



Leaders of Tomorrow

Efforts towards inclusion
and social mobility

GRADUATE RESULTS



“ You tell me that it’s very expensive to set up an MIT-type institution here in Mexico. But tell me this; is it not more expensive to lack quality options for our young people? Or to send them to elsewhere for their education? To make it happen we don’t need ‘available wallets.’ We need people who are determined, and who believe that with education, anything is possible. And although you might not believe it, a few of us do exist...”

Eugenio Garza Sada
to León Ávalos y Vez
1943

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PRESENTATION

Leaders of Tomorrow is a program that changes destiny, of individuals, families, and communities. I'm convinced that education transforms lives.

This program, for the past seven years, has strengthened the values of meritocracy, inclusion and social mobility promoted by the Tecnológico de Monterrey.

It fills us with pride and satisfaction, and encourages us to keep striving, because we want to have many more Leaders of Tomorrow. We need more donations to grow this program, so that we can provide more opportunities for so many talented youths in Mexico who are eager to transform their futures.

Universities are a source of inspiration, and we must be amplifiers of knowledge, attitudes and values. Faced with the COVID-19 pandemic that we are experiencing in 2020, we must help society face adversity it presents. It is an opportunity to create and see new possibilities.

Therefore, it fills me with pride that our young Leaders of Tomorrow, despite these circumstances, with their creativity and fortitude, have shown us that their dreams have not been extinguished—but to the contrary—they are more alive, and even bigger, than ever.

Our students have been, and will continue to be our reason for being. They are our passion, what fills us with energy, what moves us and makes us search for how we can contribute to their education.

David Garza

Rector and Executive President
Tecnológico de Monterrey



It is a universal belief that education transforms lives.

This is stated by UNESCO when incorporating quality education as part of the Sustainable Development Goals. I am extremely proud to present this report on the results of the Leaders of Tomorrow program, as it demonstrates with concrete data that it is not merely a belief but a reality. The achievements of the young people studied in these pages are a testament to how having access to this program has allowed them to improve their lives, have a positive impact in their communities of origin, and by extension, Mexico.

This document shows how the program has benefited them, as compared to their peers, in terms of wages, rate and formality of employment, as these graduates are already contributing to the country's productivity. In addition to these students' successes, it seems equally important to me to highlight the formation of fundamental values; intangibles such as the value of resilience, professionalism, collaboration, integrity and, very importantly, social commitment.



Six years after its creation, the program of Leaders of Tomorrow has its highest Internal Rate of Return (IRR) in Higher Education. The data presented here are the most convincing argument that this commitment by Tecnológico de Monterrey contributes, in effect, to a more equitable Mexico with greater social mobility.

As Vice President of Inclusion, Social Impact and Sustainability, I will continue to support this program and develop initiatives that make Tecnológico de Monterrey an increasingly inclusive university.

Inés Sáenz

Vice President of Inclusion,
Social Impact and Sustainability





Leaders of Tomorrow: A Strategic Project for Mexico

Miguel Székely

Director of the Center for Educational and Social Studies (CEES)

2020 has been a year of unprecedented challenges. In an unexpected way, Mexico and the rest of the world have had to pivot and devise immediate and urgent actions to face the multiple effects of the pandemic caused by COVID-19.

However, we cannot stop thinking about the future. One of the areas where it is most important to maintain a vision that stretches beyond the immediate, is in education and higher education in particular. In fact, one of the most important lags that Mexico faces at the beginning of the XXI century and that inhibits our country's possibilities for growth and economic development, is the low level of participation and quality in higher education. Mexico currently ranks 10th among the 18 Latin American countries in terms of net participation in higher education, with about 30 percent. This is among the lowest rankings of the countries belonging to the Organization for Economic Cooperation and Development (OECD).

Additionally, it highlights that in Mexico there are enormous inequalities in access to higher education. Practically 45 percent of children in the corresponding ages from households in the top 10 percent income bracket are studying for a university degree. Meanwhile, in the poorest 20 percent, only 7 out of every 100 manage to access that level due to the limited opportunities that households with fewer resources have to make this investment.

The current context may exacerbate these differences due to the fact that the negative economic impact of the pandemic will be felt with much greater force in poor households, which are those with the fewest defense mechanisms.

Even the education sector may lose an important part of its potential to promote social mobility and generate prosperity, if these families face even greater pressures, and even fewer alternatives in the coming years to avoid being excluded from education.



That's why now, more than ever, Tecnológico de Monterrey's Leaders of Tomorrow program is a strategic investment for Mexico. The program has already supported 1,345 highly talented youths from low-income households, who otherwise wouldn't have had the opportunity to pursue higher education.

