

JULY 2021

STIPENDS AS A TOOL TO ADVANCE ECONOMIC AND EDUCATIONAL EQUITY IN YOUTH DEVELOPMENT PROGRAMS

AFTER
SCHOOL matters®

Lauren Murray

Senior Communications and Policy Coordinator

Carly Ogletree

Policy and Government Relations Specialist

Jodie Lawrence

Research and Policy Fellow

EXECUTIVE SUMMARY

Stipends in youth development programs promote educational and economic equity. This is especially true for Black and Latinx youth and youth from divested communities. Programs that provide stipends both reduce barriers to participation for young people and provide additional supports to families and communities. This economic and educational support has been crucial during the COVID-19 pandemic as youth in communities hardest hit by this crisis are the most likely to need to choose between educational opportunities and providing income for their families. Programs that provide stipends have been linked to higher program demand, improved school day outcomes, and participants who report more positive feelings about the program and themselves. Furthermore, providing a stipend can incentivize youth who would not otherwise participate to gain the benefits of robust programming. Therefore, stipends in youth development programming are a critical, high-value, equity-based tool that support participating youth, their families and communities, and program providers.

STIPENDS ALLOW LOW-INCOME YOUTH TO PRIORITIZE THEIR EDUCATION

Stipends can play a vitally important role in bolstering economic equity in the youth development space by reducing barriers to entry for youth from low-income communities. Due to financial barriers like participant fees, access to transportation, or conflicting obligations, youth in low-income families may be unable or unwilling to participate in available programs (Gartner et al., 2009), and are more likely to face a trade-off between their own education and the need to contribute to their family financially (Scott et al., 2015). Teens often use stipends to assist their family by buying groceries, paying a utility bill, or purchasing necessary personal items to reduce the financial burden on their caretakers (Woodland, 2016).

“When I get paid from my program, I help my mom with the bills. I’m a role model for my family.”
- Karina A., 18

The highest-income families spend nearly seven times as much on after-school programming as their lower-income counterparts, leading to an opportunity gap for youth (McCombs et al., 2017) that stipends can help close by lowering financial barriers to participation. In youth development programming such as After School Matters, young people are taught by skilled professionals and are paid stipends to recognize the value of their time and effort (Montgomery et al., 2013). **Stipends provide a crucial alternative to a wage-based job that allows students to earn money in an environment tailored to their educational, developmental, and social-emotional needs.** Other program financial incentives like grocery store gift cards or transit cards are another way of helping youth meet their basic needs, which can encourage sustained participation (Deschenes, S., et al., 2010).

Beyond the critical immediate support that they provide, stipends can have long-term equalizing effects for youth from divested communities. Stipends are an effective way to teach youth financial literacy and help build a positive relationship with money through hands-on opportunities with spending, saving, and personal budgeting (Reinicke, 2020). Youth who earn money and can use it at their discretion develop 21st century skills like planning for success and problem solving. This exposure to money management has long-term benefits: youth with higher measures of financial literacy have higher financial capabilities later in life, and youth who engage in financial literacy in high school have better credit scores than peers without the same financial education (Reinicke, 2020).

Youth of color are more likely to experience poverty and other financial harms of systemic racism. Incentivizing youth development programming through providing stipends can build economic equity in these communities. Intergenerational economic mobility rates in the United States are lowest for Black male youth, (Chetty et al., 2018), and students who leave school to work are disproportionately male, Hispanic/Latinx, and

living with a single parent (Scott et al., 2015). Thus, offering a stipend to incentivize youth participation can bolster long-term economic equity in Black, Latinx, and economically divested communities.

STIPENDS STRENGTHEN THE OUTCOMES OF YOUTH DEVELOPMENT PROGRAMS

Providing youth stipends offers several benefits to program providers and intermediaries. For example, programs that offer stipends see increased interest and demand from youth, making it easier to recruit young people for programming, especially among older youth and youth from economically divested communities (Deschenes et al., 2010).

