# How does Year Up measure up?

Carolyn Heinrich

Carolyn Heinrich is Sid Richardson Professor of Public Affairs, Professor of Economics, and Director of the Center for Health and Social Policy at the University of Texas at Austin, and an IRP affiliate.

The story of Year Up's founding and expansion is as poignant as it is instructive in an academic sense. In his book, A Year Up: How a Pioneering Program Teaches Young Adults Real Skills for Real Jobs with Real Success, Gerald Chertavian describes his approach to developing the Year Up program, which was simultaneously grass-roots and high-level in its search for guidance and evidence to build an innovative and viable model for helping urban young adults gain access to the job market. In fact, if I had not read this book and had instead come across the Year Up "High Expectations" program model on my own, I would have guessed that Year Up's founder sat down with all of the academic literature to design this program. In offering comments on A Year Up in this article, I bring both research and policy perspectives to bear in considering the key, inventive aspects of the program model, Year Up's implementation and reported program results, and its limitations as well as its potential for successful replication and extension of promising features to other interventions for urban youth.

#### Year Up program model

The Obama administration made clear from the beginning its intent to support only programs that are evidence-based and that can demonstrate success.1 Year Up has a "leg up" in both respects, in that it has drawn on the best current evidence for what works in connecting urban young adults to the job market, and has opened its doors to evaluators. The program combines both professional and technical skills training, recognizing the importance of developing non-cognitive as well as cognitive skills to prepare youth for the job market, such as leadership skills, decision-making strategies, team building, and business etiquette. In addition, peer support is an integral component of the comprehensive support services that aid program participants in navigating their individual barriers and challenges to success. Year Up also spends considerable time and effort on curriculum development and training to ensure that they meet the labor needs of employers and that both program participants and prospective employers see their relevance. Through its close relationships with business partners and investors, Year Up is able to provide state-of-the-art training, teaching technology skills with cutting-edge software and equipment.

The key role that peers play in supporting the development of professional skills is one of the most important and distinctive innovations of Year Up. This support comes into play in a variety of ways, including helping with assignments, correcting each other's language, and making encouraging phone calls to keep peers engaged. Moreover, Year Up does not shy away from addressing some of the more difficult workplace issues through peer-led exercises such as "Turn Your Back," which is used for processing hurtful stereotyping and discrimination that are experienced on the job. These features of the Year Up culture simultaneously build lifelong friendships and professional networks, while contributing to the program's high completion rates.

Another important innovation of Year Up is the continued intensive support of young adults during their six-month internship. This support helps employers to see Year Up as a "hiring pipeline": students are trained and integrated into companies through the internships. In turn, the students can count on ongoing peer and staff support from Year Up, as well as financial support in the form of a weekly stipend that is tied to the performance contract. Students also earn college credit for training through Year Up partner institutions.

Finally, it is important to acknowledge the key role that the founder's executive connections have played in reaching the upper echelon of private sector firms and securing from them both donations and opportunities for the young adult participants. Philanthropy has also been essential to expansion of Year Up to other cities. As Chertavian explains: "You can't afford the people, the infrastructure, the benefits—the mission itself—without a constant, renewable source of philanthropic investment" (p. 272). However, this reliance on dedicated corporate partners could also pose a potential obstacle to implementing the program model on a much larger scale.

#### Year Up results

The results that Year Up reports are impressive: 70 percent of those entering the program complete it, and all *qualified* students are placed into internships. Ninety-five percent of Year Up interns meet or exceed their internship manager's expectations, and 85 percent of program graduates are either employed or attending college full time within four months of program completion. Employed Year Up graduates earn \$15 an hour on average, or approximately \$30,000 per year. However, what these figures do not tell us is how much of these results are attributable to the program, compared to what these highly motivated young adults would have achieved on their own.

