

Social Programs That Work Review

**Evidence Summary for the Year Up Program—**

**Workforce Training for Economically Disadvantaged Young Adults**

**HIGHLIGHTS:**

- **PROGRAM:** A full-time, year-long workforce training program for economically-disadvantaged young adults that focuses on economic sectors with jobs in high demand—namely, information technology and financial services.
- **EVALUATION METHODS:** A well-conducted randomized controlled trial (RCT) with a sample of 2,544 low-income adults ages 18 to 24, who were neither in school full-time nor employed full-time, carried out at eight urban sites across the United States.
- **KEY FINDINGS:** The program produced a statistically significant 34 percent (\$7,830) increase in participants' annual earnings in the fifth year after random assignment, compared to the control group. These earnings effects showed no sign of diminishing over time. They were also sizable and significant in all eight study sites, providing clear evidence that the positive effects generalize across different settings.
- **LIMITATIONS/OTHER CONSIDERATIONS:** Year Up carefully screens applicants and enrolls those identified as being motivated to succeed and interested in career advancement; thus, the effects may not apply to young adults who fall outside such criteria.

**I. Evidence rating:** **TOP TIER**

The standard for Top Tier is:

*Programs shown in well-conducted RCTs, carried out in typical community settings, to produce sizable, sustained effects on important outcomes. Top Tier evidence includes a requirement for replication – i.e., the demonstration of such effects in two or more RCTs conducted in different implementation sites, or, alternatively, in one large multi-site RCT. Such evidence provides confidence that the program would produce important effects if implemented faithfully in settings and populations similar to those in the original studies.*

## **II. Description of the Program:**

Year Up is a national workforce training program for economically disadvantaged urban young adults between the ages of 18 and 24 that focuses on specific economic sectors with jobs in high demand—namely, information technology (IT) and financial services (hence the program’s classification as a “sectoral” training program). The program seeks to enroll young adults who have a high school diploma or equivalent but are neither in school full-time nor employed full-time, have manageable life challenges, and are motivated to succeed.

The program operates in two six-month phases. In the first phase, participants attend full-time training in IT and financial services. The training emphasizes the development of professional skills (*e.g.*, writing, giving presentations, business etiquette) as well as technical skills (*e.g.*, IT, quality assurance, financial operations). The second phase consists of a full-time internship in entry-level positions at local employers, often major firms. The program provides extensive supports, including weekly stipends to help cover transportation and other living costs (typically \$150 per week during the training phase and \$220 per week during the internship phase), mentoring, and post-program job search and placement services. In addition, Year Up partners with local colleges to enroll participants as students and award them college credit for successful completion of Year Up courses.

The cost of the program is about \$28,290 per participant, most of which (\$16,700, or 59%) is borne by employers through payments to Year Up for interns.

Year Up’s website is [linked here](#).

## **III. Evidence of Effectiveness:**

### **Overview of the Study Design:**

The study was conducted in eight metropolitan sites: Atlanta, Boston, Chicago, New York City, Providence, San Francisco/San Jose (Bay Area), Seattle, and Washington, D.C. Interested young adults underwent an intensive screening process in order to identify those meeting the target characteristics described above (*e.g.*, high school diploma or equivalent, neither employed nor in school full-time, motivated to succeed). The study randomly assigned 2,544 such individuals to either a treatment group that was admitted to Year Up, or to a control group that was not admitted but had access to available education and training services in the community. Fifty-four percent of sample members were Black, 31% were Hispanic, 59% were male, 68% lived with their parents, and almost all came from low-income families (average family income was \$27,000 in the prior year). Many had struggled in high school: 40% reported usual grades of C or below, and only 10% reported usually receiving A’s.

