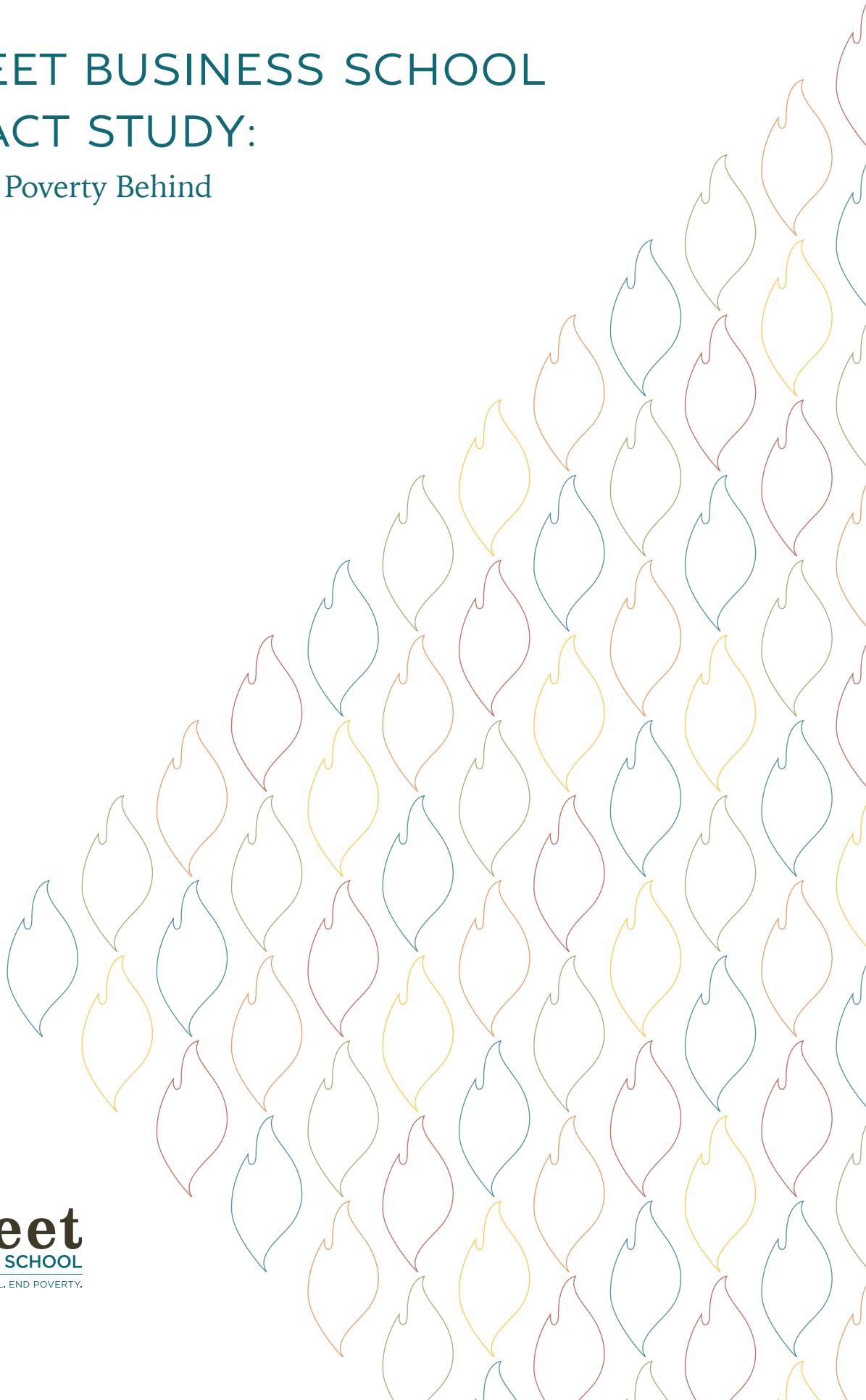




STREET BUSINESS SCHOOL IMPACT STUDY:

Leaving Poverty Behind



street
BUSINESS SCHOOL
IGNITE POTENTIAL. END POVERTY.



TABLE OF CONTENTS

Overview	3
RCT Purpose and Design	4
Key Findings	6
Grit, Wellbeing and Coaching	11
Unexpected Events: Spillover Effects and COVID-19	13
Building Resilience and Next Steps	16





OVERVIEW



Street Business School (SBS) is an entrepreneurship program that helps women living in deep poverty gain the confidence and skills to open small businesses and lift their families out of poverty. The program is uniquely tailored to meet the needs of women living in poverty, many of whom have not finished primary school. Eight business modules are delivered in the local language in the local community, supported by alumni testimonials and one-on-one mentoring. SBS intentionally does not provide startup capital for businesses, believing that when women start with a very small investment (\$4-\$15 USD) and grow their business over time, they are more resilient in the long run.

To learn how SBS impacts the lives of marginalized women, researchers from J-PAL and Universidad del Rosario¹ launched a randomized control trial² (RCT) in Uganda which took place from 2018 to 2021. The study focused on impacts for two groups who both received the six-month SBS training but different coaching models, plus a control group who did not receive the training. The study spanned the onset of the COVID-19 pandemic, the most significant global health and economic disruption in a century.

The Global Context:

The need for interventions such as SBS is great. The global pandemic has pushed almost 100 million additional people into extreme poverty, a disproportionate number of whom are women and girls. Three hundred and eighty-eight (388) million women and girls and 372 million men and boys will be living in extreme poverty in 2022.³ This represents the first increase in global poverty in decades, caused in part by a global loss of low-income jobs, which experts predict may take years to return. Survival for those in deep poverty, therefore, requires a focus on women in the informal sector where as many as 61 percent of the world's global employed population earn their living.⁴

Innumerable credible global studies have shown an irrefutable connection between investment in women and improvements in education, health, the wellbeing of children and economic benefits for the community and country. Successful entrepreneurship can also have non-material benefits, including more self-confidence, grit and higher expectations for the future. It is in this global context that a study on whether the SBS entrepreneurship training program is effective takes on increasing importance.