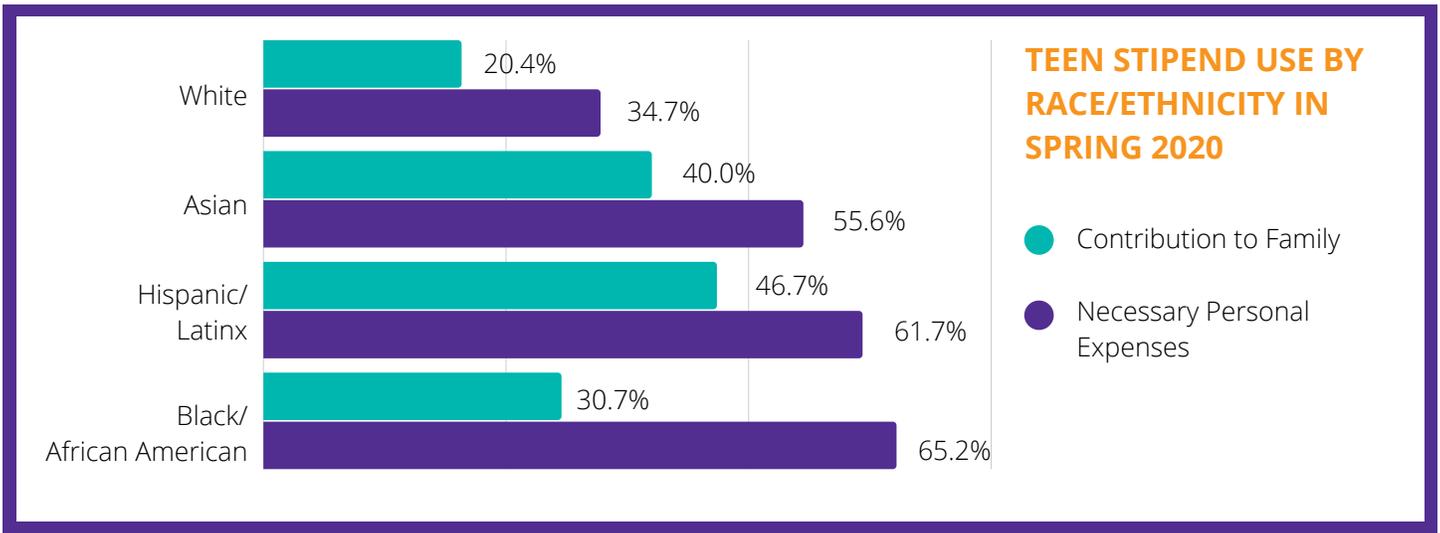
Youth who earn stipends through their program report more positive feelings about their programs and themselves. In a recent survey of After School Matters teen participants, 80% of respondents said their stipend made them feel like their time and effort is valued (After School Matters, 2018). When stipends are tied to specific milestones in the program, youth report recognizing the importance of each step in the process towards achieving a goal (Soleimanpour et al., 2008). Furthermore, youth with the opportunity to earn a stipend have, in part, reported decreased stress associated with lack of financial resources (Woodland, 2016).

Sustained, regular participation is critical for youth to gain the benefits of after-school programming (McCombs et al., 2017), and stipends are a powerful incentive for continued participation. Additionally, stipends are often tied to program completion and benchmarks, including daily attendance, active participation, and project completion. Youth Build, a teen program in San Diego, provides stipends to participants with satisfactory attendance, engaged participation, and completion of work-based learning along with an educational degree or certificate (Youth Build, 2021). After School Matters' program stipend has a teen attendance requirement for each program session. **Connecting stipends to program participation and completion creates a monetary incentive for youth engagement in the educational, social-emotional, and developmental components of the program.**

Youth development programs that offer stipends have also been linked to improved school day outcomes. The Quantum Opportunity Program offers youth financial incentives to participate in after school activities and meet key benchmarks, and the program sees positive effects on several school-day outcomes including high school graduation and college enrollment (Ivry & Doolittle, 2020). High school youth who participate in the YMCA Youth Institute program have higher standardized test scores, grades, and school attendance than non-participants, and their program participation has been linked to improvements in key 21st century skills (Deschenes et al., 2010). At After School Matters, participants have higher school-day attendance, freshmen-on-track status, high school graduation, and college enrollment rates than their non-participating peers (Bertrand et al., 2020). Stipends can bring youth to these programs, allowing them to gain the many benefits of participation.