In addition to the professional success stories of our 189 graduates and first-generation graduates, investing in the talent of our young people has shown high returns.

Our graduates' performance in the workplace has exceeded expectations, obtaining salaries practically double those obtained by their peers who attend other universities. Leaders of Tomorrow have 60 percent higher benefits, they obtain positions in high-profile companies, and they manage to display their effectiveness and potential to a high degree.

The leaders of the first generation, a year and a half after graduation, are success stories. They've obtained important promotions in their organizations and have constant access to opportunities in businesses where they are leaders in their sectors.

The Center for Educational and Social Studies carried out an evaluation of our Leaders of Tomorrow program. The following are the results. As the results show, fortunately Mexico has the potential to ensure that even when we face unprecedented challenges like today, if we can come together for the higher purpose of moving Mexico forward, trusting and investing in our youth. We've achieved high-impact initiatives to address the present and to build a better future. Now, Leaders of Tomorrow is even more valuable than it was in the beginning. It is a proven initiative that allows talented Mexican youth who did not previously have opportunities, to start making a difference today.

Leaders of Tomorrow Already successful today

Our Leaders of Tomorrow are talented young people who come from low-income families; family that did not have the means to give them a chance at higher education.

Their talent was at risk of being wasted, until with the support of Tecnológico de Monterrey, they were able to study for their professional careers.

When comparing 189 graduates with other comparable young people –from the same municipalities, gender, age, socioeconomic level,

and parents' education level– who have completed the same education majors in higher education, we find that...

Leaders of Tomorrow stand out in the workplace



- ▶ They have an average salary of **almost double** compared to salaries of comparable youths; and **235% higher** than their peers who did not study at university.
- ▶ They have a **22% higher** employment rate.
- ▶ They have a **50% higher** rate of formal employment.
- ▶ They earn positions that offer them **60% more** benefits on average.

And they are contributing to the country's productivity

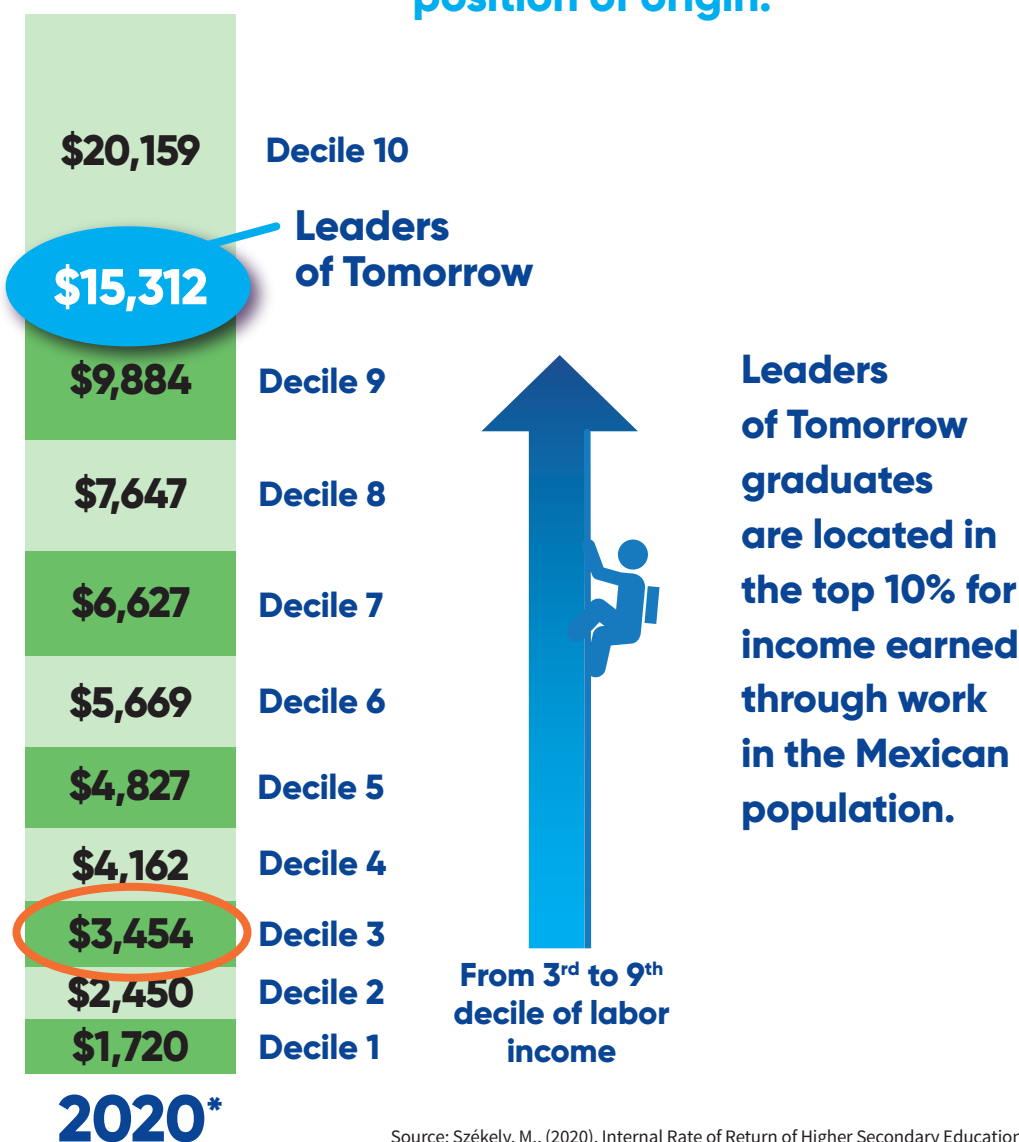
- ▶ **77%** of leaders work in very high-profile companies, compared to **36%** of similar young adults.
- ▶ **100%** have found a job that requires a high level of qualifications, which allows them to enhance their skills, compared to **34%** of their peers.



