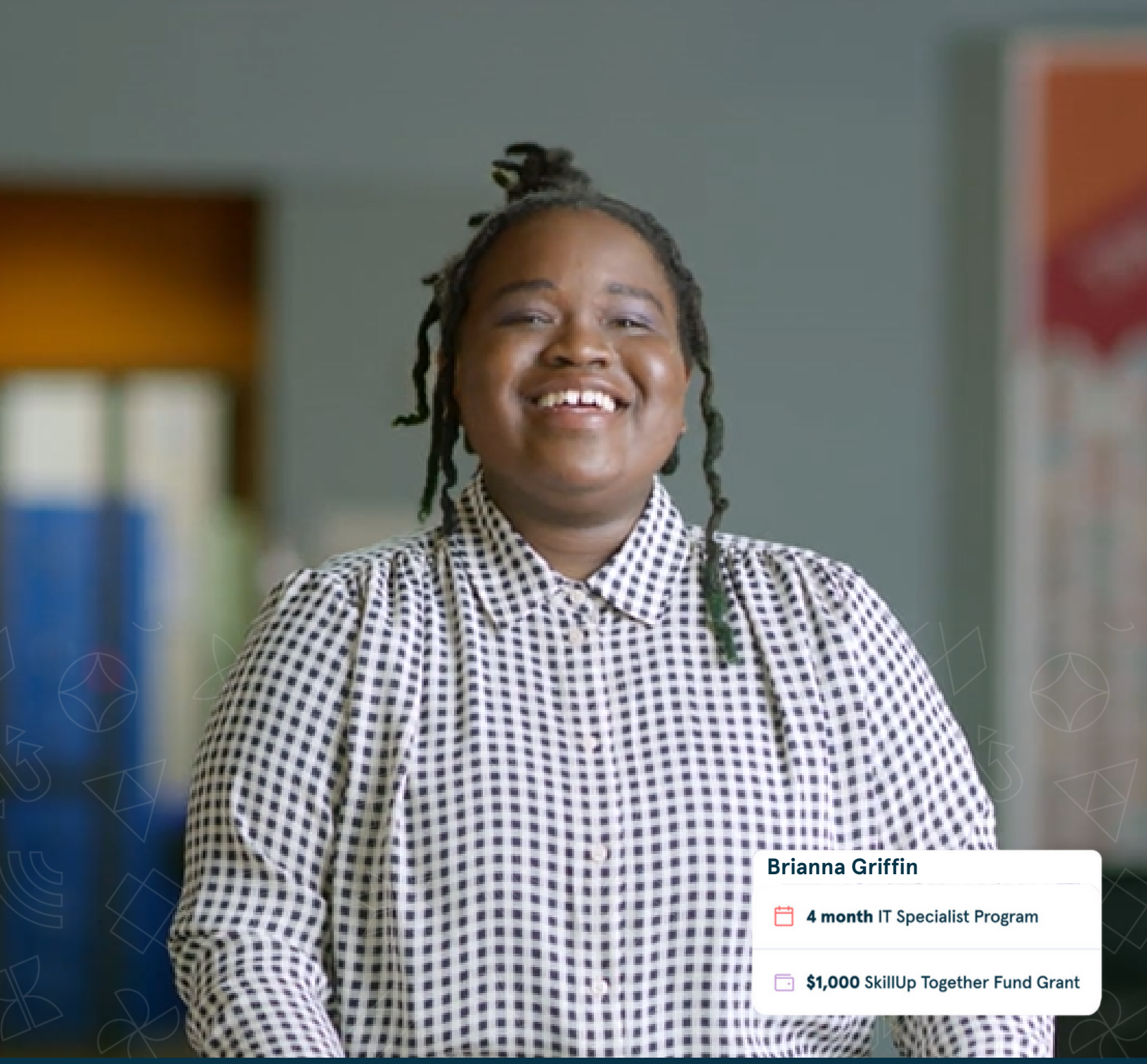

Evaluating the Impact of Direct Funding for Workers

via the SkillUp Together Fund Stipend

Elizabeth McCune, PhD, Wise Mind Research & Consulting

PUBLISHED FEBRUARY 27, 2024

SKILLUP BARCLAYS

Abstract

The SkillUp Together Fund sought to provide grant funding to help lower the barriers to enrollment in high-quality career pathway programs. This analysis compares outcomes for learners who were fund recipients to outcomes for non-recipients across two providers. Multivariate regressions (binary logistic and linear) were performed separately for each provider per outcome, including graduation rate, certification rate, employment in tech rate, time to obtain an initial job, as well as 3- and 6-month post-program employment rates. Results patterns indicate a generally positive, if somewhat modest, impact of the SUTF on outcomes such as graduation, certification, and post-program employment rates. While not all differences between fund recipients and non-recipients were statistically significant, the descriptive patterns indicate more favorable outcomes for fund recipients. Overall, these results indicate that there is promise in providing stipends to learners that include financial support payments.

