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Final Findings from the Career Impact Bonds Study

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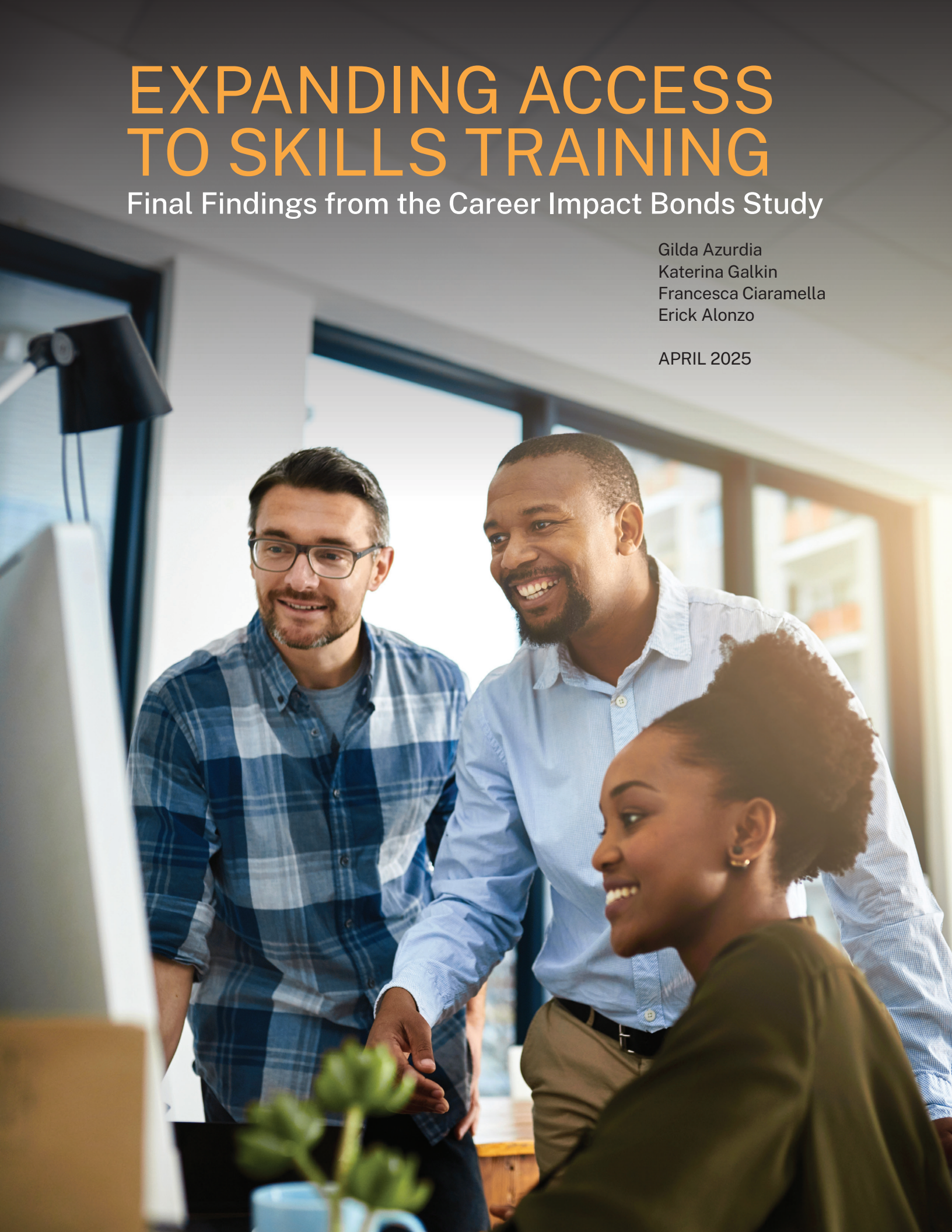
APRIL 2025



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mdrc
BUILDING KNOWLEDGE TO IMPROVE SOCIAL POLICY

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OVERVIEW

Skills training offers a promising route to higher-paying jobs and career growth, especially in industries with a demand for skilled workers, such as healthcare, information technology, and advanced manufacturing. However, individuals with low incomes may find it difficult to access skills training programs due to financial barriers, the limited availability of free training programs, and the lack of financial aid options for many workforce development programs. To help address these challenges, Social Finance, a national nonprofit organization that designs workforce and education investments, launched the UP Fund in 2020. The UP Fund created a pilot program of the Career Impact Bond (CIB) model, which provides funding for individuals to enroll in sector-focused skills training programs with access to career and support services. The model allows individuals to finance their tuition without having to pay up-front costs.

With support from Strada Education Foundation, MDRC studied early iterations of the UP Fund's CIB model at four training providers that used income share agreements (ISAs) as the central financing mechanism. Under the terms of an ISA, learners commit to paying a fixed percentage or amount of their future income over a set term and up to a capped amount. Learners only make payments toward their ISAs when they have earnings above a predetermined minimum income threshold. This report presents the final findings from the CIB study, which included an implementation study and an outcome study, and is among the first to provide evidence on the use of ISAs.

Key Findings

The CIB model demonstrates the potential for expanding access to short-term occupational training programs for individuals from low-income backgrounds who would not have been able to afford the programs otherwise. Evidence suggests that CIB learners were more likely to be from lower-income backgrounds and underrepresented groups compared with non-CIB learners. Training provider staff members noted that they could not have served many CIB learners without offering the ISAs, and learners reported difficulty affording the training programs without the ISAs.