### **Key Findings:**

The program produced a 34% increase in annual earnings in the fifth year after random assignment (*i.e.*, the study’s longest-term follow-up point to date). The increase amounted to \$7,830 (\$31,176

for the Year Up group versus \$23,346 for the control group), and was statistically significant at the  $p < 0.01$  level. The earnings gains were positive and statistically significant starting in the second year after random assignment and continuing through the five-year follow-up period with no sign of diminishing.<sup>1</sup> Positive, statistically-significant earnings effects were evident across all subgroups examined (e.g., gender, race/ethnicity, prior educational attainment) and all eight study sites,<sup>2</sup> providing clear evidence that the positive effects generalize across different subpopulations and settings.

The study found no significant effect on the employment rate at the five-year follow-up (82% of both the Year Up group and the control group were employed). In the three-year follow-up survey, the study found no strong pattern of positive or adverse effects on exploratory outcomes related to education and training (e.g., degree receipt), financial status, family formation, and well-being (e.g., stress), except for a large reduction (37%, or \$2,500 per person) in student and other debt.

An implementation study found that the program was implemented successfully, in close adherence to the program model, at all eight study sites. Eighty-five percent of individuals assigned to the Year Up group completed the six-month training, and 75% finished the full program. The study included a cost-benefit analysis, which found that Year Up produced a net gain to society of \$15,349 per participant. The results imply a social gain of \$1.66 for every \$1.00 spent on Year Up. This is a conservative estimate as it assumes the earnings effects end after the five-year follow-up period, when, in fact, they show no sign of diminishing.

### **Discussion of Study Quality:**

Based on our review, we believe this was a well-conducted RCT. Participants in the Year Up and control groups were highly similar in their pre-program characteristics (e.g., demographics, education, employment, and income). The study appropriately obtained and analyzed outcomes for all members of the Year Up group, regardless of whether or how long they participated in the program (i.e., the study used an “intention-to-treat” analysis). The study obtained earnings, employment, and education outcome data for virtually all sample members, through access to administrative data sets (the federal National Directory of New Hires, and the National Student Clearinghouse). The study also had reasonably high follow-up rates for other exploratory outcomes, measured through a survey three years after random assignment (the survey completion rates were 74% for the Year Up group and 67% for the control group). Finally, the study evaluated Year Up as delivered on a sizable scale across multiple U.S. cities, thus measuring its effectiveness under real-world implementation conditions.

A seven-year study follow-up is planned, to measure workforce outcomes through 2021.

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<sup>1</sup> The study’s primary, pre-specified outcome was the effect on average quarterly earnings in quarters 12 and 13 after random assignment. The study found a large, statistically-significant effect on this outcome (\$1,857, representing a 38% increase versus the control group. Our summary focuses instead on the earnings effect in the longest-term follow-up (i.e., fifth year after random assignment) as it more directly addresses whether the program produces earnings effects that endure over time.

<sup>2</sup> The earnings effect at one of the eight sites was statistically significant at the 0.10 level but not the 0.05 level.

#### **IV. Other Studies:**

There has been one other RCT of Year Up that found positive effects on earnings over a four-year follow-up period, but the study had limitations that reduce confidence in these findings. For example, the effects in the fourth and final year of follow-up were sizable but did not reach statistical significance, possibly because the study had a small sample (194 individuals randomized) and/or had significant “cross-over” (*i.e.*, more than one-quarter of control group members participated in the program in the second year of the study).

#### **V. References:**

Fein, David, Samuel Dastrup, and Kimberly Burnett (2021). *Still Bridging the Opportunity Divide for Low-Income Youth: Year Up’s Longer-Term Impacts*, OPRE Report #2021-56, Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.

Fein, David and Jill Hamadyk (2018). *Bridging the Opportunity Divide for Low-Income Youth: Implementation and Early Impacts of the Year Up Program*, OPRE Report #2018-65, Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.

Roder, Anne, and Mark Elliott (2014). *Sustained Gains: Year Up’s Continued Impacts on Young Adults’ Earnings*. New York: Economic Mobility Corporation.

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*Howard Rolston, who is a consultant to Arnold Ventures’ (AV) Evidence-Based Policy team, contributed to the early design and execution of the Year Up RCT in his former position at Abt Associates. He therefore recused himself from the AV team’s review of the study and interpretation of its findings.*