Promoting equity and social mobility

On average, they have managed to climb 6 deciles in income distribution with respect to their position of origin.

Average labor income nationwide by decile



Source: Székely, M., (2020), Internal Rate of Return of Higher Secondary Education and Higher Education for Federal Entities of Mexico: Center for Educational and Social Studies. Own estimates with based on the most recent National Occupation and Employment Survey (ENOE) (4th quarter 2018)

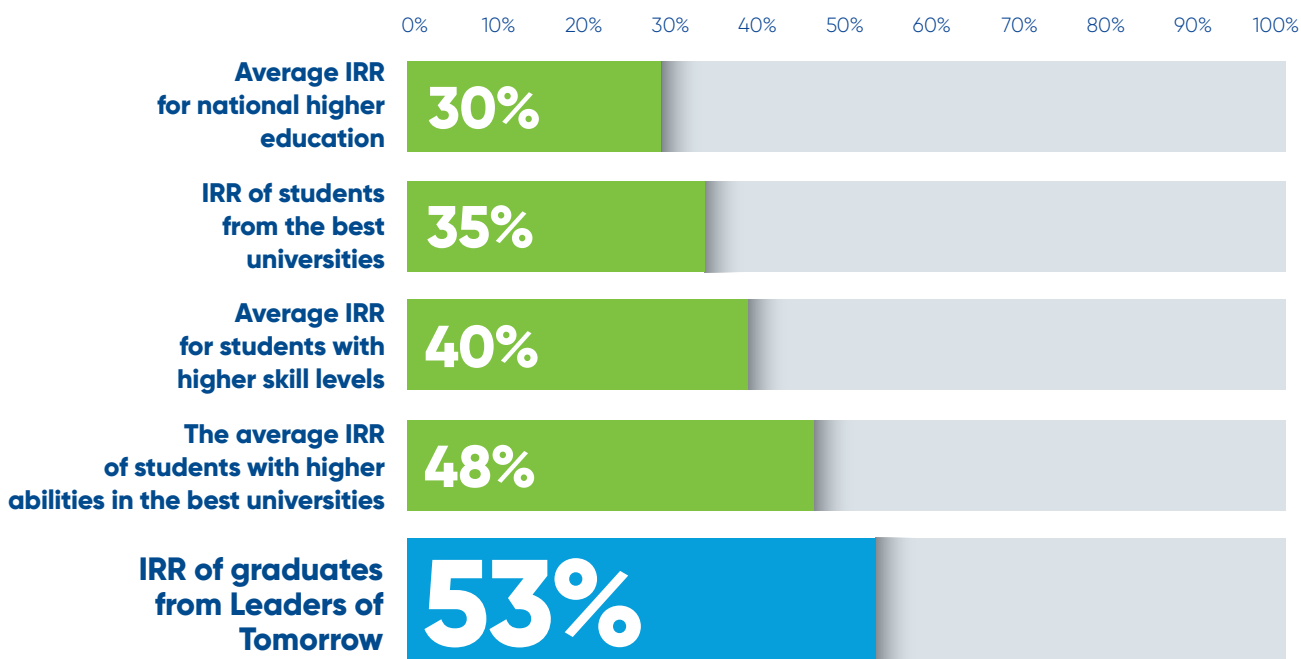


Uplifting the best talent and maximizing investment in their education

By having access to excellent education, the Leaders of Tomorrow register a Internal Rate of Return (IRR) of **53%**.

The IRR is the return that represents investing in a person's education considering the costs and benefits.

