



MLT PERSPECTIVES:

Exploring Early Career Indicators of Economic Mobility among MLT Fellows

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INTRODUCTION

AS A 15-YEAR-OLD NONPROFIT FOCUSED ON MAXIMIZING CAREER SUCCESS AND DEVELOPING LEADERSHIP SKILLS AMONG UNDERREPRESENTED MINORITIES, Management Leadership for Tomorrow (MLT) has long worked in the area of what academics and policy makers now commonly refer to as “economic mobility.” In recent years, important insights on the key drivers and critical factors affecting economic advancement (e.g., one’s zip code) have been identified and are now widely discussed. MLT wondered whether it could find evidence of the impact of economic mobility not just on the individual directly involved, but on the wider network of individuals around that person -- i.e., their personal and professional communities.

EQUAL OPPORTUNITY PROJECT

The larger backdrop to this paper is: “What does economic mobility look like in the country as a whole?” This question is one of intense study in the research community. At the forefront of this research is the Equality of Opportunity Project, a joint effort between the Internal Revenue Service, the US Census Bureau and several economists at Stanford and Harvard. Through a series of publications investigating the outcomes of 20 million Americans from 1989-2015, the Project has detailed, in particular, a sobering picture of the challenges with regard to economic mobility for minorities. Their research has found, for example, that “intergenerational persistence” is powerful, but differs greatly by race:

“...Hispanic Americans are moving up significantly in the income distribution across generations because they have relatively high rates of intergenerational income mobility. In contrast, black Americans have substantially lower rates of upward mobility and higher rates of downward mobility than whites... Conditional on parent income, the black-white income gap is driven entirely by large differences in wages and employment rates between black and white men; there are no such differences between black and white women.” (Chetty et al. 2018)

The project’s data and insights have shown in stark relief that African American males, in particular, face daunting challenges not just in attaining higher economic status, but in maintaining that status and passing on these gains to subsequent generations.



MLT's largest program, Career Prep (CP), is focused on black, Latinx, and Native American undergraduates entering their junior year. CP directly aims at economic mobility by providing unique career-building resources during the second half of students' undergraduate education and acts as a kickstarter for their future careers. In 2017, an extensive third party evaluation of CP found these interventions have a demonstrably positive impact on the jobs obtained immediately after college (Gershenfeld et al. 2018). A more modest exploration that served as the foundation for a recent University of Pennsylvania doctoral thesis focused specifically on the experiences of two dozen CP alumni, and found compelling evidence of positive effects (Frett 2018).

Career Prep has been operating since 2003, and in 2018 admitted 370 Fellows for the graduating class of 2020 (college sophomores upon acceptance and rising juniors at program kickoff). After matriculating, students engage in a comprehensive suite of development activities spanning their junior and senior years of undergraduate study, including:

- **One-on-one sessions with professional MLT coaches to develop a personalized career roadmap**
- **Professional skill-building, including both hard and soft skills related to career success**
- **Job search guidance and support, including resume and cover letter help, networking opportunities, as well as interviewing and relationship management tips**
- **Workshops focused on specific career preparatory skills and resources for all Fellows and their coaches at locations across the country. The seminars include active participation from MLT corporate partners (example locations in recent years: Deloitte University in Westlake, TX, Clorox Headquarters in Pleasanton, CA, Target Headquarters in Minneapolis, MN)**
- **Unique access to hiring companies in high-demand industries (e.g., Finance, Tech, and Retail) that are explicitly seeking to recruit MLT alumni for internships and full-time jobs**

The program ends during the Fellows' senior year and, historically, nearly all those seeking jobs receive offers from multiple companies. Beyond the immediate job, the longevity of CP's effects on the individuals and their broader community of friends, family, and colleagues is at the heart of MLT's long-term goal of increasing economic mobility and community impact among its alumni. Previous research has suggested that successful job programs may not have lasting effects (Blundell et al). However, MLT alumni interviewed for a recent study consistently cited four ongoing areas of impact: development of soft skills, development of hard skills, community of support, and productive networking opportunities (MLT Perspectives 2017). This paper serves as a continuation of the previous research with a focus on network effects.

STUDY BACKGROUND

THIS ANALYSIS BASED ITS DATA ON THE CAREER PREP PROGRAM ADMISSIONS RECORDS FROM 2009 THROUGH 2013 (the year designates the year that the student graduated from college). When considering students for admission, MLT evaluates candidates on a set of observable and inferred characteristics. Essays, recommendations, and grades are used to assess how well individuals would fit into the program. The cohorts of 2009 through 2013 were chosen because students from this time period have had at least four to five years to progress through the early stages of their careers, which is expected to be a strong signal for long-term career trajectory.¹ To isolate the impact of MLT on students from these cohort years, and control for the highly-motivated nature of MLT Fellows, it is necessary to compare the alumni group to a non-self selected control group with equally high motivation (Hahn et al. 2008). To this end, this paper compares accepted students to waitlisted students who were not accepted and thus a useful control group (Imbens and Wooldridge 2009).

