

Cost-Benefit Analysis of Year Up's Longer-Term Impacts



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PACE
Pathways for Advancing
Careers and Education

Presented by:
Samuel Dastrup

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Year Up Intervention and Evaluation



Year Up program

- One-year intensive program
- Young adults from low-income backgrounds with high-school credentials
- Earlier findings indicate positive earnings impacts (Fein and Hamadyk, 2018)

Longer-term follow-up evaluation, including CBA

- Do impacts continue through 3 years? Do cumulative benefits outweigh costs?
- 2,544 young adults randomly assigned to treatment (Year Up) and control (no-Year Up)
- Data blended from surveys, program financial records, NDNH earnings data, and more
- One of nine programs being evaluated for Pathways for Advancing Careers and Education (PACE)

CBA Findings through Five Years



CBA Component		Perspective					
		Participants	Employers	Gov't, Federal	Gov't, State/Local	Rest of Society	Society as a Whole (Sum)
Total Cost (\$)	<ul style="list-style-type: none">• Year Up services• Ed and training outside of YU	-169	16,118	-1,038	-1,736	9,960	23,135

Employers and foundations are primary funders of Year Up

CBA Findings through Five Years



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Total Benefit (\$)	<ul style="list-style-type: none"> • Earnings • Stipend • Corporate partner gains • Nonmarket time • Deadweight loss 	19,605	8,059	8,720	1,185	915	38,484

CBA assumes employers have a 50% ROI

CBA Findings through Five Years



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Net Benefit (\$)		19,774	-8,059	9,758	2,921	-9,045	15,349

- Year Up produces large benefits to participants and to society as a whole despite its high cost

CBA Findings through Five Years



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Policy-relevant observations

- Net benefit would be positive if publicly funded
(i.e. does not depend on employer return assumption)
- Includes five years of earnings with strong impacts persisting in final quarters
 - Stay tuned for long-term updates
- Does not include value of potential radiating benefits—improved health, reduced crime, long-term child well-being

CBA Findings through Five Years

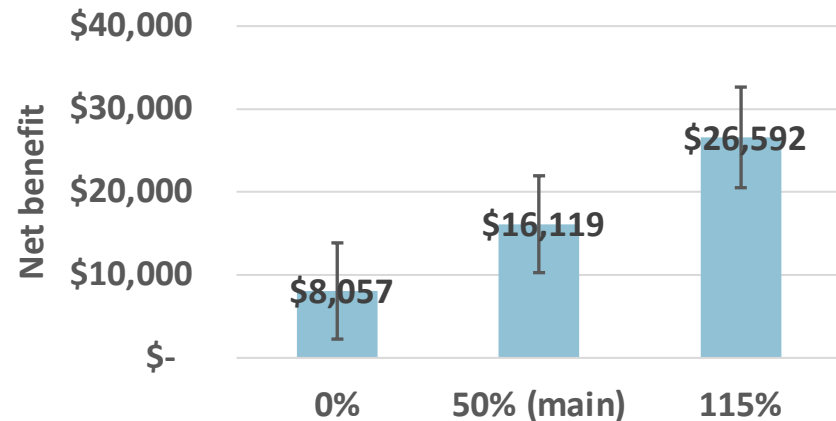


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Robust to uncertainty:

Monte Carlo analysis for three employer return alternatives

- 50,000 draws
- $(\text{Earnings}, \text{Training}) \sim \text{Bivariate Normal}, \rho = -.12$
- Multipliers for fringe, public benefits, nonmarket, employer cost drawn from uniform distributions
- Returns from normal distribution





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abtassociates.com



For more information

Nicole Constance & Amelia Popham

Federal Project Officers

Nicole.Constance@acf.hhs.gov

Amelia.Popham@acf.hhs.gov

Samuel Dastrup

Associate/Economist

Samuel_Dastrup@AbtAssoc.com

Co-authors

David Fein, Principal Investigator

Kimberly Burnett



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