COVID-19 HAS EMPHASIZED THE IMPORTANCE OF PROGRAM STIPENDS

Increased economic insecurity during the COVID-19 pandemic has emphasized the importance of youth stipends. For example, in spring 2020, 64% of After School Matters teen participants reported using their stipends for necessary personal expenses like food, clothing, and toiletries, and more than one in three teens reported using stipends to support their families (39%). Teens of color were more likely to report using stipends for living/family costs; in particular, 65% of teens who identify as Black/African American reported using their stipends for necessary personal expenses, while 47% of teens who identify as Hispanic/Latinx reported using stipends to support their families.



Job loss in low-income communities during the pandemic has increased the tension that teens feel between attending school and providing their family with necessary financial supports (Cardona-Maguigad, 2020). Chicago public high school staff have reported an increase in the number of students, especially on the South and West Sides, who are working during online classes or skipping classes altogether to work (Cardona-Maguigad, 2020). Stipends could allow these students to prioritize their education and development while helping to meet the material needs of their families.

CONSIDERATIONS FOR POLICY AND PRACTICE

Candidly, stipends are not a singular solution to the issues young people and youth development providers face, nor will they be able to close an economic gap for Black and Latinx youth and youth from divested communities. Amid the ongoing pandemic and economic crisis, older youth may continue to face a choice between their programs and providing financial support to their families. Program providers will need to offer high-quality, high-mentorship programming to gain the full benefits of offering stipends as financial incentives alone do not lead to program retention (Schrim et al., 2006).

Providing stipends, especially those that can be competitive with wages, is a costly program component. This can pose a high barrier for smaller program providers, limiting the number of participants due to increased cost per program slot (Grossman J., et al, 2009). Cost is variable based on the amount of the stipend, which should consider cost of living, transportation, and food or snacks to be equitable. Additionally, providing stipends may result in higher payroll taxes for the organization. See the appendix for some examples of stipend costs across the country.

There are myriad opportunities for further research and understanding regarding the role and impact of stipends in youth development programming. A quantitative analysis comparing programs which do and do not offer stipends could lead to further understanding of the effect of stipends on youth interest, engagement, participation, and outcomes. Additionally, more analysis can be done regarding the relationship of youth programming participants' ages to stipend amount or program motivation. Lastly, existing research and data strongly suggest that stipends increase initial interest and program completion but collecting data on the relationship between stipends and repeated participation could illuminate the long-term usefulness of stipends in program retention.

As we all plan for recovery and rebuilding following the COVID-19 pandemic, program providers and policymakers should consider stipends as a powerful tool to promote economic equity and allow youth to prioritize their education.

There is opportunity for creative partnerships between larger and smaller program providers, or between public and private entities to combine resources and capacities in the interests of supporting young people who struggle to balance their own educational aspirations with the immediate needs of their families. Evidence suggests that stipends create considerable value and benefit to youth and should be considered for the following reasons:

- Providing stipends supports the economic equity of youth, families, and communities by reducing financial barriers for youth to participate in programming, promoting youth financial literacy and economic mobility, and helping older youth support their families and meet their basic needs.
- While stipends are not wages, offering stipends allows youth from low-income families the opportunity to help support their families while continuing to learn and develop in an environment that is dedicated to their educational and social-emotional needs.
- Programs that offer youth stipends see higher demand rates and incentivize youth participation and engagement – correlating to youth receiving the intended skill development and social-emotional learning – and have been connected to better outcomes data.

Numerous national organizations and thought leaders, including the Urban Institute and the Rand Corporation, recommend federal and state legislatures invest more funding in youth programming, apprenticeships, and internships that provide financial supports for participants (Scott et al., 2015; McCombs et al., 2017). Policymakers, public entities, and private funders should consider investing directly in youth by providing educational support funding for youth program stipends as a tool to promote educational and economic equity, recruitment and participation, and social-emotional learning.