Results:

The study demonstrated that the SBS model yields strong and statistically significant impacts for women. The top performing group had 20 percent greater business ownership, 146 percent higher sales revenue and 110 percent greater profit than those who did not receive the intervention. Other notable outcomes include higher scores on grit and several business practices for SBS graduates.

After analyzing the findings of the RCT, SBS returned to Kayunga to share the results of the RCT with the women who participated in the study and to learn more about how COVID-19 and other factors may have impacted the results. Participant perspectives from this “data walk”⁵ are shared in this report as well.

¹ Megan Lang* *Abdul Latif Jameel Poverty Action Lab (J-PAL), based at MIT, King Climate Action Initiative and the University of California Santa Barbara and Julia Seither** **Universidad del Rosario in Colombia, Department of Economics.

² A randomized control trial (RCT) evaluation seeks to determine if a program has had an impact on specific outcomes. The results tend to be more reliable than other types of studies in that they can explain causality because results can be compared with the performance of a control group, thus accounting for other factors might have influenced the outcomes during the study period.

³ UN Women, UNDP and the Pardee Center for International Futures. (2022). *Research Highlight - Gender and COVID-19*. <https://data.unwomen.org/features/poverty-deepens-women-and-girls-according-latest-projections>

⁴ ILO (2018). *Women and men in the informal economy: A statistical picture*. Third edition.

⁵ The data walk was held in Kayunga in April 2022 and facilitated by coaches from SBS-Uganda. Approximately 70 people from all three treatment arms participated in the discussions.



RCT PURPOSE AND DESIGN

This report presents the results of the RCT which launched in July of 2018 and ran through December 2021. The purpose of the RCT was to study whether a holistic entrepreneurial training program, geared to the needs of marginalized women, can yield sufficient increases in business growth and profits to gain a sustainable foothold in the informal economy. The study focused on business development, profits, income and two coaching delivery models. The surveys included questions on women's attitudes about business, psychometric measures such as grit and self-efficacy and family wellbeing.

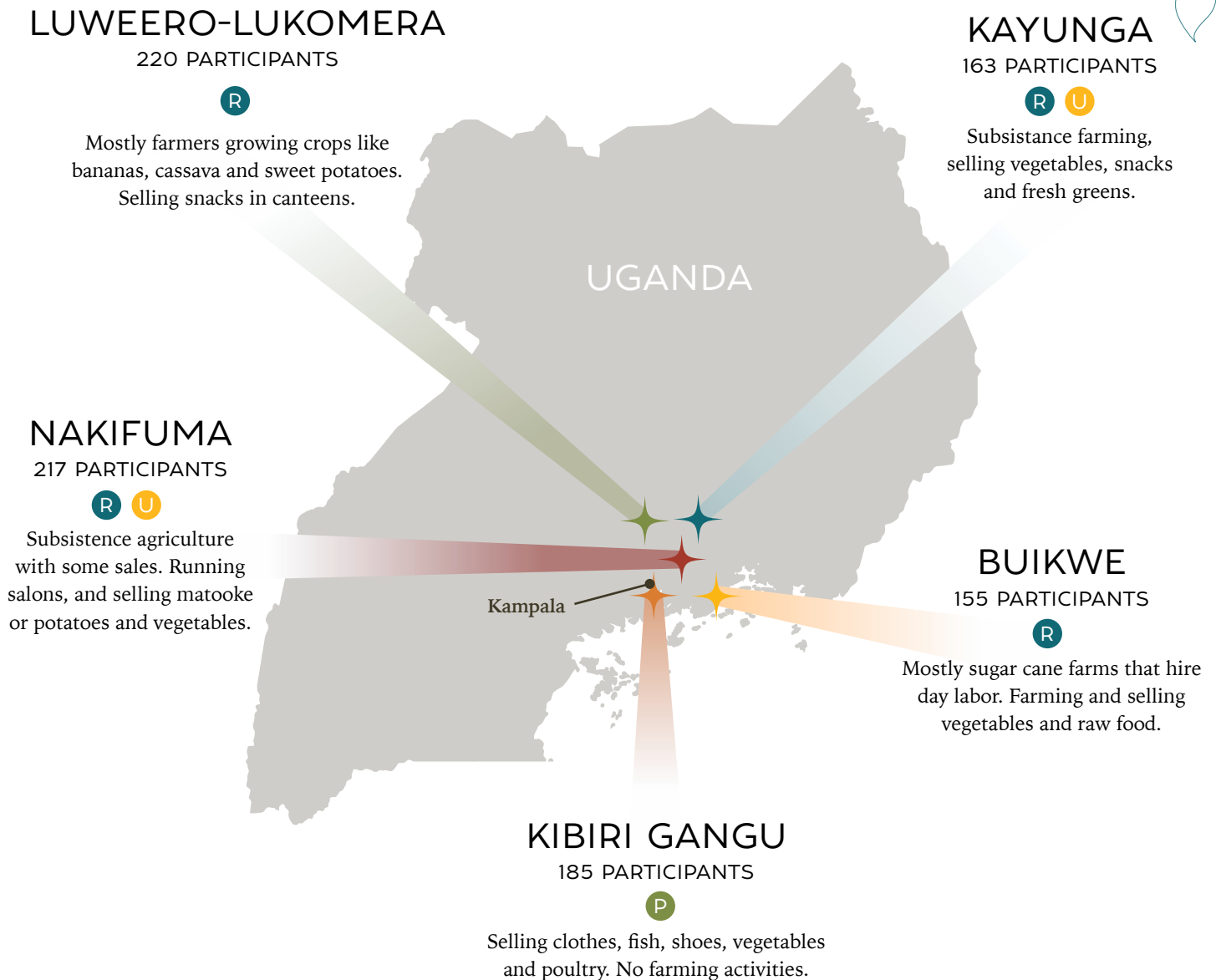
The study design included three treatment arms:

- ✦ Group A received the full SBS curriculum, along with three one-on-one coaching visits with SBS staff at the participant's business or home.
- ✦ Group B received the full SBS curriculum and was strongly encouraged to sign up for one-on-one coaching visits at the training site, either after the training session or at another scheduled time.
- ✦ Group C was the control group and did not receive any training.⁶

Researchers recruited 940 participants from five locations (see map), all within 50 kilometers from Kampala, including rural communities, peri-urban communities, small villages, and larger communities with multiple villages and different kinds of economic opportunities. The communities include some that depend on subsistence agriculture and others that have larger farms growing crops like bananas and cassava that require wage labor. Some locations have no farming activities.