Learners' satisfaction with the training experience varied by provider, with many appreciating the skills they learned, but also requesting more job placement support. Most CIB learners graduated from their training programs, and many found the skills they learned useful. However, some learners wanted more connections to employers, hands-on experience, or certifications to secure employment.

Learners generally found the ISAs to be less risky than traditional loans and appreciated some of the terms of the ISAs, but many learners also reported difficulty understanding or remembering the terms after they graduated. Learners generally appreciated the repayment arrangements, such as the grace period and minimum income threshold, but some struggled with the details of their ISAs and reported communication issues with the organizations, known as servicers, that were responsible for administering and managing the ISAs. For example, some learners did not understand the total amount they that would need to repay or mistakenly believed that they would not have to pay if they did not find a job in the industry they trained for.

Only about half of the learners in the ISA repayment phase were up to date on reporting their earnings to the ISA servicers, and less than half were current on their required ISA payments. All four training providers had servicer transitions over the course of the study, leading to communication issues that affected both staff members and learners. These disruptions may have had an impact on ISA payment and reporting requirements. In addition, as noted above, some learners struggled to understand the terms of their ISA, which may have led to them not report-

ing their earnings. Other learners may have had financial difficulties making payments, even if they met the minimum income threshold.

Available data indicate varied employment outcomes: while some learners secured jobs in their target industries and increased their income, others faced challenges finding employment or earning above the minimum income threshold. Due to the limited data on student earnings and the study's design, the study cannot conclusively assess the model's effects on earnings. Among learners with employer-backed ISAs who met their earnings reporting requirements, 99 percent earned above the $30,000 minimum income threshold. These learners were guaranteed a job after training, with employers making ISA payments as long as the individuals remained employed with them. Among those with a regular ISA, 71 percent earned above the minimum income threshold, which ranged from $30,000 to $50,000. Survey and interviews of a small subset of the sample revealed that some learners did not secure jobs related to their training and were experiencing financial challenges.

The study found some significant disparities in outcomes among different groups of learners. These differences were associated with characteristics such as age, race and ethnicity, and education level. Older learners, Black learners, and those without a college degree, were less likely to make ISA payments or stay up to date on reporting requirements, even after accounting for other factors. Similar trends were observed in employment and earnings above the minimum income threshold. Some of these disparities may reflect broader systemic inequities related to debt levels, wealth accumulation, earnings, and access to opportunities.

The CIB study is one of the first to demonstrate the potential of ISAs to improve access to short-term skills training for individuals from low-income backgrounds. While learners valued the ISA repayment arrangements, the study revealed a need for simpler terms, clearer communication, and better job placement support, as well as the importance of having servicers with the ability to address concerns and improve reporting and repayment processes. Future research should explore whether enhancing supports or adjusting the CIB model could address the challenges faced by specific learner subgroups.

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The Authors

INTRODUCTION

Skills training programs are viewed as an important path to higher-paying jobs and careers.[1] Learning specific skills, such as data analysis, project management, or coding, is also essential for career advancement and professional growth. Past research has found that sector training programs can work, although not all programs that have been studied have shown positive effects.[2] Evidence on what leads some programs but not others to produce earnings gains is still needed. However, short-term training programs can be an attractive option for individuals who want to gain specific skills and secure a quality job within a target industry. Such programs can involve a shorter time commitment and often cost less than many degree-granting programs. At the same time, there are many employers in need of skilled workers in industries ranging from information technology (IT) to manufacturing.[3] Short-term training programs can help fill this gap.

Despite the considerable potential of skills training programs to drive economic mobility, many individuals from low-income backgrounds face financial and other barriers (such as a lack of access to childcare) to accessing and completing such programs.[4] Options such as free training programs and Workforce Innovation and Opportunity Act training vouchers are limited.[5] Other options, such as career and technical education programs through post-secondary institutions or through for-profit workforce development programs, often do not provide financial aid, requiring individuals to pay out of pocket or secure private loans. Such options can carry considerable risk — or create prohibitive cost — for individuals seeking to gain specific skills and improve their employment opportunities. Even if individuals find a way to pay for their training, they still bear the risk that they may not complete the program or may not find high-paying jobs after graduation.

To address these issues, Social Finance, a national nonprofit organization that designs workforce and education investments, launched the UP Fund.[6] This $50 million initiative includes the Career Impact Bond (CIB) model, which is an alternative financing option for individuals enrolled at select training providers. The CIB model allows individuals to enroll in short-term,

1. Carnevale, Strohl, Ridley, and Gulish (2018); Klein, Rosen, Beal, and Salimi (2023). Skills training programs focus on teaching or developing specific proficiencies required for the workplace.
2. Hendra et al. (2016). Sector training programs are workforce development initiatives designed to provide industry-specific skills and training to job seekers, aligning with the needs of employers in a particular in-demand sector.
3. Levesque (2019); Mabel, Campbell, Nyhof, and Strohl (2024).
4. Irwin et al. (2023); Johnson, Bashay, and Bergson-Shilcock (2019); Adams, Spaulding, and Heller (2015).
5. The Workforce Innovation and Opportunity Act (WIOA) is a U.S. federal law that aims to improve workforce development systems by providing job training, employment services, and support for individuals with barriers to employment. WIOA emphasizes aligning workforce development programs with local and regional economic needs and promoting partnerships between education, workforce, and economic development systems.
6. Impact-first investments are designed to generate positive outcomes for people and communities.

