

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 age 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 40 percent (\$7011) increase in participants' annual earnings in the third year after random assignment, compared to the control group.
- **LIMITATIONS/OTHER CONSIDERATIONS:**
 - (i) Longer-term follow-up is needed to determine whether the large effects found in year three endure long enough to justify the substantial program cost (\$28,200 per participant).
 - (ii) 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: **SUGGESTIVE TIER**

The standard for Suggestive Tier is:

Programs that have been evaluated in one or more well-conducted RCTs (or studies that closely approximate random assignment) and found to produce sizable positive effects, but whose evidence is limited by only short-term follow-up, effects that fall short of statistical significance, or other factors. Such evidence suggests the program may be an especially strong candidate for further research, but does not yet provide confidence that the program would produce important effects if implemented in new settings. (Our reasoning behind this evidence rating is [linked here.](#))

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 \$28,200 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, 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. 54% of sample members were black, 31% were Hispanic, 59% were male, 68% lived with their parents, and almost all came from low-income families (mean family income of \$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 40% increase in annual earnings in third year after random assignment (*i.e.*, the study’s longest-term follow-up point to date). The increase amounted to \$7,011 (\$24,422 for the Year Up group versus \$17,411 for the control group), and was statistically significant at the $p < 0.01$ level. The earnings gain during the second year after random assignment—*i.e.*, the year following

program completion—was also sizable (\$5,181, or 39%) and statistically significant.¹ Positive, statistically-significant earnings effects were evident across all subgroups examined (*e.g.*, gender, race/ethnicity, prior educational attainment) and all eight study sites, providing clear evidence that the positive effects generalize across different subpopulations and settings.

The program did not produce statistically-significant effects in the third year after random assignment on either the employment rate (which was approximately 75% in both groups) or on the percent enrolled in college. Earlier effects on college enrollment—including positive effects during the program year and modest adverse effects in the second year—were no longer evident in year three.

The program also had modest, statistically significant effects on some exploratory outcomes, measured via survey 18 months after random assignment. For example, it increased the percent with health insurance by 4 percentage points (82% for the Year Up group versus 78% for the control group); reduced the percent in households receiving cash or in-kinds supports such as welfare or food stamps by 5 percentage points (50% for the Year Up group versus 55% for the control group); and reduced the percent experiencing financial hardship in the past 12 months by 8 percentage points (35% for the Year Up group versus 43% for the control group). The program had no significant effects on other exploratory outcomes (*e.g.*, percent having a child or pregnant, living with a spouse, or living with parents).

An implementation study found that the program was implemented successfully, in close adherence to the program model, at all eight study sites. 85% of individuals assigned to the Year Up group completed the six-month training, and 75% finished the full program.

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 Director of New Hires, and the National Student Clearinghouse). The study also had reasonably high follow-up rates for other outcomes, such as health insurance and financial hardship, as measured through a survey 18 months after random assignment (the follow-up rates were 78% for the treatment group and 73% 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.

¹ The study’s primary, pre-specified outcome was the effect on average quarterly earnings in the sixth and seventh quarters after random assignment. The study found a large, statistically-significant effect on this outcome (\$1,895, representing a 53% increase versus the control group). Our summary focuses instead on the earnings effect in the longest-term follow-up (*i.e.*, third year after random assignment) as it more directly addresses whether the program produces earnings effects that endure over time.

The main study limitation is its relatively short follow-up period (three years after random assignment). Longer-term follow-up is needed to determine whether the large effects found in year three endure or, as been found of some other workforce development programs, dissipate over time. A six-year follow-up is planned.

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 has 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 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.

Howard Rolston, who is a consultant to Laura and John Arnold Foundation’s (LJAF) 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 LJAF team’s review of the study and interpretation of its findings.