Internal Rate of Return for Higher Education and graduates of the Leaders of Tomorrow program



The Internal Rate of Return (IRR) of the investment in these students is **76%** higher than the IRR average of higher education in the country.



Source: Székely, M., (2020), Internal Rate of Return of Higher and Higher Secondary Education for the Federal Entities of Mexico: Center for Educational and Social Studies. Own estimates based on the National Survey on Household Living Standards (ENNViH), using the index of cognitive skills at the individual level and by educational level.

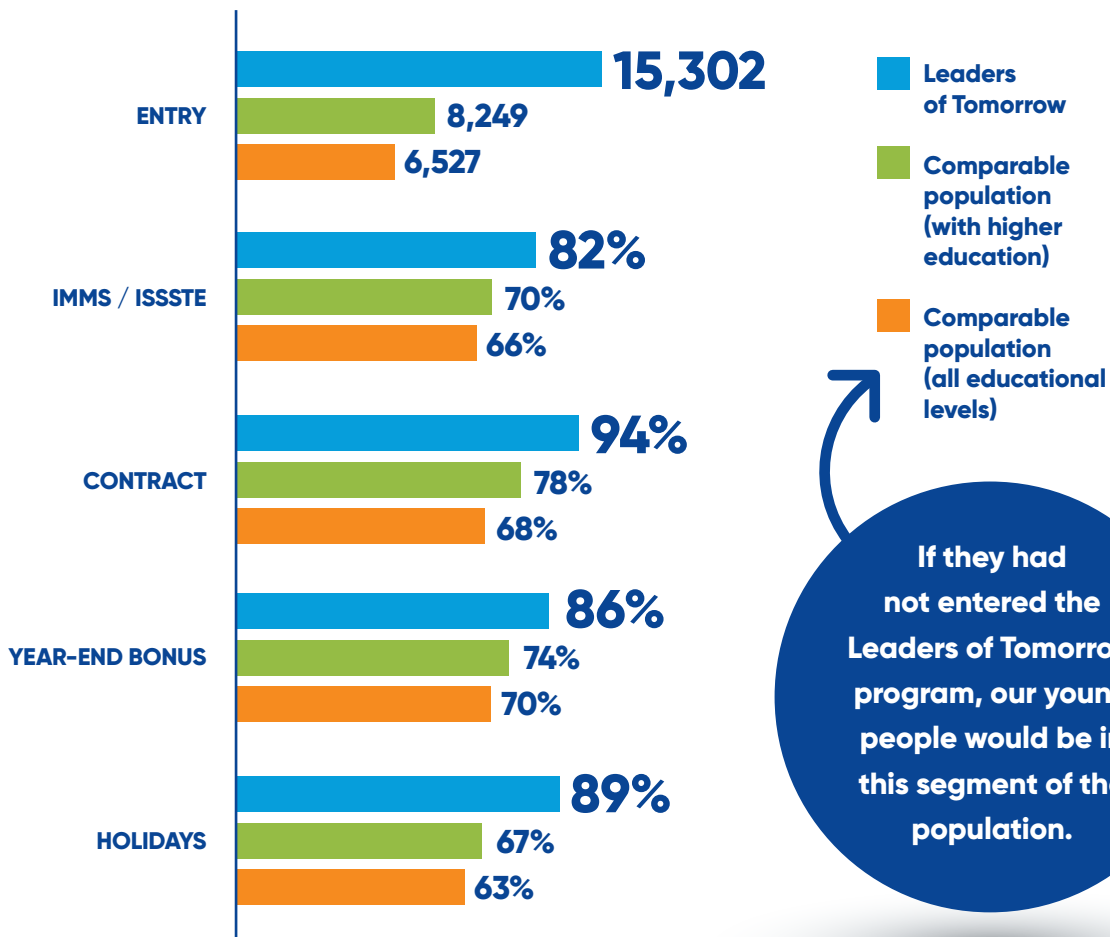


Leaders of Tomorrow graduates achieve better working conditions

▶ They earn almost double and have more job certainty than their peers.

And in relation to the comparable population with higher education:

- ▶ They earn almost double on average (\$7 thousand pesos more).
- ▶ They have greater access to health services (higher percentage of enrollment in IMSS).
- ▶ They have greater job certainty (Almost everyone has a contract).
- ▶ They receive year-end bonuses and holidays in higher proportion (with differences of 12 and 23 percentage points).