sector-based skills training programs with access to career and supportive services, without paying up-front tuition. The central goal of the CIB model is to help individuals find well-paying jobs by increasing access to such programs. This study focuses on early iterations of the CIB model, which were deployed at four training providers identified by Social Finance and that use income share agreements (ISAs) as the central financing mechanism. Under the terms of an ISA, learners commit to paying a fixed percentage or amount of their future income over a set term and up to a capped amount. Learners only make payments toward their ISA when they have earnings above a predetermined earnings threshold.

The UP Fund and the Career Impact Bond Model

A key goal of the UP Fund and its CIB model is to increase access to quality training programs with supportive services to help improve employment and earnings outcomes.[7] The CIB model targets individuals from low-income backgrounds and individuals who belong to populations that are underrepresented in the training provider's industry or who may be more likely to face challenges in achieving economic mobility, such as those individuals without a four-year postsecondary degree, people of color, and veterans. Since these learners may have different needs than the learners usually selected through training programs' screening processes (described later in this report), training providers offer additional support services to help learners complete the program and succeed in the labor market. The CIB model aims to increase access to training programs for learners with otherwise limited financing options, such as learners with poor or minimal credit history.[8] These criteria provide a framework for the CIB model's target population.

Another element of the CIB model is to link students' payments for their training program to their success in finding employment. This design aims to reduce risks for learners and to provide incentives to training programs to focus on what happens to learners after they finish their training. With an ISA, if a learner finishes the training program but is then unable to find employment or has very low earnings (for example, below $40,000), the learner is not required to make payments. Furthermore, the amount that learners pay toward the cost of their training is directly tied to their earnings, meaning that lower earnings result in lower total payments. This design is intended to build in protections for learners, to keep payments relatively affordable by being in line with earnings, and to create a more direct stake for training programs (and investors) in learners' economic success. In the case of the financing arrangements in this study, the training programs receive a portion of funding from the UP Fund (referred to as "deferred fees") only when certain milestones are reached, such as the number of job placements above an earnings threshold or a certain amount of ISA payments from learners.

7. The CIB model has evolved since it was first deployed at the four training providers in this study. This report primarily discusses the early version that was created as part of the UP Fund initiative.
8. The CIB financing option did however include certain knock-out criteria and eligibility screening, described later in this report.

The ISA terms were negotiated between the training providers and the UP Fund. A third-party organization, known as an originator, typically assisted the training provider with an online application platform and back-office support to generate the ISA contracts. A servicer — usually a different organization — then collected payments from ISA recipients, kept track of payments that have been made and remaining payments, and facilitated repayment according to the financing arrangements.[9] After the terms were set, the originator, the servicer, or the training program marketed the ISA to learners and helped them understand the process and terms, ultimately leading to a signed agreement. In practice, the training provider's staff members usually had these discussions with students because conversations about enrollment and financial options are intertwined.

Income Share Agreements

ISAs are a financing option where individuals receive up-front funding to pay for their training and in return agree to pay a fixed amount or share of their future earnings for a specified period of time after graduation. There is a minimum income threshold (beneath which payments are not required) and a "grace period" after training before payments begin, creating some protections for learners that are not able to find jobs or that earn less than expected. Individuals that meet the minimum income threshold must make monthly payments, regardless of the industry or job in which that income is earned. In addition to a set payment term, ISAs also typically include a payment cap, which refers to the maximum amount learners are expected to pay. See Box 1 for common ISA terms and definitions.

The terms of an ISA are interrelated and must be considered together to estimate potential payments. This design means that learners can end up paying different amounts depending on their employment outcomes. Learners who steadily earn above the minimum income threshold will

BOX 1

Common Income Share Agreement (ISA) Terms

Minimum income threshold: The minimum earned income at which payments are required.

Income percentage: The fraction of earnings promised by individuals if earnings exceed the minimum income threshold.

Payment term: The length of the payment period.

Payment cap: The maximum amount an individual can pay under the terms of the ISA.

Grace period: The period of time after graduation during which an individual is not required to make payments.

Deferment: The process by which ISA payments are paused because of an individual's inability to pay.

Annual reconciliation: The process by which servicers verify that individuals are making the proper ISA payments.

9. Students report their income to the servicer, which then determines students' monthly payment amounts based on the agreed terms.

make continuous payments that increase as their incomes increase, but their total payments will not exceed a predetermined payment cap. Learners who are unable to find employment or who earn below the minimum income threshold will not make payments during those months, and their payment terms will end after a predetermined period regardless of how much has been paid. Additionally, there are other types of ISAs, referred to as employer-backed ISAs in this report, in which prospective participants are guaranteed a job with an employer, and the employer commits to making ISA payments as long as the individual remains with the employer. Figure 1 provides an example of how ISA payments could vary for two hypothetical learners that entered into similar agreements but have different employment outcomes.