Introduction

One of the most significant and clear learnings from SkillUp's first two years is the financial burden faced by workers looking to upskill. Those who recognize upskilling as a critical next step in their career are often deterred by program costs or the need to cover living expenses while training for a new career. For this exact reason, in partnership with Social Finance, SkillUp launched the SkillUp Together Fund in February 2021. The fund was launched with the goal of connecting low-income individuals to $1,000 in grant funding to help lower the barrier to enrollment in high-quality programs in promising career pathways. To qualify for the grant, the recipient had to be over 18 years of age, not have a bachelor's degree, and have earned less than $40,000 in the prior year. At the time of launch, the SkillUp Together Fund partnered with training providers that were vetted for alignment with the target population, outcomes, and data sharing standards. The funds were provided directly to the training providers to administer to qualified students, and the use of the grant included direct cash stipends to students, tuition reduction, and other wrap-around services.

Although many studies have evaluated the overall impact of workforce development programs that include stipends, few have studied the isolated impact of financial support payments. Of these analyses, many have found that stipends allow those most at risk of financial difficulties to stay enrolled in and benefit from training. For example, MDRC's 2012 summary of the outcomes of the Employment Retention and Advancement project found that "[e]arnings supplements, tied to job retention and that help to make low wage work pay, ideally coupled with job coaching, can promote sustained employment and advancement" while "[b]y themselves, counseling and referrals to services to help people stay employed do not appear to increase employment retention and advancement." A 2015 review of research in workforce development found that stipends were particularly important for "low-income parents—especially single parents—...to make it possible to enter and remain in training programs."

That said, the evidence base is limited - and in fact, we think it might be non-existent - on the impact of cash supplements used for social support services (e.g., childcare or transportation) and other non-cash items (e.g., equipment and supplies). This research seeks to address these knowledge gaps by analyzing outcomes for learners who were fund recipients compared to non-recipients.

Funding for this research
provided by
BARCLAYS

Methods

Dataset

Data from two providers was shared to support the analysis and include learners enrolled in programs from 2021-2022. Variables in the dataset include relevant learner demographics such as gender, race, age, and educational attainment. Outcome variables available from both providers (A and B) included graduation status, certification received, employment in tech, and time to obtain an initial job. The second provider (B) was able to share 3- and 6-month post-program employment status. To promote parity with SUTF selection criteria, learners with bachelor's or advanced degrees were removed from the analysis. Only learners who graduated from their programs were included in outcomes related to employment based on the design of the programs, however, all eligible learners were included in the certification data because some learners may pursue certification despite not graduating from a program.

The final sample included 2030 learners in total: 312 learners from Provider A including 167 SUTF recipients, and 1718 learners from Provider B including 210 SUTF recipients.

Demographics

Gender	Percent of Sample
Female	28%
Male	68%
Nonbinary	1%
Race	
Black or African American	47%
Hispanic or Latino	18%
East Asian or Asian American	12%
White	10%
Other Race	7%
Native Hawaiian or Other Pacific Islander	1%
Educational Attainment	
High School or GED 38%	38%
Vocational Degree 2%	2%
Associates Degree 14%	14%
Age	
Mean age in years	27

Analytic Approach

Multiple analytic approaches were considered and tested to ensure a comparable comparison group for the SUTF recipients, including weighting by inverse propensity scores. Data were analyzed in aggregate, controlling for provider, and split by provider. The final analyses shared in this report were chosen based on simplicity and parsimony.

Binary logistic regression was used for all outcomes except time to obtain an initial job, for which multivariate linear regression was used given the continuous nature of that variable. Control variables included race, gender, education, and age. All analyses are reported separately by provider.