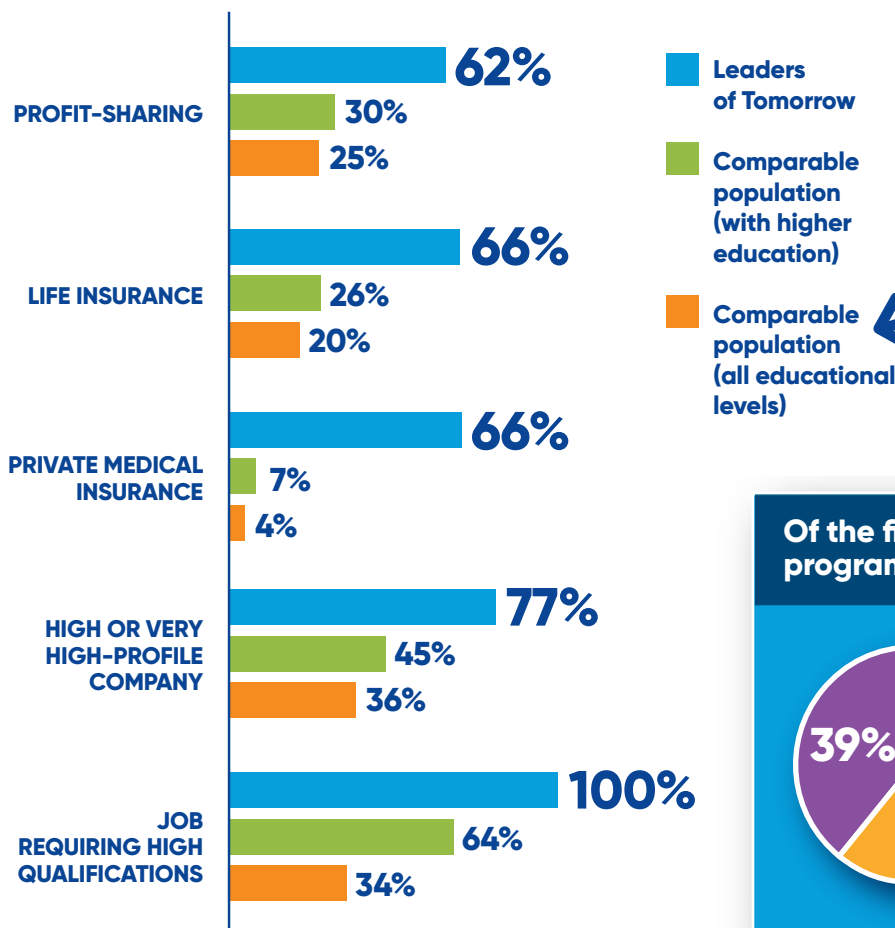
If they had not entered the Leaders of Tomorrow program, our young people would be in this segment of the population.



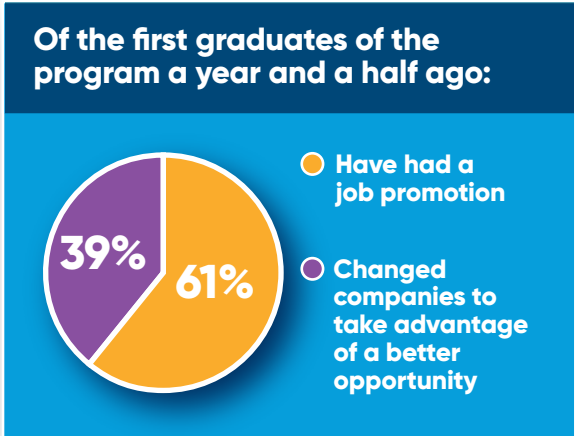
Earn highly sought-after positions in high-profile companies

The Leaders of Tomorrow graduates, in relation to comparable populations with higher education:

- ▶ Work in high or very high-profile companies and are employed in jobs that require high levels of qualifications; around **1.5 times** more.
- ▶ Receive profit-sharing bonuses worth around **twice as much**.
- ▶ Receive life insurance worth about **2.5 times** more.
- ▶ Receive private health insurance worth almost **10 times** more.