ISAs are one potential financing option that can help learners access training programs with some protections and can help to better align incentives between education financing and learner outcomes. However, there is very little evidence about the effects of ISAs on learners' outcomes. Current research primarily describes the ISA market, the variation in ISA terms, and potential risks and benefits for learners.[10] Although the exact size and composition of the ISA market is not known, ISAs have most commonly been offered at institutions that are not eligible for federal student aid, such as workforce training programs, as well as at some colleges and universities (which sometimes use them to supplement student aid). ISAs experienced some growth in popularity in recent years as an alternative to more traditional loans and as a way for institutions to enroll more learners.

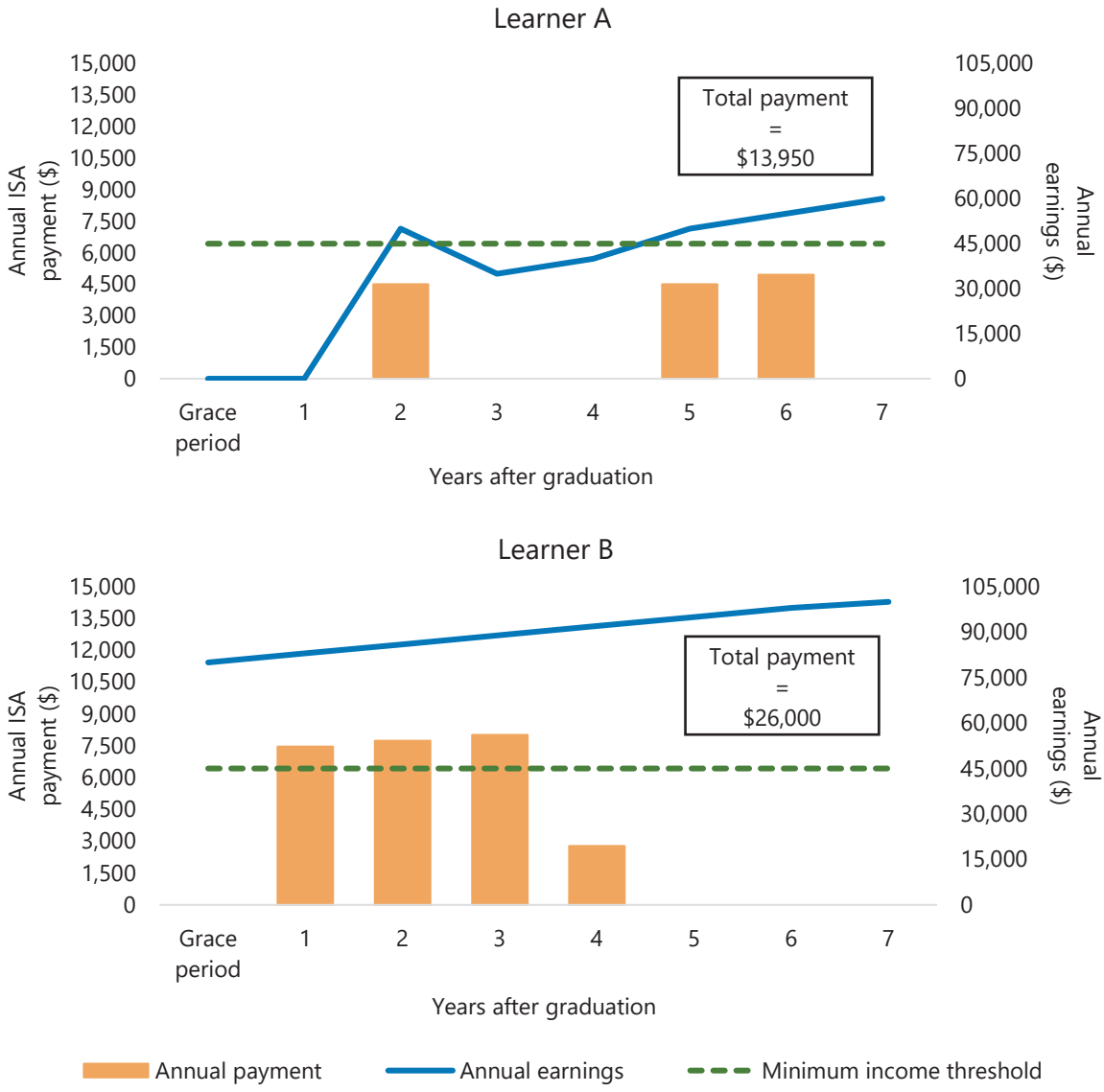
The potential benefits of these agreements include increasing access to workforce training for learners with limited financing options and providing some protection if learners struggle to find employment after graduation. Advocates also highlight that ISAs can create stronger incentives for training providers and those providing financing to make outcomes a priority by tying learners' payments to their earnings and learners' outcomes to program funding, thus better aligning education financing with labor market outcomes. Also, unlike traditional loans, ISA payments are based on income level; therefore, payments are expected to be manageable.

Critics argue that these agreements introduce considerable new risks, particularly for vulnerable populations who may be exploited and financially harmed by the terms of the agreements, potentially burdening them more than traditional loans. For instance, they contend that high-earning learners may pay more under an ISA than a traditional loan. Critics also highlight the difficulty prospective learners face in comparing and assessing ISAs given the variation in terms across institutions, the complexity of calculating potential payments (which are not always consistently disclosed or described), and the challenge of estimating total payments based on future earnings.[11] Furthermore, they argue that marketing practices, which often frame ISAs as "debt free" or as an alternative to loans, may lead individuals to enter into agreements with unfavorable terms. While payments are tied to earnings, critics maintain that ISAs still have the potential to become a financial burden when combined

10. Zaber et al. (2023); Ritter and Webber (2019).

11. Soetaert (2024).

Figure 1. Income Share Agreement (ISA) Payment Examples



SOURCE: MDRC calculations using example ISA terms and hypothetical earnings.