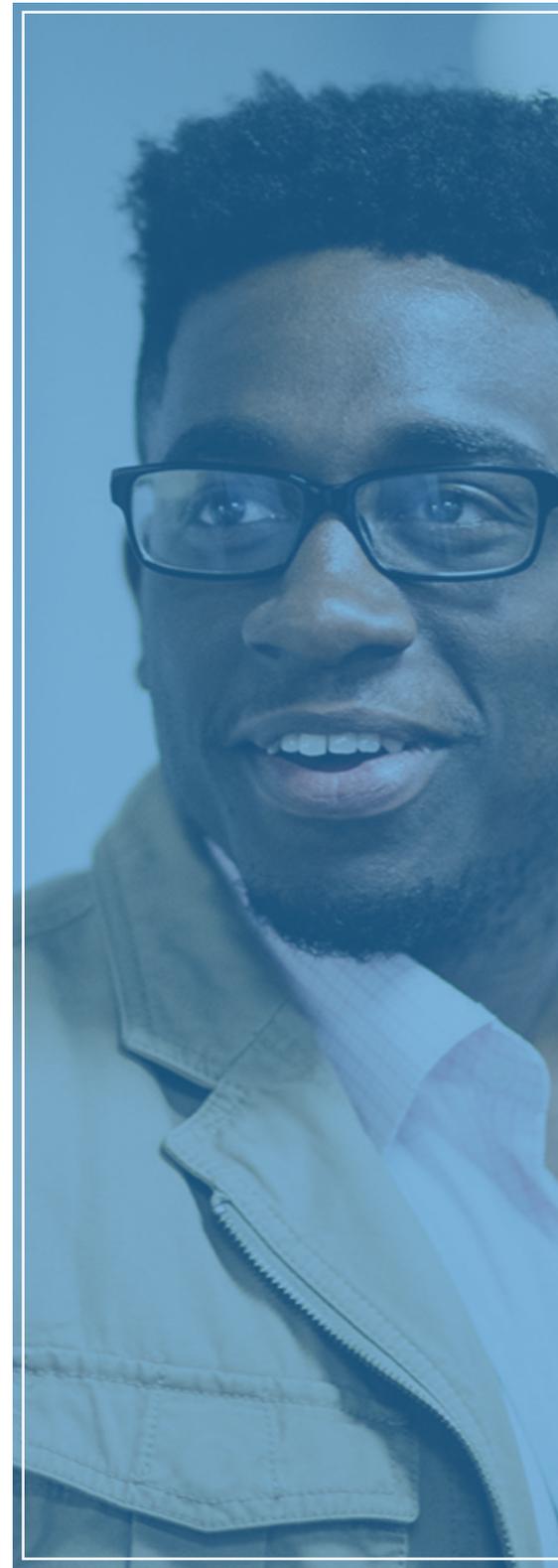
From each population, a random sample of 100 students was drawn. For each member of the 200-student sample, data was pulled from two sources: LinkedIn and Glassdoor. First, LinkedIn profiles were used to collect the count of connections each student has, their first job after undergrad, and their job five years after graduating.² Second, the online job and salary insight service, Glassdoor, was used to collect estimates on salaries and total compensation based on the job information extracted from LinkedIn. For all but a few individuals, Glassdoor salary data was specific to a particular industry, geography, work experience, and company.

The resulting dataset enabled the calculation of two specific, quantitative outcomes of interest that help us to assess MLT's effectiveness relative to a comparable peer group:

- **Count of connections (proxy for community engagement)**
- **Early-career income growth (proxy for economic mobility)**

1 A thoughtful white paper on the importance of first jobs out of college and the long term effects of underemployment was recently published by the Burning Glass Technologies and Strada Institute for the Future of Work (2018), "The Permanent Detour: Underemployment' Long-Term Effects on the Careers of College Grads."

2 Researchers have found LinkedIn data to be valuable for several reasons. Analyzing connections is critical because LinkedIn users tend to seek connections with those they trust (Claybaugh et al. 2015) or those with whom they seek to connect for "networking up" (Leader-Chivee 2008). Previous research also indicates that LinkedIn can provide valuable insights into one's career trajectory (Case et al. 2013). Beyond being useful for career analysis, the LinkedIn data also speak to MLT's focus on community impact because social media matters for predicting civic engagement (Pasek et al. 2006) and it is also the new medium through which civic engagement occurs (Loader et al. 2014).



FINDINGS AND DISCUSSION

SIMILAR TO THE FINDINGS OF PREVIOUS MLT RESEARCH (GERSHENFELD, 2018), THE RESEARCH FOUND THAT MLT FELLOWS HAVE SIGNIFICANTLY HIGHER SALARIES IN THEIR FIRST JOBS.