An experimental evaluation of the Year Up program is being conducted by the Economic Mobility Corporation.<sup>2</sup> Eligible

# **Key Findings from an Evaluation of Year Up Year Up's Initial Effects**

# **Characteristics of study participants**

Most Year Up participants are members of racial or ethnic groups that face discrimination in the labor market.

When they applied to Year Up, 81 percent of study participants lived with a parent or guardian, a higher percentage than for the overall population of young adults.

35 percent attended college at some point. Only one individual had obtained an associate's degree, and only six percent had attended college during the semester immediately prior to applying to Year Up.

In focus groups, participants who had attended college reported dropping out of college for financial reasons, or because required remedial courses prevented them from taking for-credit classes and progressing toward a degree.

Most study participants have some work experience, but fewer than half were employed at the time they applied to Year Up.

Most participants with work history had held low-wage jobs for short periods of time. The most common jobs were in food service and retail trade.

| Table 1<br>Characteristics of Study Participants |        |
|--|--------|
|  |        |
| Male   | 57%    |
| Female   | 43     |
| Age  |        |
| 18 to 21   | 72%    |
| 22 to 24   | 28     |
| Race   |        |
| African American                                 | 50%    |
| Latino   | 34     |
| White  | 5      |
| Asian  | 3      |
| Other  | 7      |
| Highest Degree                                   |        |
| GED  | 14%    |
| High School Diploma                              | 85     |
| Associate's Degree                               | 1      |
| Work Experience                                  |        |
| Ever Worked for Pay                              | 88%    |
| Working at Time of Program Application           | 43%    |
| Longest Job Less than One Year                   | 58%    |
| Median Hourly Wage in Longest Job                | \$8.25 |
| Other Characteristics                            |        |
| English not Primary Language                     | 15%    |
| Not a U.S. Citizen                               | 8      |
| Have Child(ren)                                  | 9      |
| Convicted of a Crime                             | 8      |
| Live in Public Housing                           | 18     |

#### Year Up Participants had greater earnings in the second year after random assignment

During the first year after random assignment, while treatment group members attended the program full-time, control group members had higher average earnings. However, during the second year after random assignment, following program completion, annual earnings for those in the treatment group were on average 30 percent higher than earnings for those in the control group (\$15,082 compared to \$11,621).

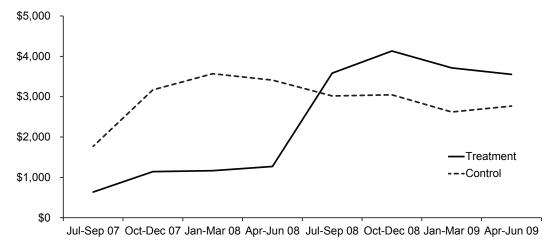
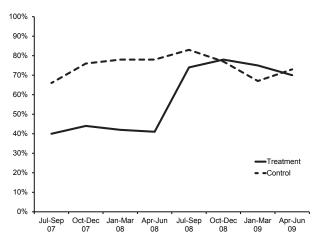


Figure 1. Total earnings during each quarter after random assignment.

Note: Differences are statistically significant at the p < .05 level in October to December 2008 and January to March 2008, and at the p < .10 level in April to June 2009.

## Higher hourly wages drove the earnings difference

Both groups were equally likely to be employed during the second year, but Year Up participants tended to have higher paying jobs.



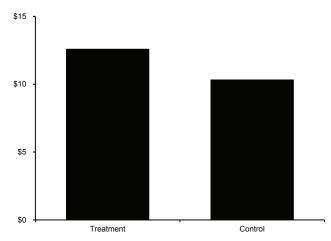
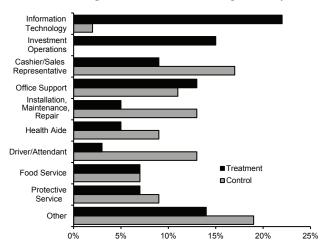


Figure 2. Percent employed at any time during each quarter after random assignment.