NOTES: Learners A and B sign an ISA for the amount of $20,000. The ISA terms include a 9 percent income share, six-year payment term, $45,000 minimum income threshold (MIT), and a maximum payment cap of 1.3 times the ISA amount.

Learner A only makes ISA payments (equal to 9 percent of their earnings) when earning above the MIT. Payments end at the end of the six-year payment term.

Learner B makes steady ISA payments because the learner is consistently earning above the MIT. Payments end once the maximum payment cap of $26,000 (1.3 times their ISA amount) is reached, resulting in fewer payments in the fourth year and payments ending early.

with other monthly expenses. To date, however, there has been little research or evidence to inform this debate.

The regulatory environment surrounding ISAs has also been fraught with uncertainty. As these agreements gained initial visibility and popularity as an alternative to traditional student loans, inconsistent regulatory guidance from federal and state authorities slowed dissemination. Some states classified ISAs as loans, subjecting them to strict consumer protection laws, while others treated them differently, leading to uncertainty regarding compliance and enforcement for students and institutions, including CIB study partners. A 2021 consent order issued by the federal Consumer Financial Protection Bureau against several private ISA providers concluded that the schools had violated federal law by falsely telling users that such agreements were not loans and did not create debt. The following year, the U.S. Department of Education issued guidance stating that ISAs would be considered private education loans.[12] More recently, turmoil in federal student loan policy following the COVID-19 pandemic has exacerbated uncertainty for both schools and learners, slowing the growth of these financing options.

The Training Providers

Social Finance selected training providers based on several factors, including strong learner employment outcomes, providers' ability to serve target populations, and their ability to align training with industry demand and employers' needs. Other important factors were the cost of the training programs and the training providers' ability to maintain the necessary cash flow to sustain and potentially scale the CIB model. The initiative's selected training providers were all for-profit organizations — Acuitus, Alchemy Code Lab, American Diesel Training Centers (ADTC), and Clinical Research Fastrack (CRF). They were chosen based on a combination of factors, including their alignment with the model's goals and their ability to meet financial and operational requirements.

The four training providers target a variety of industries and offer workforce training related to software and IT, diesel truck repair and maintenance, and clinical research management, as shown in Table 1. The programs include learners from across the United States, and except for ADTC, training is entirely or primarily online. The training programs range from 5 weeks to 23 weeks, although exact completion times can vary. Program costs range from $8,750 at CRF to $35,000 at Acuitus. Enrolled learners can pay for their training in different ways, such as out of pocket or using private loans, but this study focuses on learners who entered into an ISA to pay for training costs as part of the CIB initiative.

The terms of the ISAs in this study vary depending on training provider. The income share, or the percentage of earnings that learners committed to pay on a monthly basis, ranged from 9 percent to 9.5 percent of gross earnings, as shown in Table 2. One provider used fixed amounts for two different income bands. The maximum amount learners could end up paying,

12. Office of Postsecondary Education (2022).

Table 1. Overview of UP Fund Training Providers

Program Characteristics	Acuitus	Alchemy Code Lab	American Diesel Training Centers (ADTC)	Clinical Research Fastrack (CRF)
Program cost[a] ($)	35,000	24,000	10,000 - 11,743	8,750
Program length[b] (weeks)	22	23	5 - 10	5 - 11
Location	Nationwide	Nationwide	Iowa, Ohio, Montana, South Carolina, Washington	Nationwide
Type of training	Information technology	Software engineering	Diesel technician	Clinical research management
Services	Career services	Living expenses financed by the Career Impact Bond (CIB) model; career services	Toolset financed by CIB; employer-backed income share agreement; career services	Career services

SOURCE: Study training providers.

NOTES: [a]The ADTC cost of training is $10,000 without a toolset and $11,743 if a toolset is included.
[b]Program length can differ from the expected length for some participants. For instance, CRF's training program includes learning modules that students can access at their own pace and some Acuitus learners can pause their training and thus may take longer to complete the program.

or the payment cap, ranged from 1.3 times to 1.5 times the amount of their ISA. (Although the ISA does not include interest like a traditional loan would, a learner's total payments could exceed the original ISA amount due to the payment cap, which is set between 1.3 and 1.5 times the ISA.) The maximum ISA payment period ranges from 36 months to 72 months, and grace periods (the period after graduation before payments are required if the learner is earning above the minimum income threshold) range from 1 month to 6 months, except for ISAs that were sponsored by an employer, which do not include a grace period.

The four training providers incorporate several program components found in other training programs studied by MDRC, including an applicant screening process, an industry-informed curriculum, a cohort-based model, connections and referrals to employer partners, and technical and soft-skills support.[13] All programs offered some career services, ranging from assistance with preparing résumés to, in some cases, assisting with job applications and placements. Some programs included other services such as tutoring and mentoring, or had features such as the option to include an additional amount for living expenses (in the case of Alchemy Code Lab) or a diesel technician toolset (in the case of ADTC) as part of the ISA.

