage-point increase)*

**P62,500 per drop-out avoided**



# Cost Effectiveness

For every 100 SPES beneficiaries,  
3.9 are moved into work,  
at a cost of **Php91,318 per eventual job found.**



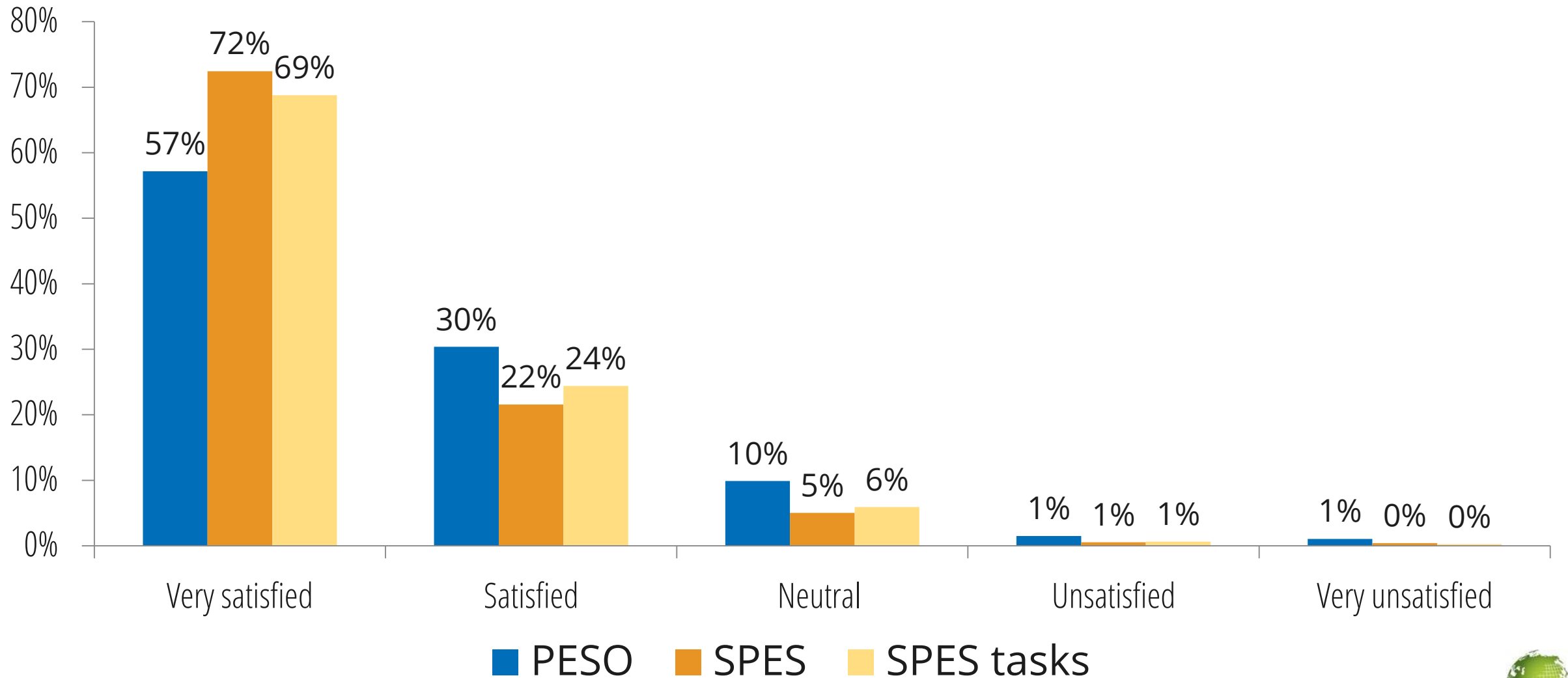
# Beneficiaries' Experience of SPES

# Distribution of Primary SPES Tasks

Rank	Assignment	# of students	Share	Cumul. share
1	Surveying	802	25.8%	25.8%
2	Encoding or updating records	572	18.4%	44.3%
3	Filing and organizing documents	466	15.0%	59.3%
4	Cleaning, sweeping, or planting	281	9.1%	68.3%
5	Maintain cleanliness/orderliness of office	178	5.7%	74.1%
6	Messenger/errands/distributing flyers	140	4.5%	78.6%
7	Processing and preparing forms	137	4.4%	83.0%
8	Customer service, sales, or organizing	122	3.9%	86.9%
9	Typing letters or documents	97	3.1%	90.0%
10	Other	81	2.6%	92.7%