Figure 3. Average hourly wage at current or most recent job.

Year Up participants were significantly more likely than control group members to obtain jobs in the targeted fields, and were more likely to be working full time. The hourly wages of Year Up participants who worked in fields other than information technology and investment operations did not differ significantly from the wages of control group members.



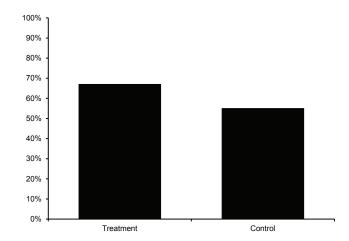


Figure 4. Type of Job held: Current or most recent job.

Figure 5. Current or most recent job is full-time.

#### Year Up participants were just as likely as those in the control group to attend college

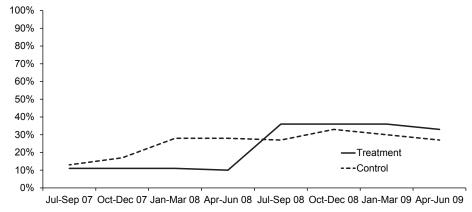


Figure 6. Percent attending college during each quarter after random assignment.

Note: Results from A. Roder and M. Elliott, A Promising Start: Year Up's Initial Impacts on Low-Income Young Adults' Careers, Economic Mobility Corporation, New York, NY, April 2011.

candidates in Boston, New York City, and Providence were randomly assigned to either a treatment group (who were able to participate in Year Up) or a control group (who had their names placed on a waiting list, and were told that they could reapply to Year Up after 10 months).<sup>3</sup> The sample was tracked for between 24 and 30 months following random assignment. The resulting sample was relatively small, 120 treatment and 44 control group members. The effects estimated in this evaluation represent the average effect of the intent to treat. That is, the analysis includes all members of the treatment group, regardless of whether or not they ever attended or graduated from the program.

Study results are summarized on pages 14–15. As one might expect, the evaluation found that during the course of the program, control group members earned more on average than Year Up participants. However, in the year following program participation, annual earnings for those in the treatment group were on average 30 percent higher than earnings for those in the control group (\$15,082 compared to \$11,621). Treatment and control group members were equally likely to be employed during the second year (86 percent for treatment group members, 83 percent for those in the control group), but treatment group members had higher hourly wages (\$12.58 compared to \$10.32), and were more likely to be working full time. Both groups were equally likely to be attending college during the second year after enrollment.

One somewhat surprising result of this study was the finding of no differences in the availability of employer-provided health benefits or tuition assistance for Year Up participants compared to those in the control group. Year Up cultivates relationships with many large, well-known employers, who might be expected to be more generous than average in their employee benefit offerings. However, these are only short-term results, and studies of other employment programs have often found that program impact estimates change over time. A future report from the Economic Mobility Corporation will address whether earnings gains persist over four years and will also look at program costs and cost-effectiveness.

#### **Comparison to other programs**

If I could strike a sentence from the book, it would be one that appears on page 11, in a discussion of the challenging environment that young job seekers face: "Add it all together and you get a workforce development system that really doesn't work." In fact, the pattern of impacts for Year Up looks very similar to the patterns that have been found in public training programs targeted toward young, disadvantaged adults, including those in a recent evaluation of the Workforce Investment Act (WIA) System that I conducted with colleagues. We found an estimated average increase in earnings of approximately \$2,400 per year, or 26 percent of average earnings, for disadvantaged women who participated in WIA; disadvantaged men had an average earnings increase of around \$1,700, or 15 percent of average earnings.