13. The cohort-based model is an approach commonly used in training programs where participants are grouped together to progress through a set of training sessions.

Table 2. UP Fund Income Share Agreement (ISA) Terms

ISA Terms	Acuitus	Alchemy Code Lab	American Diesel Training Centers (ADTC)	Clinical Research Fastrack (CRF)
Income share[a]	9%	9.5%	$30,000 to $40,000: $150 or $187 $40,000 and up: $280 or $317	9%
Payment cap (amount above the cost of the program)	1.3x	1.5x	1.3x	1.5x
Minimum income threshold ($)	45,000	50,000	30,000	40,000
Grace period (months)[b]	6	6	0 - 2	2
Repayment period (months)[c]	72	52 - 72	48	36

SOURCE: Study training providers.

NOTES: [a]Income share is the percentage of earnings that learners pay toward their ISA if their earnings exceed the minimum income threshold. ADTC learners pay a fixed amount by income band. The amount is higher if learners opt for a set of tools.

[b]For ADTC learners in the first investment round, the grace period is two months. For ADTC learners in the second investment round, the grace period is zero months if their ISA is employer-backed and one month if it is not employer-backed.

[c]For Alchemy learners, the repayment period is 72 months if the ISA amount includes living expenses and 52 months if it does not include living expenses.

ADTC is the only provider in the study that offered employer-sponsored ISAs, which included guaranteed job placement upon completion of the training program. The employer would then make the ISA payments as long as the learner remained employed with them. However, if a learner chose to leave the employer before the end of the agreement's four-year term, the learner would become responsible for the ISA payments and income reporting requirements. ADTC also had two distinct periods or "investment rounds" during the CIB initiative, the second of which expanded employer-sponsored ISAs, limited eligible campuses to two key locations, shortened the grace period, and switched to a 5-week full-time curriculum rather than the previous 5- or 10-week options.

RESEARCH DESIGN AND SAMPLE CHARACTERISTICS

The CIB model, as envisioned by the UP Fund, anticipated that the option of an ISA would help expand access to training programs for learners from low-income backgrounds and underserved populations, such as learners of color. The model further anticipated that after enrolling in vetted, high-quality training programs with supportive services, learners would obtain needed skills and successfully graduate, find employment with higher earnings and

growth potential in their target industry, and pay their ISA obligations. In addition, the terms of the ISA would be clearly communicated and understood by learners, and learners would find the payments to be affordable. In the longer term, the model anticipated that learners would have improved employment outcomes by being on career pathways with promising salary growth. Learners' ISA payments could in turn potentially support the sustainability and scalability of the model by recovering the cost of tuition and attracting additional investments. Outcomes were also expected to be equitable across learner subgroups.

Research Design

This study examines learners' experiences and outcomes as well as the feasibility, successes, and challenges of the CIB model. The three main goals of the CIB model that the study focuses on are:

- Increasing access to high-quality training programs for learners who have traditionally underenrolled in these programs, especially learners from low-income backgrounds and learners of color

- Improving completion and career outcomes by providing high-quality training and ensuring learners engage with support services to help navigate obstacles to completion

- Ensuring transparency and compliance by clearly communicating with prospective students about ISA payment commitments, terms, and obligations; and any potential downsides

There are two central components to the study. The first is an implementation study, which examined the program flow, operational challenges, and staff members' and CIB participants' experiences in the four training programs. The implementation study sought to learn who enrolled in the training programs, how much learners understood about their financing options, whether the training programs and ISAs met their expectations, and what help they received during and after the training program to find employment. The study also sought to understand how learners felt about their ISA obligations after the program.

The second component is an outcomes study, which follows participants over time and collects data to measure outcomes of interest, including employment and earnings, ISA payments, and financial well-being. Key items of interest include whether learners successfully completed their training and whether they were able to find jobs in their target industry (as well as the quality of those jobs), how they were doing financially after the training program was completed, and whether learners were successfully keeping up with the terms of their ISAs. The study also seeks to learn about the facilitators and barriers to both employment and ISA payments, as well as to examine any differences and inequities that may arise across learner subgroups (defined by gender, race and ethnicity, age, and education level).

The overall study, including both study components, provides valuable research findings about the CIB model, but it does not answer causal impact questions about the model's

effects on learners' outcomes. Additionally, the study only collected key employment and earnings information for a subset of the sample. Administrative records from ISA servicers rely on learners being up to date on reporting their employment status and earnings, and many did not report this information or did not keep up with the reporting requirements.

Data Sources

The study used a mix of qualitative and quantitative data sources to evaluate the CIB model, as shown in Box 2.

BOX 2

Data Collection Sources

The following sources contributed data to the study.