To recruit women for the study, an orientation was held, after which interested participants were enrolled and the baseline study completed. They were asked to blindly select a piece of candy from a bag to determine their study group assignment. Notably, women randomly assigned to the control group had self-identified as interested in business development, received orientation on the program before being assigned to the control group, and received weekly SMS surveys on their economic activity. After analyzing the findings of the RCT, SBS returned to the first location, a community called Kayunga, to share the results of the RCT with the women who participated in the study, asking them to help interpret the results. Finally, once data was analyzed, the research team shared findings with 70 participants in a data walk to gain insights and a qualitative understanding of their experiences.

⁶ Participants in Group C were offered the intervention after the RCT was completed.



Independent enumerators surveyed the 940 study participants before the SBS training began (baseline); six months later (graduation) and finally, 12–18 months later (endline). The final surveys were collected after the start of the COVID-19 pandemic in all but one location which explains why some were collected at 12 months and others at 18 months after the exit surveys. Participants also received weekly SMS surveys starting after the baseline survey and continuing through the endline survey.



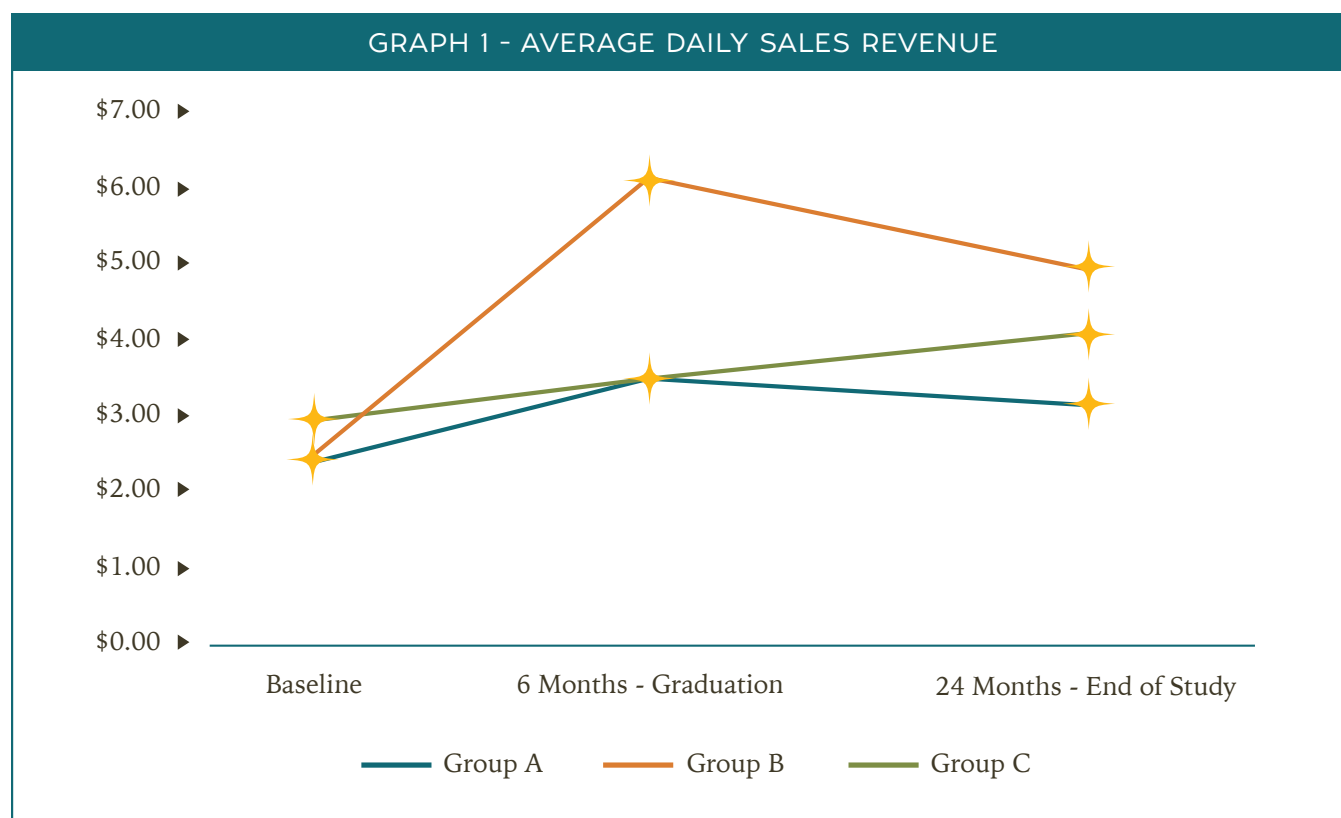
KEY FINDINGS

Findings across many metrics of economic empowerment show that SBS has a significant and robust impact on helping women move out of poverty. Below are findings on the key areas of Income, Business Ownership and Business Practices.

INCOME⁷

Sales Revenue

Women trained by SBS saw their earnings grow significantly, with Group B having 149 percent*** higher revenues than those of the control group by the end of the study. Interestingly, both Groups A and B saw earnings drop between graduation and endline, perhaps because of the impact of COVID-19 lockdowns and subsequent challenges. Regardless of any COVID-19 impacts, the increase in earnings between baseline and the end of the study was robust for all groups, with Group B increasing their average earnings by 95 percent and Group A by 38 percent.