Results

Summary Table

Outcome	Provider A			Provider B		
	Fund Recipient	Non-Recipient	Significant Difference	Fund Recipient	Non-Recipient	Significant Difference
Graduation rate	61% N=138	48% N=120	N	**85% N=210**	**71% N=1508**	**Y**
Certification rate	**65% N=167**	**50% N=145**	**Y**	**64% N=210**	**57% N=1508**	**Y**
Employment in tech rate	45% N=56	48% N=29	N	92% N=117	92% N=639	N
Time to obtain initial job	60 days N=57	72 days N=29	N	40 days N=117	44 days N=639	N
3-month employment rate	n/a			**45% N=210**	**31% N=1508**	**Y**
6-month employment rate	n/a			**46% N=210**	**32% N=1508**	**Y**

Graduation Rates

Results varied by provider with respect to the impact of funding on graduation rates. For Provider A, the overall model including demographic variables and fund recipient status did not explain significant variance in graduation rates ($\chi^2(14) = 11.36$, $p > .05$, Nagelkerke $R^2 = .07$). **Descriptively, fund recipients were 1.56 times more likely to graduate than non-recipients, but this difference is not statistically significant** (Wald $\chi^2(1) = 2.41$, $p > .05$). For Provider B, the overall model including demographic variables and fund recipient status did explain significant variance in graduation rates ($\chi^2(15) = 61.22$, $p < .001$, Nagelkerke $R^2 = .05$). Fund recipient status explained significant variance in graduation rates, such that **recipients were 2.4 times more likely to graduate** than non-recipients (*Wald* $\chi^2(1) = 17.95$, $p < .001$).

Certification Rates

Results varied by provider with respect to certification rates. For Provider A, the overall model including demographic variables and fund recipient status did not explain significant variance in certification rates ($\chi^2(14) = 13.66$, $p > .05$, Nagelkerke $R^2 = .07$). However, fund recipient status did explain significant variance in certification rate (*Wald* $\chi^2(1) = 5.02$, $p < .05$), with **fund recipients being 1.79 times more likely to have received a certification than non-recipients**. For Provider B, the overall model including demographic variables and fund recipient status also explained significant variance in certification rates ($\chi^2(15) = 101.19$, $p < .001$, Nagelkerke $R^2 = .07$). Fund recipient status explained significant variance in certification rates, such that **recipients were 1.5 times more likely to receive a certification** than non-recipients (*Wald* $\chi^2(1) = 6.48$ $p < .05$).

Because some learners may pursue certifications without fully completing and graduating from a program, models were also run to account for the impact of graduating from a program on certification rates. **After controlling for graduation status, a learner's fund recipient status was no longer a significant predictor of certification rate for either provider** (Provider A: overall model $\chi^2(14) = 212.97$, $p < .001$, Nagelkerke $R^2 = .78$; recipient status *Wald* $\chi^2(1) = 0.23$, $p > .05$. Provider B: overall model $\chi^2(15) = 780.88$, $p < .001$, Nagelkerke $R^2 = .47$; recipient status *Wald* $\chi^2(1) = 0.01$, $p > .05$.).

Employment in Tech Rate

Results varied by provider with respect to tech employment rates for learners. For Provider A, the overall model including demographic variables and fund recipient status did not explain significant variance in tech employment rates ($\chi^2(2) = 13.37$, $p > .05$, Nagelkerke $R^2 = .20$). Fund recipient status did not explain significant variance in tech employment rate (*Wald* $\chi^2(1) = 0.06$, $p > .05$). For Provider B, the overall model including demographic variables and fund recipient status also did not explain significant variance in tech employment rates ($\chi^2(2) = 15.04$, $p > .05$, Nagelkerke $R^2 = .04$). Fund recipient status did not explain significant variance in tech employment rates (*Wald* $\chi^2(1) = 0.03$, $p > .05$).

Time to Obtain an Initial Job

For Provider A, the overall model including demographic variables and fund recipient status did not explain significant variance in time to obtain an initial job ($F(12, 82) = 1.31$, $p > .05$, adjusted $R^2 = .04$), nor was there significant variance explained by fund recipient status ($\beta = -0.04$, $p > .05$). Similarly, for provider B, the overall model did not explain significant variance in time to obtain an initial job ($F(14, 815) = 1.02$, $p > .05$, adjusted $R^2 = .000$), nor was there significant variance explained by fund recipient status ($\beta = -0.03$, $p > .05$).

Three-Month Employment Rate

For Provider B, the overall model including demographic variables and fund recipient status explains significant variance in 3-month employment rates ($\chi^2(2) = 47.41$, $p < .05$, Nagelkerke $R^2 = .04$). Fund recipient status explained significant variance in 3-month post-program employment rates, such that **fund recipients were 1.84 times more likely to be employed 3 months after the program** than non-recipients (*Wald* $\chi^2(1) = 15.69$, $p < .001$). Provider A did not provide data for this outcome.