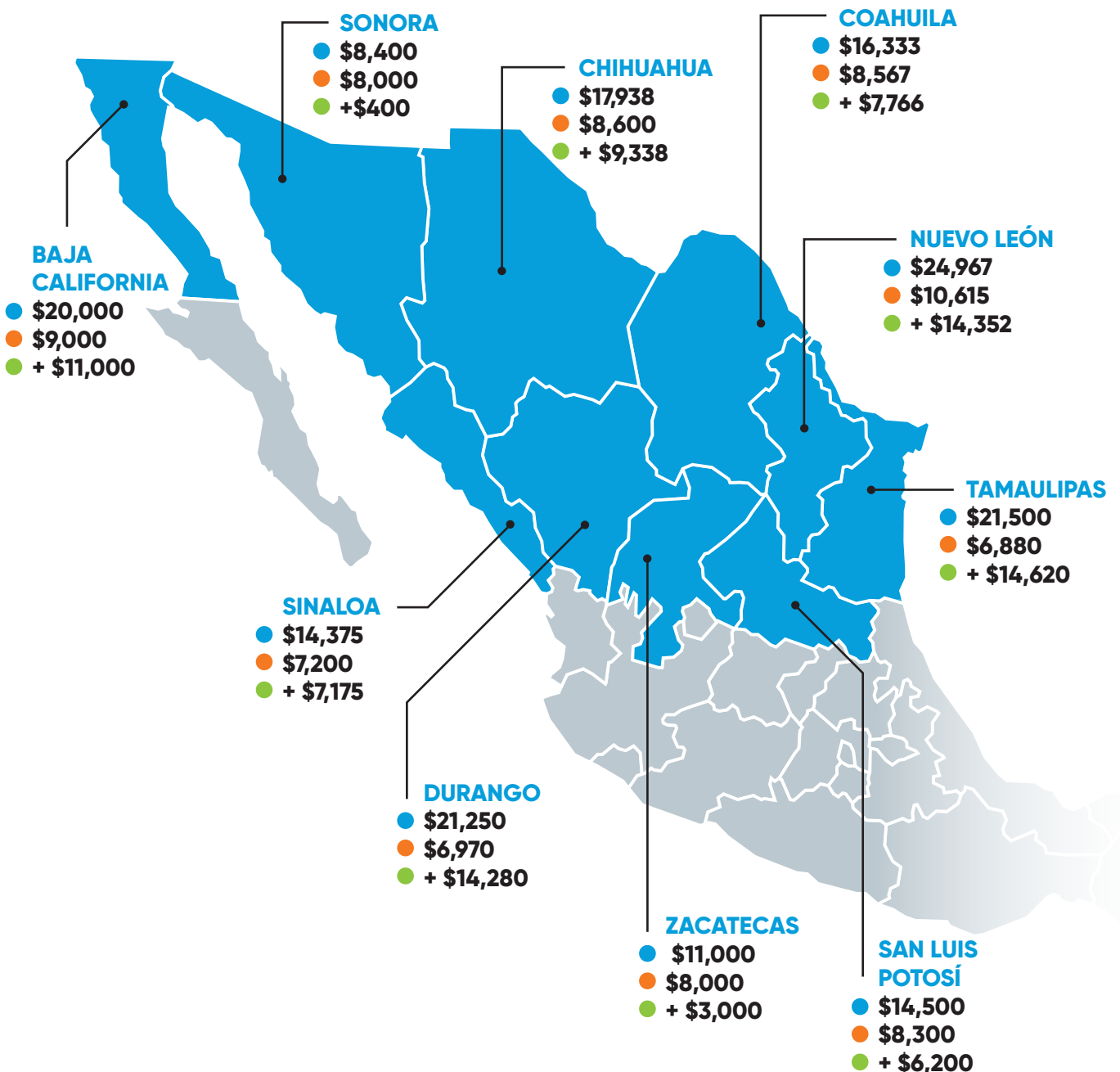
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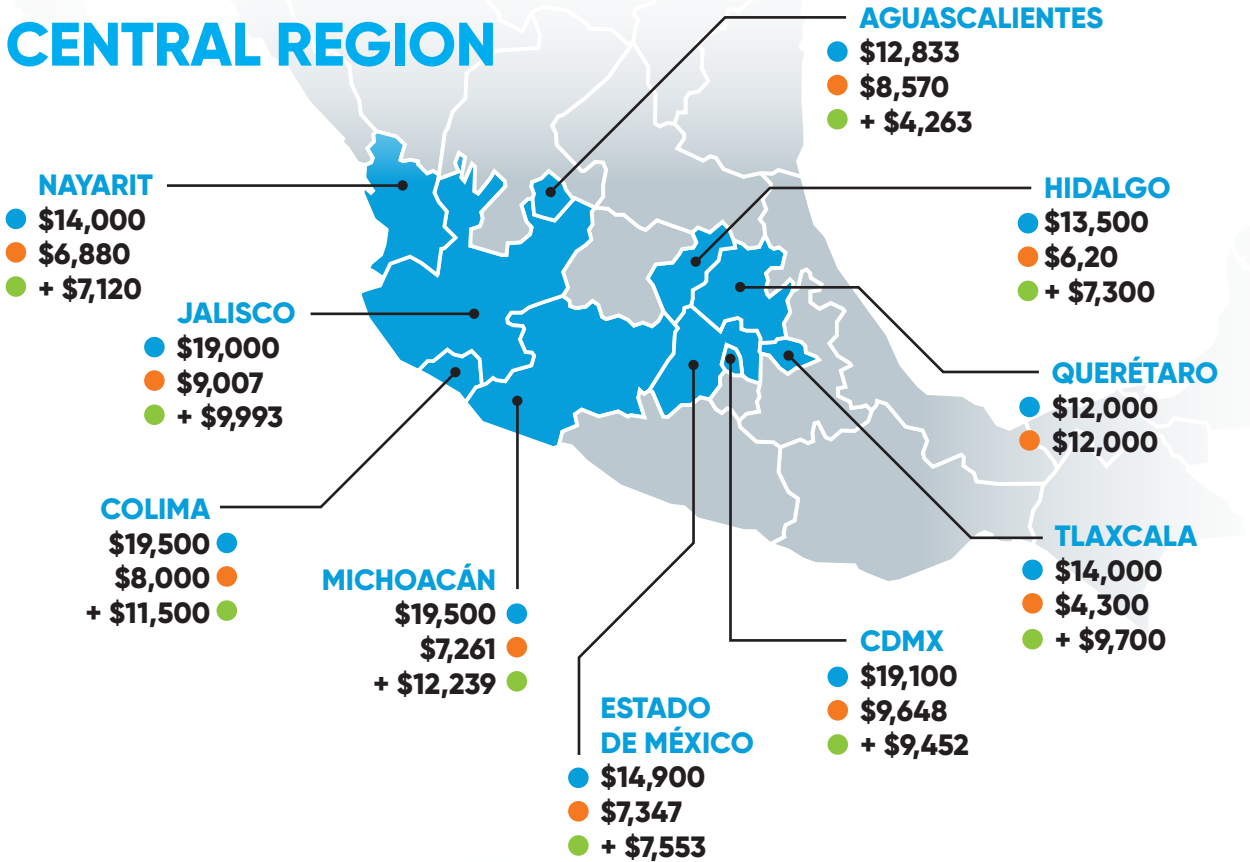
Income comparison: Leaders of Tomorrow vs. peers with higher education