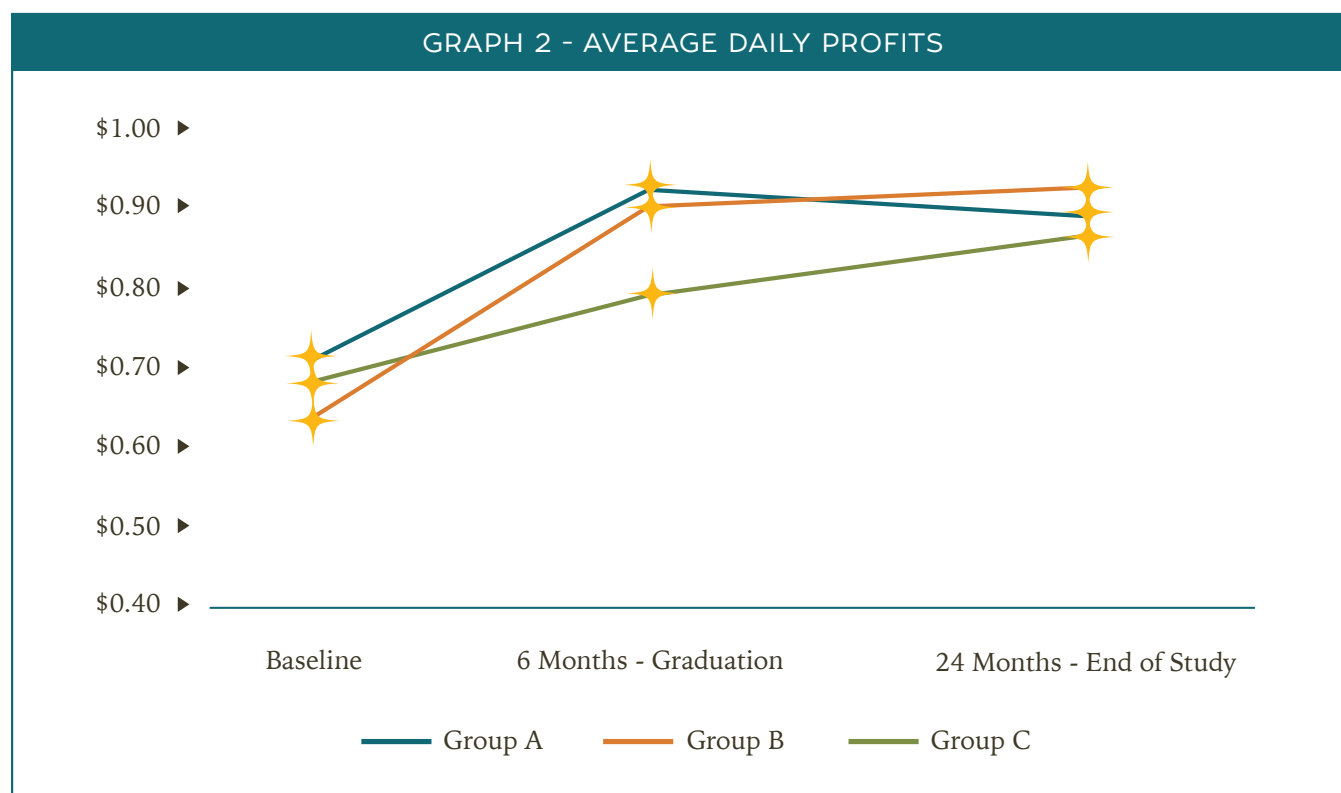


⁷ Significance levels are indicated as *p<.05; **p<.01; ***p<.001

Profits

Bolstered by growing sales revenues, SBS-trained women saw their profits increase, particularly during the six-month training period. At graduation, Groups A and B had profits 170 percent *** and 263 percent*** higher than the control respectively.

By the end of the study, Group B had profits 110 percent* higher than the control, made possible by a 46 percent growth in average profits. During that time, Groups A and C's profits grew by 26 percent and 27 percent respectively. Graph 2 shows the average change in daily profits compared with the control for each survey round.



Notable in these results are the following:

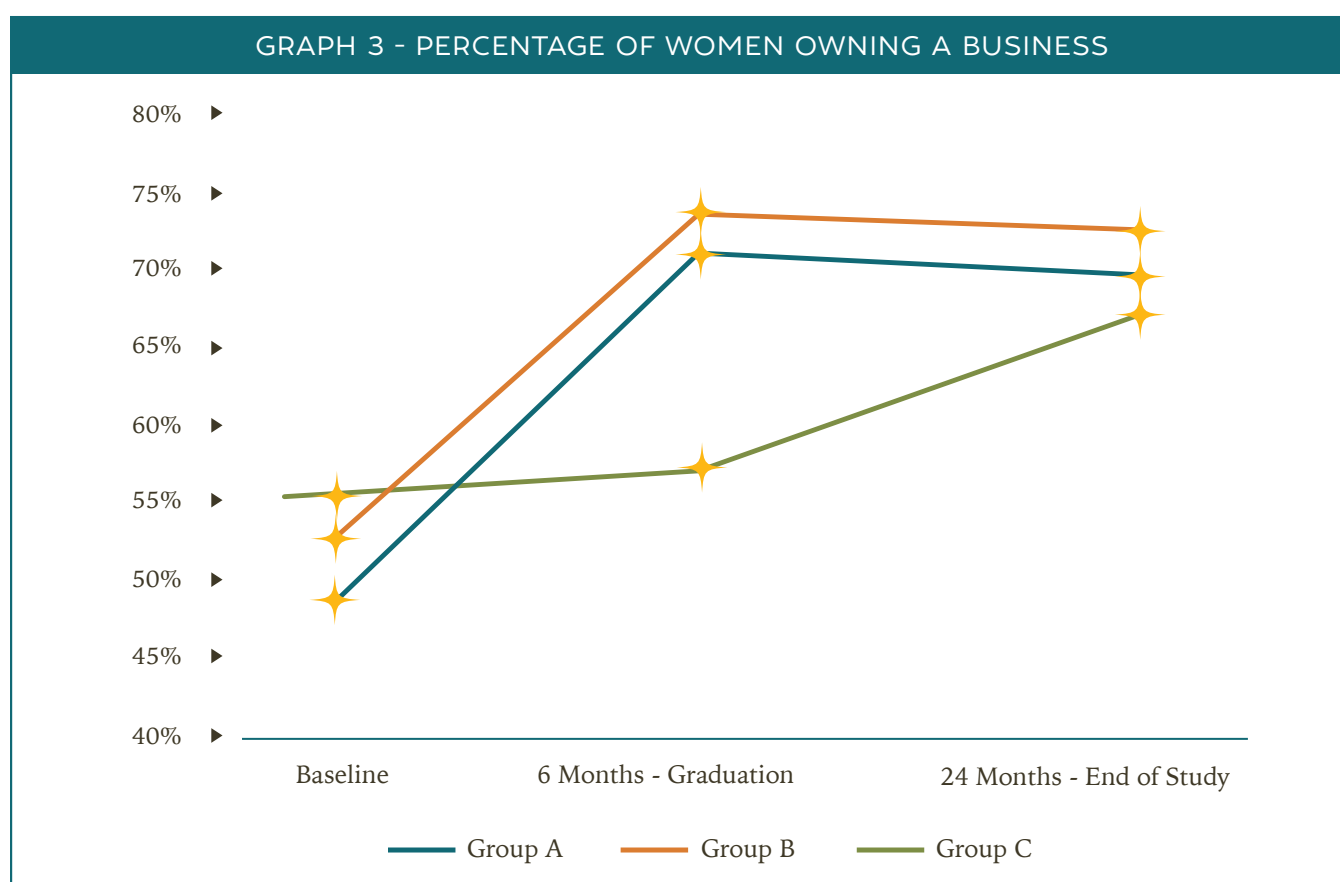
- ✦ Women enrolled in SBS made significant gains in profits while training and maintained higher average profits than at baseline through the end of the study.
- ✦ Group C participants steadily increased their profits throughout, possibly using skills learned from their SBS trained peers, a spillover effect discussed in more detail later.
- ✦ Groups A and B sustained higher profits than C for 12-18 months suggesting consistent, cumulatively higher incomes over the study period.
- ✦ In all but one location, A and B completed their SBS training before the first COVID-19 lockdowns in 2020, while the next 12-18 months were besieged by COVID-19 restrictions and market closures.