Participant Interviews

Longitudinal interviews
- Experiences with training programs and income share agreements (ISAs)
- Job search experiences and employment outcomes

Focus groups
- Experiences with training programs and ISAs
- Perspectives on ISA terms

Participant Surveys

Baseline survey
- Demographic information
- Education
- Income
- Understanding of ISA terms

Post-training surveys
- Training experiences
- Program completion and satisfaction
- Employment information
- Job satisfaction
- ISA experiences
- Financial well-being

Learning Collaborative

- Input on research activities and protocols
- Interpretation of findings
- Lived experiences

Administrative Data

- Program enrollment date
- Program completion
- ISA compliance
- Employment and earnings information

Staff Member Interviews

Social Finance
- Original expectations of the Career Impact Bond (CIB) model
- Experiences and future direction of the CIB model

Training providers and servicers
- Experiences with CIB participants
- Experiences with ISAs

Qualitative data included interviews with learners from different training providers and focus groups to capture diverse perspectives. A subset of learners was interviewed multiple times at various stages of the journey — during the program, at completion, and after completion — to understand these learners' evolving experiences. Additionally, interviews were conducted with training providers, servicers, and Social Finance staff members to gain insight into the design, implementation, and perceived effectiveness of the CIB model and ISAs.

Quantitative data sources included a baseline survey, administrative records from training providers and ISA servicers, and a follow-up survey. Administrative records from training providers contained demographic information and other participant details collected at enrollment, along with data on program enrollment and completion. Learners who enrolled after the study began often completed an enhanced baseline survey during enrollment, which provided additional measures for some sites and cohorts. Administrative records from servicers offered critical information on learners' employment, earnings, and ISA payment status, serving as the primary source for analyzing employment outcomes and payment trends.

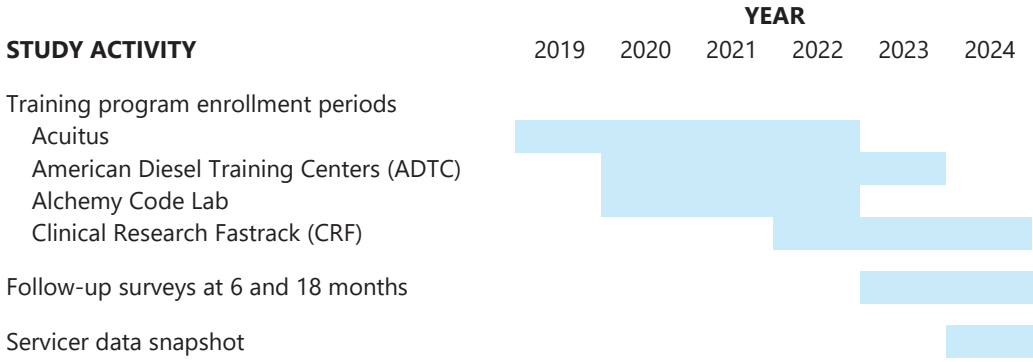
The **follow-up survey,** fielded by MDRC, targeted learners at least 18 months after enrollment (or 6 months for more recently enrolled cohorts). This survey sought to understand learners' experiences with their training programs, their employment and financial circumstances, their interactions with the ISA servicers, and their perspectives on the ISAs. While the follow-up survey provided valuable insight, the response rate was approximately 26 percent, ranging from 19 percent to 37 percent depending on the training program. Thus, the findings from this survey should be interpreted with caution. Nevertheless, the survey results offer meaningful insight into learners' experiences for a subset of the sample. The demographic characteristics of the survey respondents were similar to the larger CIB study sample, although respondents may have been more likely to report earnings and have made ISA payments. (See Appendix A for more details about the survey effort.)

Follow-Up Periods and Samples

For this report, the length of the follow-up period varies depending on the specific analysis and the data source used. Program enrollment periods spanned from 2019 to 2024: Acuitus began enrolling learners in 2019 and CRF joined the study in 2024, as shown in Figure 2. The survey was first fielded in March 2023 and targeted participants who had at least 18 months pass since enrolling in the program. To include the more recent cohorts at CRF, ADTC, and Alchemy, the survey was also administered to learners who had at least six months pass since enrolling in the program. The survey was sent to new cohorts when they reached either the 6-month or 18-month mark since enrollment.

Data from the servicers, on the other hand, provide a snapshot as of April 2024 of learners' employment status, earnings, ISA payments, and compliance. This analysis focuses on learners who have entered the repayment phase of their ISA — that is, learners who have exceeded the grace period (the period after graduation during which payments are not required) and are required to report earnings and make payments if their income exceeds the minimum income threshold.

Figure 2. Career Impact Bond Study Periods



SOURCE: MDRC calculations using training provider, servicer, and survey data.

Given the variation in enrollment and follow-up periods, the timing of data collection differs by learners. For example, Acuitus learners, along with some Alchemy and ADTC learners, generally completed the survey much later than others relative to when they began the program, and the servicer data reflect a later point in their ISA repayment phase.

In the analysis, results are typically pooled across providers to present an overall snapshot of learners' outcomes and experiences related to training, employment, and ISAs in the UP Fund's CIB initiative. However, due to significant differences in their design and repayment structures, results are disaggregated to examine outcomes for regular ISAs and employer-backed ISAs separately.

Learners' Characteristics

Learners' characteristics varied across training providers. Some of the variation may stem from the different roles and industries the programs target for training, as well as their eligibility criteria (discussed later in the report) and efforts by providers to specifically recruit learners from certain demographic groups. For example, at ADTC, which provides training for diesel truck repair and maintenance, most learners had a high school diploma or equivalent (almost 63 percent), and at Acuitus, Alchemy, and CRF, many learners had a bachelor's degree or higher (see Table 3).[14] Distributions by gender also varied distinctly and may reflect larger trends in the industries and professions targeted by the training programs, such as healthcare occupations employing a majority of women and occupations in IT and diesel truck maintenance employing a majority of men. For example, CRF, which provides training for clinical research management, is the only training provider in the study with a majority

14. CRF learners are more educated than typically seen in similar sector studies, with about 41 percent holding a master's degree or higher at enrollment (not shown). Many are immigrants with advanced degrees from outside the United States. CRF's admissions criteria also required at least two years of college credit, or a Licensed Practical Nurse or Medical Assistant credential, whereas other sites generally required only a high school diploma or equivalent.