NORTHERN REGION

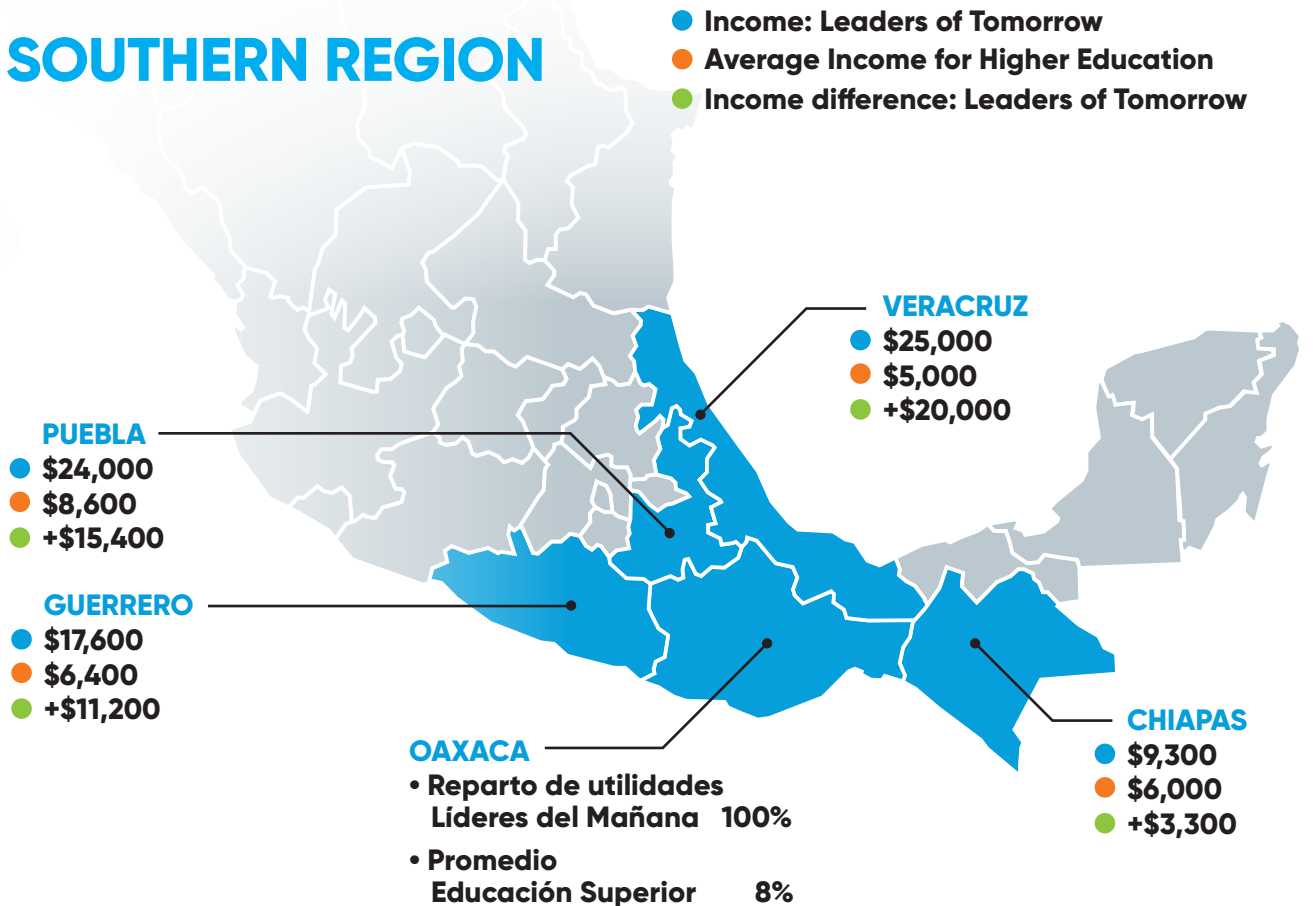
- Income: Leaders of Tomorrow
- Average Income for Higher Education
- Income difference: Leaders of Tomorrow