BUSINESS OWNERSHIP

Business Creation

SBS training had a significant impact on women's business ownership. Over the course of the study, the share of women owning a business increased by 41 percent for Group A and 40 percent for Group B, but only by 21 percent for Group C. Business ownership grew rapidly for Group B during the training period as the percentage of women with a business grew 20 percent*** more than the control. Interestingly, Group C saw more robust business creation in the last year of the study, perhaps because of spillover effects.

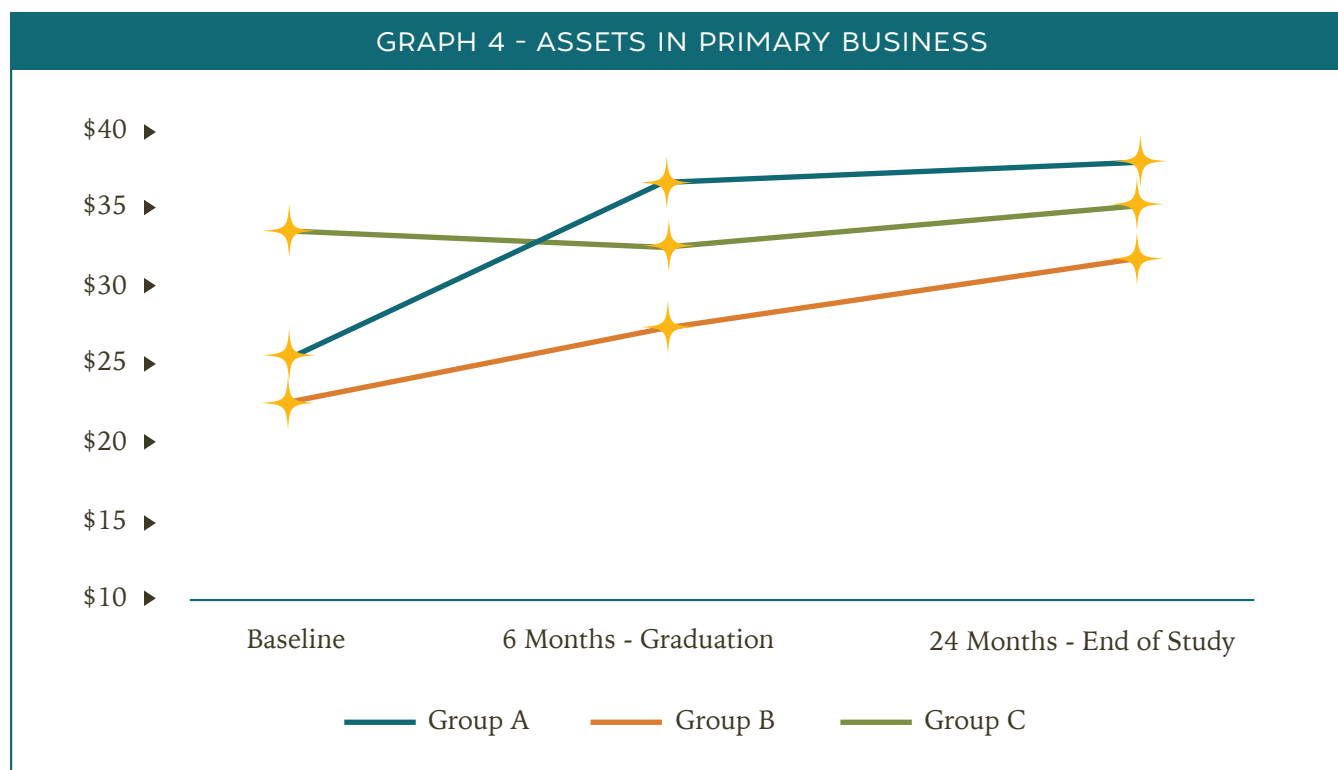
At the end of the study, 73 percent of the women in Group B had a business, compared with 69 percent of the women in Group A, and 67 percent in the control group. The percentage of women with a business grew from 52 percent to 73 percent for Group B over the study period.