# High Overall Satisfaction with Local PESO and SPES





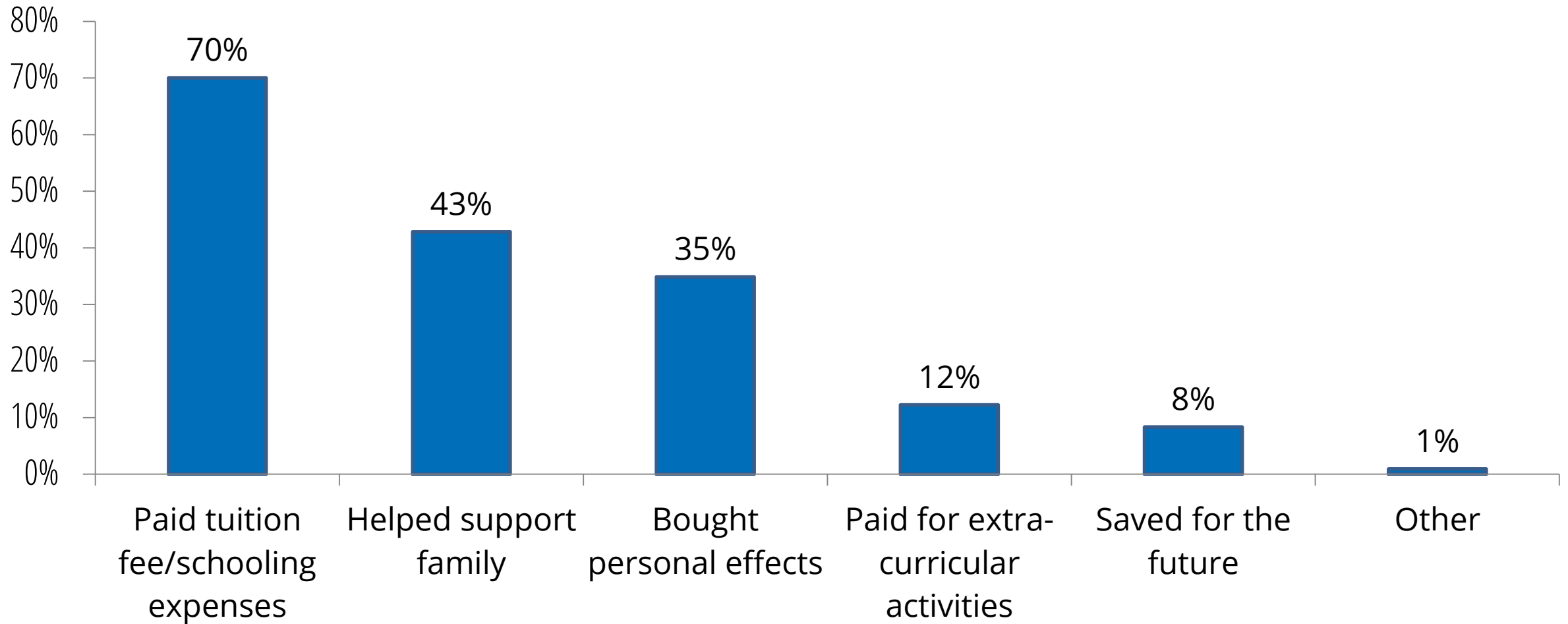
# SPES Work Experience

- For most beneficiaries (78%), **SPES lasts only 20 days**
  - Very few (<5%) worked the maximum of 52 days
  - Earnings over 20 days: P6,800-P9,800
- **Most perform office work** at local government unit
  - Surveying (30%), encoding (25%), and organizing and filing (24%).
  - **About 14% do purely “make-work” tasks**, maintaining the orderliness of the office.