CENTRAL REGION



SOUTHERN REGION



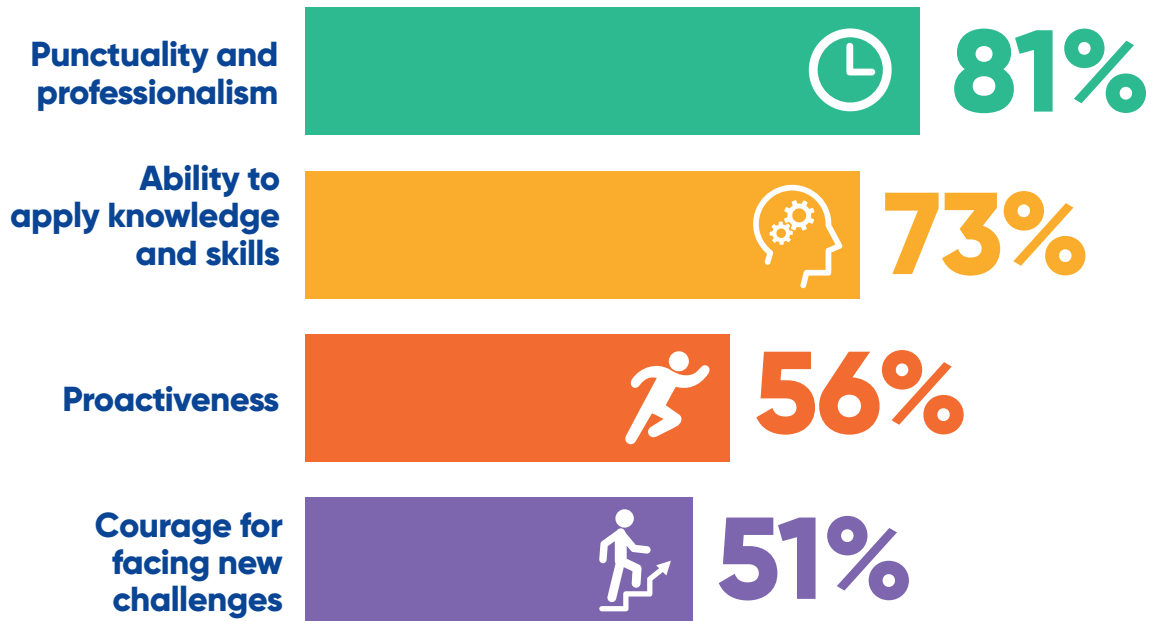
Leading companies in their sectors offer attractive opportunities

Some of the companies in which Leaders of Tomorrow program graduates work: ZF, Banorte, Nissan, L'Oreal, Bosch, KPMG, PWC, Grupo Modelo, Telefónica Movistar, Julian Electric, EY, KONE, Banco de México, Oracle, among others.



High level of employer satisfaction

Percentage of employers that highlighted this feature



Values highlighted by teachers



Teamwork



Leadership and social commitment



Integrity

“ *The magic of the program is in its people, and undoubtedly there are people with a lot of talent here... My title not only represents my effort but that of all those people who helped me to study at Tec de Monterrey.*”



Aleida Machorro
Industrial Physical Engineer
Graduated in December 2019



“ *I want to make a difference in my society; to contribute my share, and be able give back all that I have benefited from. Leaders of Tomorrow is the start of something that turn into so much more.*”



Christian Iván Soto
Financial Public Accountant
Work at Accounting Services
at Price Waterhouse Cooper





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