Growing Business Assets

In the Graphs 2 and 3, we observed that women's sales revenue rose faster than profits, and an analysis of business investment provides insight into why this may be. Core to the SBS curriculum is teaching women to reinvest in their businesses over time. The total value of their first business demonstrates that women are putting this lesson into practice.⁸ As seen in Graph 4, by the end of the study, Group A had increased their business assets by 49 percent, and Group B by 42 percent compared with only 2 percent for the control.

⁸ Business asset analysis was done on the business investment in a woman's primary business, whereas sales revenue and profit aggregate income from all the businesses a woman owns at the time.



When we examine investment in secondary businesses, Group B out performed the other groups by graduation, having invested 148 percent*** more in secondary businesses when compared with the control. Group B increased their investments by 170 percent by the end of the study, compared with 24 percent for the control and 22 percent for Group A.

Accumulating funds to invest in second businesses requires savings. The percentage of women who had savings by the end of the study grew by 25 percent for Group B, 18 percent for Group A and only 10 percent for Group C.

Businesses Diversification

SBS encourages women to start multiple businesses to reduce risk, even out fluctuations in income caused by seasonal shifts in demand or prices, and provide the opportunity for income growth when one business achieves its growth potential.

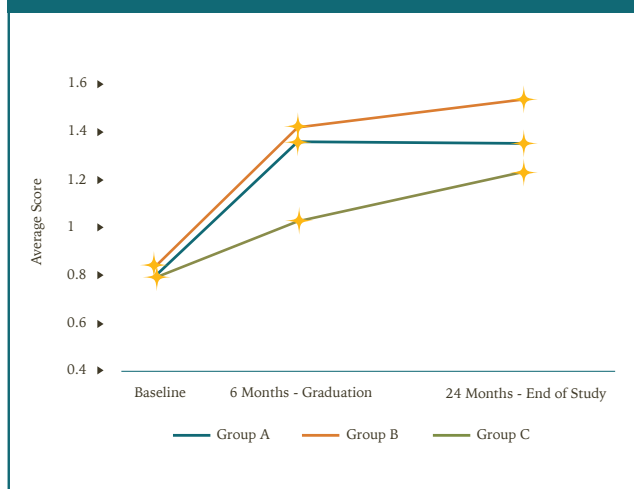
For Group B, the percentage change in profits garnered from a woman's secondary business was 95 percent greater than the control after graduation and 109 percent*** more than the control group by the end of the study - one of the measures to grow consistently throughout. Group A did not see similarly significant gains in profits for other businesses.

The number of secondary businesses grew by 39 percent for Group B but declined by 16 percent for Group C and 7 percent for Group A.

BUSINESS PRACTICES

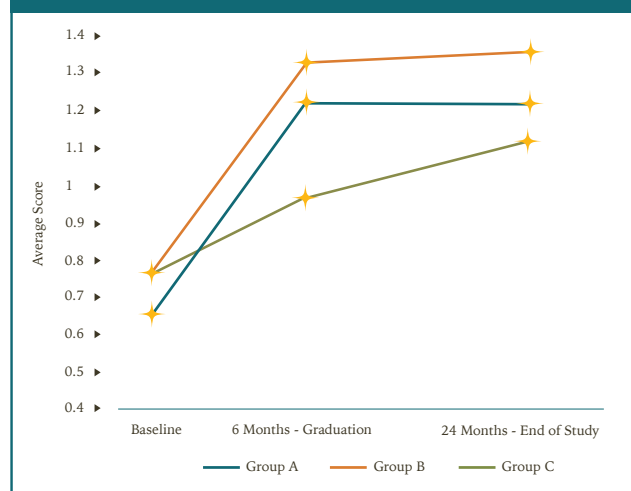
Training women to use good business management practices is an important part of the SBS curriculum and thought to be necessary for achieving income goals. The study asked women a set of questions designed to measure different aspects of business tracking, price management and goal setting.

GRAPH 6 - PRICE MANAGEMENT



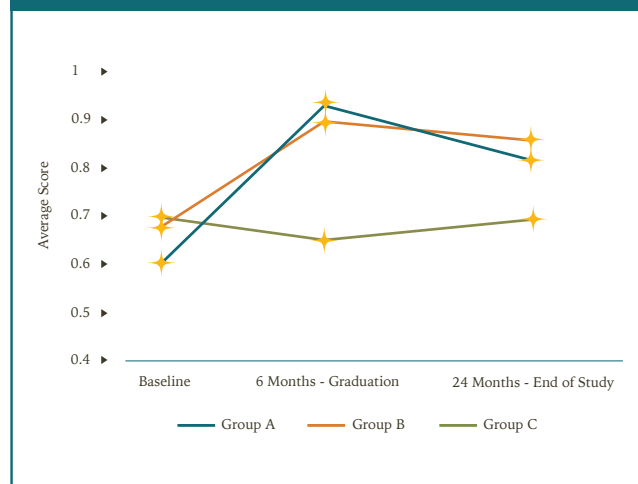
Groups A and B also scored higher on goal setting, particularly during the first six months of the program as seen in Graph 7.

GRAPH 5 - BUSINESS TRACKING



After six months of training, Groups A and B scored 33 percent*** (A) and 34 percent** (B) higher on questions related to tracking their business transactions, and 28 percent** (A) to 36 percent*** (B) higher on the use of price management strategies, as seen in Graphs 5 and 6.

GRAPH 7 - GOAL SETTING





GRIT, WELLBEING AND COACHING



Psychometric Measures

The RCT measured a series of psychometric outcomes⁹ to see if the SBS experience changes the way women think about themselves and their positions within their communities. SBS grads scored higher on grit and social status expectations and aspirations.

Grit measures women's perceptions of their ability to persevere, cope with setbacks and continue striving for improvements over time. Group B had, on average, a 3-4 percent higher score on the grit scale than those of the control, an increase that is in line with interventions that explicitly target grit. This result is notable because the disruptions caused by COVID-19 could cause some to become discouraged or pessimistic.

In fact, women at the data walk described how their SBS training helped them to stay afloat during COVID-19, because their newfound knowledge and attitudes combined to provide the perseverance needed to make changes, identify new opportunities and, most importantly, not give up. The women noted flexibility, willingness to adapt, confidence to try new things, feeling present, believing in oneself and a commitment to not wasting time as key to staying afloat.