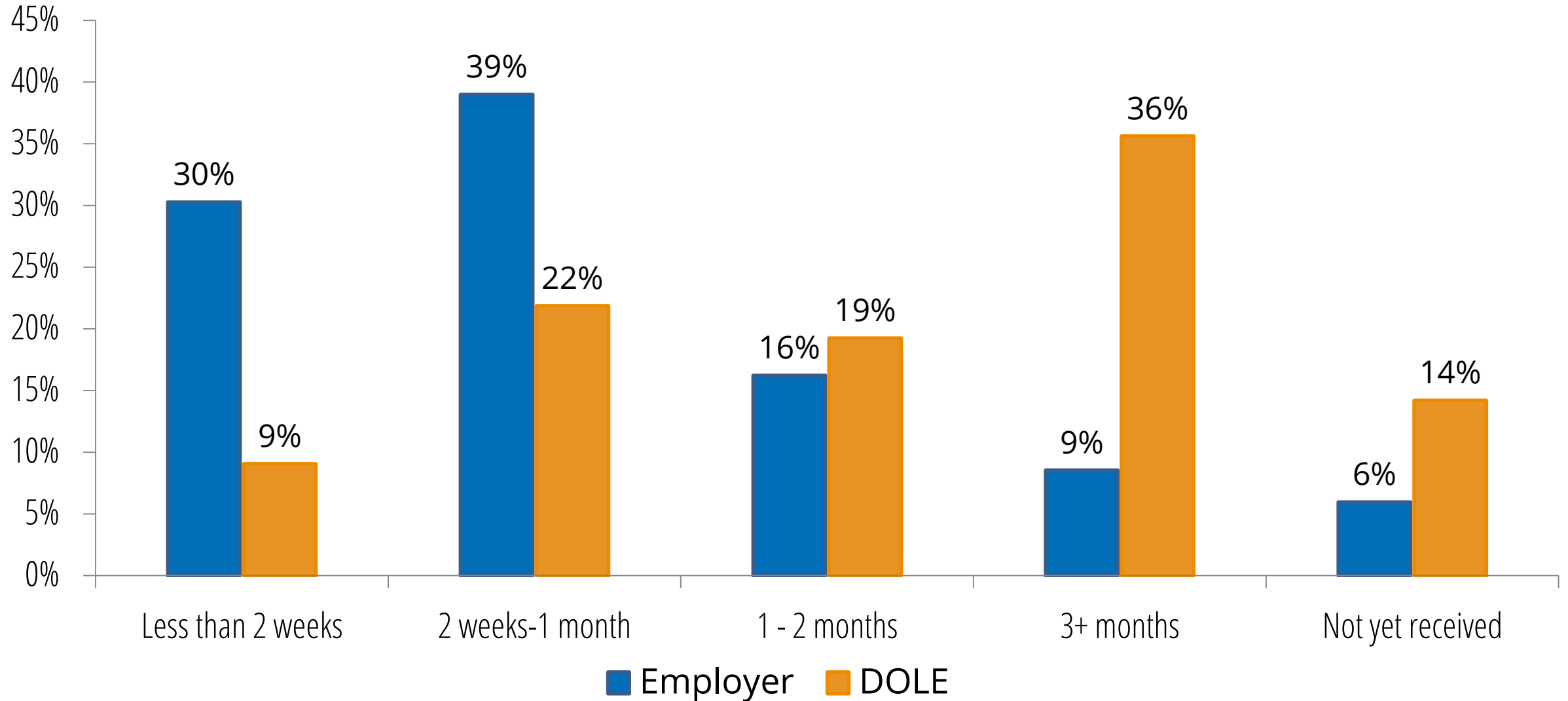
# Most Beneficiaries Use Funds Multiple Ways

How SPES beneficiaries used funds



# Payment Delays are Common

Time to payment from employer and DOLE



# **5. Specific Findings for Policy and Practice**

# Specific Findings for Policy and Practice

In the medium run, *SPES may be more effective as a work program than an education program*, but costs remain high.

- SPES costs roughly P90,000 per job found and P220,000 per drop-out avoided in that academic year.



# Specific Findings for Policy and Practice

***Resolve payment delays*** to help students use earnings to fund their education.



# Specific Findings for Policy and Practice

## *Explore ways to help work experience provide meaningful skills.*

- Nearly all students are engaged in office work in the LGU, but SPES did not improve students' experience with specific office tasks, nor changed their general attitudes or motivation for work.



# Specific Findings for Policy and Practice

## *Improved targeting may maximize program effectiveness.*

- Men students from poorer families, and high-school students get greatest educational benefits from SPES.
- Refining program targeting through adjustments to screening criteria or outreach methods may help SPES reach those who benefit the most.





# Specific Findings for Policy and Practice

## ***Consider adding training to help students build life skills.***

- Directly providing students with life-skills training or job-search training may be low cost and more successful.



# Specific Findings for Policy and Practice

## ***Strengthen program monitoring and communication between regional and local PESOs.***

- Currently difficult to ensure SPES is carried out in accordance with the national implementing guidelines.
- Monitoring data is very limited.



# 6. Lessons for Researchers

# Lessons Learned

1. Obtaining buy-in from the local chief executives is essential, but challenging.
2. National directives may not always reach local offices
3. Usefulness of a process evaluation for the planning stages
4. Make clear difference between impact evaluation and performance monitoring at local level



# Lessons Learned

5. Regional-level advertising may be easier to coordinate than local advertising:
6. Establishing a technical working group was extremely beneficial.
7. Strong regional coordinators/leaders from DOLE made a difference in participation.
8. Administrative data can be unreliable.
9. Importance of collecting several contact numbers and residential addresses.



# Suggestions for Future Research

- What is the longer-run impact of SPES?
- What adjustments can improve SPES effectiveness?
  - Add training components
  - Change type of work experience
  - Broaden recruitment and make application easier
  - Extend minimum program length
  - Reduce payment delays
- How to better align incentives with local government?



Thank you



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