REFERENCES LIST

- After School Matters (2018). Teen Survey: Spring & Summer 2018: Stipend and Travel.
- Bertrand, M. et al. (2020) After School Matters: Final Report. University of Chicago, Urban Labs: Poverty Lab.
- Cardona-Maguigad, A. (2020, December 23). To Help Their Families During The Pandemic, Chicago Teens Are Skipping Class To Work. Retrieved January 22, 2021
- Chetty, R., Hendren, N., Jones, M.R., Porter, S.R. (2018). Race and Economic Opportunity in the United States: An Intergenerational Perspective.
- DC Policy Center. (2019). The Funding Landscape of Out-of-School Time Programs in the District of Columbia. The D.C. Policy Center.
- Deschenes, S., et al. (2010). Engaging Older Youth: Program and City-Level Strategies to Support Sustained Participation in Out-of-School Time: A six-city study identifies the key traits of high-quality teen afterschool programs that attract and retain students. Harvard Family Research Project/ The Wallace Center.
- Gardner, M., Roth, J., & Brooks-Gunn, J. (2009). Can After-School Programs Help Level the Playing Field for Disadvantaged Youth? Campaign for Educational Equity. Teachers College, Columbia.
- Goerge, R., et al. (2007) After-School Programs and Academic Impact: A Study of Chicago's After School Matters. Chapin Hall Center for Children at the University of Chicago.
- Ivry, R., & Doolittle, F. (2002) Improving the Economic and Life Outcomes of At-Risk Youth. Manpower Demonstration Research Corp.
- McCombs, J., Whitaker, A., & Yoo, P. (2017). The Value of Out-of-School Time Programs. Rand Corporation.
- Montgomery, D., Rogovin, P., & Persaud, N. (2013). Something to Say: Success Principles for After School Arts Programs From Urban Youth and Other Experts. The Wallace Foundation.
- Next Gen Personal Finance. (2019). "Who has access to financial literacy education in America today?"
- Reinicke, C. (2020). "Teens call for more personal finance education to bridge economic opportunity gap in America." CNBS.
- Schrim, A., Stuart, E., & McKie, A. (2006) The Quantum Opportunity Program Demonstration: Final Impacts. Mathematica Policy Research Inc.
- Scott, M. M., Zhang, S., & Koball, H. (2015). Dropping Out and Clocking In: A Portrait of Teens Who Leave School Early and Work (Rep.).
- Soleimanpour, S., et al. (2008) Incorporating Youth-Led Community Participatory Research into School Health Center Programs and Policies. Public Health Reports. 123. 709-715.
- Woodland, M. (2016). After School Programs: A Resource for Young Black Men and Other Urban Youth. Urban Education. 51(7): 770-796.

APPENDIX: EXAMPLES OF YOUTH PROGRAM STIPENDS IN PRACTICE

Program Name	Program Description	Instructional Period	Stipend Amount	Stipend Qualifications
After School Matters	After school and summer programs in the arts, communication, leadership, sports and STEM for teens in High School. Program offerings are primarily apprenticeships with some internships	6 weeks in summer 12 weeks each fall and spring Day-to-day hours vary by level of program and complexity	\$275-725 Stipend values vary by program session and level of complexity	Teens must be at least 14 years old to participate
Opportunities for a Better Tomorrow: Young Professional's Institute: Advance and Earn	Provides youth ages 17-24 with educational and professional support need to prepare them to complete the HSE exam (New York state equivalent to GED)	20 weeks	\$150/week	New York City resident Not currently enrolled in school Eligible to work in the US
Quantum Opportunities Program	A comprehensive youth development program for disadvantaged adolescents that provides educational development activities	Recurring over four years during high school Minimum 100 hours	\$1.33/per hour for 100 hours plus a \$100 bonus payment and an amount equal to total earnings	Complete 100 hours of the program and follow program requirements related to school attendance, academic achievement and community service
Upward Bound	The program works to increase the rate at which low income and/or first-generation college students enroll and graduate from post- secondary institutions	6 weeks in summer	Varies by host university budget	From a low-income and/or racially marginalized group High school students in grades 9th-10th

Special thanks to Aaliyah Romer, After School Matters Policy Intern.