Women were also asked about their current social status in their communities and what they expected and aspired for their social status to be in ten years' time, indicating how hopeful they are about the future. Social status expectations for Group B were 22 percent* higher than the control by the end of the study and social status aspirations for Group A were 21 percent* higher. This suggests that women remained hopeful or optimistic throughout.

Measures of Family Wellbeing

There is ample global data that links the economic empowerment of women to beneficial outcomes for the entire family. While the key study metrics focused on increased income, several measures of family wellbeing emerged from the study results. For example, women in Group A were 11 percent* less likely to report not having enough medicine for domestic use than the control. Children living with women in Group A also increased their hours in school by 44 percent*** more than children in the control group households by the end of the study.

Coaching

One of the core elements of SBS is coaching which is aimed at helping women believe in themselves and grow the confidence to start and succeed in business. Coaching takes place via one-on-one meetings during which staff members speak to the women, ask about their businesses and goals, provide encouragement, and share specific business advice.

⁹ The psychometrics measured were locus of control, self-efficacy, grit, social status expectations, social status aspirations, change in income expectations and change in income aspirations.

The RCT tested two different coaching models. Groups A and B both received all the training modules on the same schedule. However, while Group A had coaches visit their homes or businesses to provide support, the women in Group B could opt into coaching sessions at the training site on a pre-announced day later in the week. Seventy-five (75) percent of women in Group A participated in at least one coaching session and 45 percent of Group B did so.

Given the results demonstrating that Group B frequently had the best outcomes among all three groups, the findings suggest that providing more of an on-demand coaching model creates more robust results. Rough calculations indicate that the on-site coaching is up to 30 percent more cost-effective to provide.

Insights from participants in the data walk helped illuminate coaching preferences. Women who preferred receiving coaching at the training site appreciated the privacy and felt they could focus more at the office than at their home or business site, where they were often busy helping customers. However, women did note that having the visit at the business allowed the coach to see the business and provide customized advice. It is possible that a hybrid model could emerge that includes opt-in coaching and visits to businesses.





UNEXPECTED EVENTS: SPILLOVER EFFECTS & COVID-19



SPILLOVER EFFECTS

Spillover effects are when people who do not directly receive an intervention still experience benefit or harm because of that intervention. In this RCT, researchers decided to look for evidence of spillover effects after observing that the control group only saw modest progress on several metrics in the first six months but improved enough in the following year to close the gap with the SBS graduates, rendering some of the gains of the treatment groups statistically insignificant. While it is difficult to quantify spillover effects, we looked for evidence of its existence by examining the study participant selection process, the study design and women's social networks.

Participant Selection Process

The way women were enrolled in the study may have enabled spillover effects to occur. In each of the five locations, SBS staff held a highly visible outreach and recruitment campaign with the goal of identifying women living in poverty who wanted to start or grow a small business. Outreach activities included making public announcements, meeting with local leaders, and hosting several informational meetings. Women who attended these meetings then self-selected to indicate they were interested, and approximately 150 women were enrolled in each location. The fact that women self-selected into the study, demonstrating their interest in starting a business, and making them aware that the training was being offered, is important to note.

Study Design

To randomize groups in each location, the 150 selected participants all went through an orientation process describing the nature and length of the program, the content to be covered and an alumni testimonial about the value of the program. SBS participants often comment that the alumni testimonials are one of the most inspirational parts of the training giving them the confidence to start a business. It was only after that orientation that women were randomized into groups A, B and C. All participants were aware that Group C would not receive training until a future date.

Although Group C did not receive training during the study, members received three data collection visits over the subsequent 18 months, as well as weekly SMS messages asking for income data. The very nature of the study design meant that women in group C were likely aware that other women in their community were receiving SBS training. This likelihood is reinforced by the fact that SBS trainers reported that women from group C tried to join in-person training sessions for the other groups on numerous occasions, which is further evidence that the women in group C were anxious to start learning, even knowing they would receive the training after the study ended.

Social Networks

Finally, some women in Group C knew women in Group A or B as their friends, family or neighbors. In one instance, women from Groups A and C lived in the same house. Their proximity provided opportunities to share knowledge either through notes, conversations, encouragement or observations. A couple of women who participated in the data walk from Group C noted that they had learned something from those trained in SBS. One person was able to read her mother's notes from class, and another received encouragement to start a business from her SBS-trained friend.

It is difficult to precisely capture spillover effects, and it is always possible that Group C benefited from involvement in other programs. However, it seems that the participant enrollment process, the study design and the social networks of the women in each community point to the possibility of significant spillover effects that contributed to the positive outcomes experienced by women in the control group. If this is true, it indicates that the impact of SBS may be far larger than previously thought, because previous studies did not capture these secondary impacts on non-participants. A social network analysis is underway to further isolate possible spillover effects.