A possible explanation might be that MLT Fellows chose careers in traditionally higher paying industries or job functions but the samples in the current study had strikingly similar distributions with Finance and Technology accounting for 49% and 48% respectively for MLT alum and those who had been waitlisted.³

Group	Average Starting Salary	Average Salary 5 Years After Graduation	Average Salary Growth
Fellows	\$71,656	\$92,900	30%
Control	\$57,089	\$84,868	49%

On average, Fellows earn approximately \$15,000 more than their peers in their first jobs and an aggregate of \$58,000 over five years.⁴ The latter amount can be truly material for young people just starting their careers in terms of ability to save money for a downpayment on a home, invest in further education, be prepared for a family emergency, or provide financial help to one's extended family or loved ones. Such indicators of positive economic mobility offer strong support for the benefits of MLT's formal career preparation and leadership development that combines one-on-one coaching, knowing the bar of excellence for specific industries and roles, and real-world engagement with a network of one's peers.

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While the data gathered found that MLT Fellows' salary growth was slower than the control group, the non-MLT Fellows control group were hired at a lower starting pay rate and are themselves high achievers and highly motivated (i.e., just to be on MLT's waitlist is a recognition of high academic and civic leadership, and applying to the program reflects motivation as well). Given the time period examined was relatively short, this may also simply show that entry and mid-level job compensation quickly levels out. A longer time frame of study would be interesting to explore to examine whether higher initial salaries are correlated with higher long-term compensation.

³ The relatively high percentage of Finance and Technology is not surprising given MLT's focus on these industries.

⁴ The aggregate total was derived based on the sum of the average differential in salaries for each year.



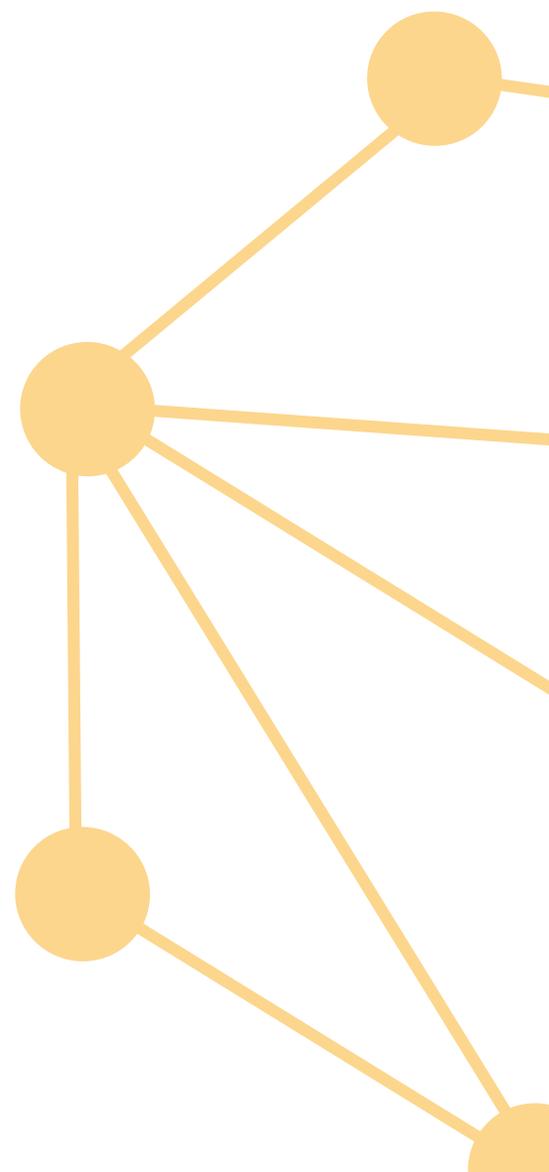
In assessing connections, the current research found that MLT Fellows build larger online networks than their peers. A larger network does not necessarily mean a better network or a more engaged network, but larger networks might suggest that MLT Fellows will be able to maintain their economic gains through the security broader social networks provide in terms of job opportunities.

Group	Fewer than 400 Connections	400+ Connection
Fellows	16%	84%
Control	30%	70%

With high statistical significance, Fellows have larger LinkedIn networks than the control group. This is an indication that they are building more extensive professional connections early in their careers. However, this statistic does not speak meaningfully to the frequency, quality, or impact of interactions with that network. Opportunities for future research include adding clarity to this early signal by building proxies for engagement with one's online network.

SUMMARY AND NEXT STEPS

THIS MODEST ANALYSIS HAS DELVED INTO THE EXTENT TO WHICH MLT ACCELERATES EARLY-CAREER ECONOMIC MOBILITY AND DEVELOPS NETWORKS THAT MIGHT SUSTAIN THOSE GAINS. There are many positive signs, but the findings presented here are in no way conclusive. Instead, they open the door to opportunities for further investigation, and to conduct more in-depth studies into how MLT Fellows navigate the early years of their careers, how they engage with their online networks, and how they view the incentives to demonstrate leadership.



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