Because certifications can improve the likelihood of employment, a model was also run to account for the impact of certification status on 3-month employment rates. Results indicated that even **after controlling for certification status, fund recipients were 1.69 times more likely to be employed 3 months after program completion** (overall model $\chi^2(15) = 224.19$, $p < .001$, Nagelkerke $R^2 = .16$; recipient status *Wald* $\chi^2(1) = 10.39$, $p > .01$).

Six-Month Employment Rate

For Provider B, the overall model including demographic variables and fund recipient status explains significant variance in 6-month employment rates ($\chi^2(2) = 54.65$, $p < .001$, Nagelkerke $R^2 = .04$). Fund recipient status explained significant variance in 6-month post-program employment rates, such that **fund recipients were 1.79 times more likely to be employed 6 months after the program** than non-recipients (Wald $\chi^2(1) = 14.51$, $p < .001$). Provider A did not provide data for this outcome.

Because certifications can improve the likelihood of employment, a model was also run to account for the impact of certification status on 6-month employment rates. Results indicated that **even after controlling for certification status, fund recipients were 1.65 times more likely to be employed 6 months after program completion** (overall model $\chi^2(15) = 216.46$, $p < .001$, Nagelkerke $R^2 = .16$; recipient status Wald $\chi^2(1) = 9.49$, $p > .01$).

Discussion

Results patterns indicate a generally positive, if somewhat modest, impact of the SUTF on outcomes such as graduation, certification, and post-program employment rates. While not all differences between fund recipients and non-recipients were statistically significant, the descriptive patterns indicate more favorable outcomes for fund recipients.

Across both providers, there was evidence that the funding increased the likelihood of graduating from the program, with similar effect sizes for both providers and a statistically significant result for the Provider B analysis. This is one of the more proximal outcomes this funding was designed to support, as it aims to offset some of the financial difficulties that may prevent learners from maintaining their enrollment.

The impact of funding on certification rates was statistically significant for both providers. However, analyses indicated that the primary driver of certification rate was graduating from the program. Once graduation status was controlled for, recipient status was no longer a significant factor in certification rates. This finding indicates that these programs do have a strong, positive effect in preparing learners for the certification exams, and it may indicate the primary value of learner funding is more directed toward supporting graduation from these programs.

Outcomes for post-program employment at 3- and 6-months were also more positive for fund recipients than non-recipients, even after controlling for whether the learners received a certification. The pattern of results was similar across these two outcomes because of the learners who were employed at 3 months, 92% were still employed at 6 months. One potential implication of this finding is that the programs offered by this provider may include job-relevant skills that improve employability and that fund recipients are particularly benefited by this training and support. There are certainly other factors involved here to help explain this relationship and future research should continue to investigate the specific mechanisms by which learner funding supports employment.

Limitations

Results for employment in the technology industry and time to obtain an initial job were generally positive for fund recipients but not statistically different from non-recipients. For both providers, the data were less robust for these outcomes compared to the other outcomes, which presents challenges for drawing clear conclusions about the impact of funding for these outcomes.

One potential source of bias in the methodology may stem from variance in how learners were selected as fund recipients. The minimum selection criteria for the fund were consistent across learners and providers, requiring learners to be at least 18 years old, have less than a bachelor's degree, and earn less than $40,000 annually. Beyond those criteria, decisions about to distribute the funds to learners was at the discretion of the providers. Based on work done by Per Scholas to understand the impact of the fund for their learners[1], we know that it is possible that selection processes that required learners to take the initiative to apply for the funding could be a form of selection bias in that these learners may be more likely to demonstrate effort and potentially be more highly engaged in the program. Conversely, there are selection methods, e.g., risk of program non-completion, that could represent a form of selection bias where the resulting group could be less likely to experience favorable outcomes. Based on the available data, steps were taken analytically to correct and control for this possibility, but selection bias for fund recipients is still a potential explanation.

One of the original aims of this research was to explore the use of funds across providers and the impact on desired outcomes. Providers did have some level of discretion around how funds were distributed, and it is reasonable to assume that there may be more or less effective approaches. Unfortunately, we did not receive the level of participation hoped for across providers to be able to more precisely model these differences. Future research should continue these efforts.

Overall, these results indicate that there is promise in providing stipends to learners that include financial support payments.

[1] Do Direct Financial Supports / Stipends Impact Our Learners' Key Performance Indicator (KPI) Outcomes? (perscholas.org)

SKILLUP

www.skillup.org