COVID-19

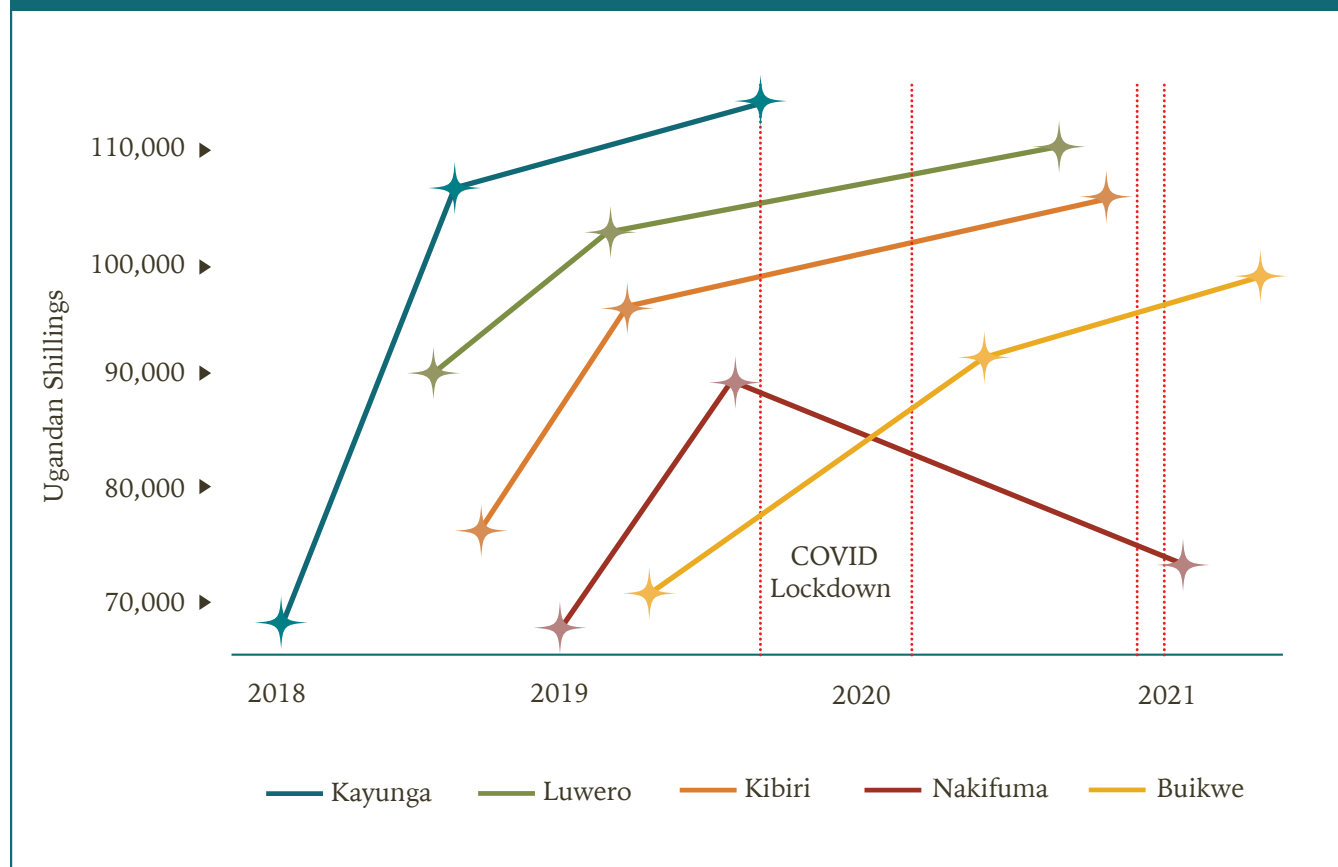
Global data shows that almost 100 million people have been pushed into extreme poverty because of the COVID-19 pandemic, and more recent studies document the impact that COVID-19 has had on informal workers in particular. One study that included data on street vendors found that they had only regained 64 percent of their pre-COVID-19 earnings¹⁰. In light of this, the fact that SBS grads increased their incomes during the most significant economic shock in a century is notable.

However, it's difficult not to wonder if the profit and sales results would have been even more dramatic if women in all groups had not faced lockdowns, market closures, supply chain disruptions, inflation and restrictions on social gatherings. Data walk participants described businesses closed because of lockdowns, fewer customers, work hours cut short by curfews, animals dying because medicine was not available and transportation challenges. Women also spoke about being forced to use their savings to get through the crisis. At the same time, women described how the skills and attitudes adopted through SBS training helped them to stay afloat despite these challenges. They spoke of having the wherewithal to pivot and the knowledge needed to seek new, more profitable opportunities, changing when and where they worked as needed.

A close examination of the performance of women in different study locations supports the fact that businesses struggled during COVID-19 and that without the challenges brought by the pandemic, women may have experienced even more success. Because the study started in 2018, data collection was completed in the first of the five locations (the village of Kayunga) prior to the start of the pandemic in March 2020. Graph 8 shows the change in profits for Group B, and illustrates the differences in the outcomes in Kayunga versus the other locations, with the red dotted lines indicating the timeline of government lockdowns instituted in Uganda. Women in Kayunga, whose endline results were collected before the onset of COVID-19 had an average increase in income of 198 percent by the end of the study. The impact of COVID-19 on profits can be seen in slower or declining growth for those groups that experienced lockdowns shortly after they graduated or during their training.

¹⁰ WIEGO. (December 2021). *COVID-19 Crisis and the Informal Economy Policy Insights No. 8*.
<https://reliefweb.int/report/world/crisis-far-over-informal-workers-we-need-inclusive-recovery-majority-world-s-workforce>

GRAPH 8 - AVERAGE TOTAL PROFITS BY SURVEY ROUND



The restrictions and market disruptions brought on by the COVID-19 pandemic most likely influenced business development opportunities over the course of the RCT study. Some sites had very little time between the end of training and the first COVID-19 lockdown, meaning businesses had little time to incubate. In fact, the location with the smallest growth in profits was Nakifuma, where the final survey results were collected immediately after two government lockdowns, raising the possibility that women had little opportunity to restart their businesses. Further study is ongoing in this location to determine the longer-term impact of SBS and women's resiliency over time.



BUILDING RESILIENCE AND NEXT STEPS

This RTC spanned the COVID-19 pandemic which led to global market disruptions and an economic downturn. Despite this challenging environment, women trained in SBS successfully grew businesses and income. Their success can be attributed to their newfound skills and attitudes and a belief in themselves, which combined to make them resilient. Results indicate that women knew how to assess when it was time to pivot, how to find new opportunities in a chaotic market and had enough confidence to follow through on making a change. This also came at a time when families needed them most, as men lost jobs, kids stayed home from school and others came to depend upon them.

The ongoing global economic downturn underscored the value of the SBS model as an approach to building resilience and highlights three critical components of the training:

- ✦ SBS is committed to a low-capital approach, making it cost-effective to deliver.
- ✦ Courses are delivered by local leaders who know and understand the local context.
- ✦ SBS focuses on helping women thrive in the informal economy.

Each of these characteristics makes SBS particularly relevant in the current environment when formal-sector jobs have been lost, many NGOs have experienced budget contractions, and there is a growing recognition of the importance of proximate leaders.

Further analysis will be done to understand other aspects of the RCT results, particularly the secondary impacts on families, the spillover effect of the training and how the intervention impacted intimate partner violence.





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