The U.S. Job Corps program, which began in 1964 and is administered by the U.S. Department of Labor, is another useful comparison to make with Year Up, because both their missions and costs are very similar. Job Corps offers free education and vocational training to disadvantaged youth ages 16 to 24, primarily in a residential setting, with the ultimate goal of placing students in jobs that are well-matched to their newly-acquired skills. A national study conducted in the 1990s found that four years after program entry, average weekly earnings for treatment group members were \$22 per week higher than that for control group members (\$1,150 annually), a 12 percent earnings gain. The study found that earnings gains persisted beyond the fourth year, in years 5 through 10, but only for those who were 20 to 24 years old at program application.<sup>5</sup> Other findings of the Job Corps evaluation included increased receipt of GEDs and vocational certificates for those in the treatment group by more than 20 percentage points each, and significant reductions in criminal activity. The Job Corps evaluation raises the question of whether a broader range of potential impacts could also be measured in the Year Up evaluation.

### The future of Year Up

Although Year Up's founder loathes the assertion that the program selects the "cream" among their applicant pool to get results, applicants are required to go through a rigorous admissions process that helps Year Up to identify those who appear to have the motivation and resilience necessary to succeed. Year Up does not work with students who do not have a high school diploma or a GED; this leaves out a large fraction of disconnected youth in the targeted age group. Just 52 percent of black males earned a high school diploma in 2010, up from 47 percent in 2008.<sup>6</sup> While Year Up clearly still serves a group of young people who are overcoming serious disadvantage, the evaluation results may only generalize to the more motivated group of young adults typically selected for the intervention, not to the larger population of disadvantaged youth.

This begs the question: Can we now take key innovations and insights from the successes of the Year Up program and extend them to other interventions or subgroups of youth? For example, would it be possible to intervene in similar ways earlier in the lives of those youth who drop out before completing high school? Recent research from the Harvard Center on the Developing Child suggests potential for enhancing the development of "executive function skills"—similar to Year Up "pro skills"—at younger ages.

Year Up has likewise not been content in resting on its successes to date. It has revisited its own theory of change and posed the question: How can we now tackle the root causes that drive the need for Year Up? One approach that is being tried is the college-based pilot program, which attempts to move the Year Up model into community colleges. There may also be opportunity for Year Up to partner with and extend its innovative features to other organizations that serve

youth and young adults, including high school-based programs and organizations such as Jobs for Youth Chicago that share its mission and commitment to helping disadvantaged young people succeed in life.■

<sup>1</sup>R. Haskins and J. Baron, *Building the Connection Between Policy and Evidence* (London, UK: NESTA, 2011).

<sup>2</sup>A. Roder and M. Elliott, *A Promising Start: Year Up's Initial Impacts on Low-Income Young Adults' Careers*, Economic Mobility Corporation, New York, NY, April 2011.

<sup>3</sup>135 were placed in the treatment group, 60 in the control group. Individuals were most recently surveyed at between 24 and 30 months following random assignment. The follow-up survey response rates were 89 percent for the treatment group and 73 percent for the control group. Researchers found very few significant differences in attrition rates between the two groups and little evidence that those differences could have resulted in bias in the estimated program effects.

<sup>4</sup>C. J. Heinrich, P. R. Mueser, and K. R. Troske, "Workforce Investment Act Non-Experimental Net Impact Evaluation: Final Report," Report to U.S. Department of Labor, IMPAQ International, Columbia, MD, 2008.

<sup>5</sup>P. Z. Schochet, J. Burghardt, and S. McConnell, *National Job Corps Study and Longer-Term Follow-Up Study: Impact and Benefit-Cost Findings Using Survey and Summary Earnings Records Data*, Final Report, Mathematica Policy Research, Princeton, NJ, 2006.

<sup>6</sup>Schott Foundation, *The Urgency of Now: The Schott 50 State Report on Public Education and Black Males 2012*, The Schott Foundation for Public Education, Cambridge, MA, 2012.

<sup>7</sup>Center on the Developing Child at Harvard University, "Building the Brain's "Air Traffic Control" System: How Early Experiences Shape the Development of Executive Function," Working Paper No. 11, 2011. Retrieved from www.developingchild.harvard.edu.