Table 3. Overview of UP Fund Participants, Career Impact Bond Study

Characteristic	Acuitus	Alchemy Code Lab	American Diesel Training Centers (ADTC)	Clinical Research Fastrack (CRF)	All Sites
Gender (%)					
Female	21.0	33.1	6.4	70.4	20.3
Male	78.3	59.0	93.3	29.6	78.8
Nonbinary	0.7	7.9	0.3	0.0	0.9
Race/ethnicity[a] (%)					
Asian	11.4	5.6	1.6	11.2	4.9
Black	20.4	12.0	24.0	69.3	28.8
Hispanic	21.8	16.9	19.3	8.7	18.0
White	33.2	56.3	48.3	8.7	40.8
More than one race	4.8	8.5	4.1	0.8	4.1
Another race or ethnicity[b]	8.3	0.7	2.8	1.2	3.3
Average age at enrollment	34	29	27	37	30
Age at enrollment (%)					
18 to 24	15.2	19.3	53.9	9.4	37.8
25 to 34	43.0	67.3	29.6	38.5	36.5
35 to 44	25.2	10.7	11.4	27.5	16.0
45 or older	16.6	2.7	5.1	24.6	9.7
Highest level of education completed[c] (%)					
High school, GED, or less	13.8	12.1	62.7	0.0	41.9
Some college	49.3	37.4	21.0	2.5	24.4
Vocational or trade program	4.7	6.5	9.5	4.6	7.8
Associate's degree or other two-year degree	8.1	3.7	3.1	6.2	4.4
Bachelor's degree or higher	24.2	40.2	3.7	86.7	21.5
Sample size	302	151	1,043	248	1,744

SOURCE: MDRC calculations using information collected from training providers and MDRC's baseline survey, as of April 2024.

NOTES: Sample sizes may vary for some measures due to missing information.
Rounding may cause slight discrepancies in calculating sums.
[a]Race and ethnicity categories are mutually exclusive.
[b]Other reported races and ethnicities include Middle Eastern or North African, American Indian or Alaska Native, and Native Hawaiian or Pacific Islander.
[c]Educational attainment information is missing for 36 percent of Alchemy learners. Among CRF learners, 41 percent have a master's degree or higher.

of female learners (about 70 percent), while the other programs enrolled more male learners (particularly ADTC, where some 93 percent of learners were male). However, some providers have made efforts to improve gender diversity, compared with their larger industries.

Distributions also varied by age and race and ethnicity, both within and across sites. Across the training providers, learners were an average of 30 years old at enrollment but ranged from 18 years old to over 45 years old. Learners at ADTC and Alchemy tended to be younger while learners at Acuitus and CRF tended to be older. Across sites, about 41 percent of learners identified as White, about 29 percent identified as Black, and about 18 percent identified as Hispanic. Fewer than 5 percent of learners identified as Asian, as more than one race, or as another race or ethnicity, respectively. (Other reported races and ethnicities included Middle Eastern or North African, American Indian or Alaska Native, and Native Hawaiian or Pacific Islander). Notably, CRF stands out for attracting an older, more educated immigrant female population. While it is unclear whether this was by design or driven by word of mouth, the unique demographics of this provider are worth highlighting.

Table 4 provides some additional characteristics at enrollment for sites where learners completed a more extended baseline survey. In ADTC, Alchemy, and CRF, about 90 percent of learners had been employed at some point in the 12 months before enrollment, with average earnings of just under $30,000 among those with any employment. However, only 56 percent were employed at the time of enrollment, and this varied by site from only about 16 percent among Alchemy Code Lab learners to almost 60 percent among ADTC learners. The extended survey also shows that about a third had a spouse or partner in their household, and about half of learners had children. Household incomes ranged from under $30,000 for about 40 percent of households, to over $80,000 for a smaller subset (about 11 percent). Some learners also reported material hardships, with about 20 percent of learners being worried about having stable housing in the coming months, and about a quarter experiencing some food insecurity. About a third were concerned about getting by financially while enrolled in training and felt they had an overwhelming amount of debt.

CAREER IMPACT BOND MODEL IMPLEMENTATION AND TRAINING PARTICIPATION

This section discusses the implementation of the UP Fund's CIB model in all four training providers, focusing on learners' experiences with their training providers, their experiences signing up for an ISA, and implementation successes and challenges. The data sources for this section include interviews, focus group discussions, enrollment data from training providers, and survey responses. As noted earlier, the CIB model anticipated that the ISA option would increase access to training for learners from low-income backgrounds and underrepresented groups of learners, and that learners would obtain the necessary skills and supports to graduate and find employment with higher earnings and growth potential in their target industry. It is also expected that the terms of the ISA would be clearly explained and well understood by learners and that they would find the payments to be affordable and manageable.

Table 4. Financial and Household Circumstances at Enrollment for UP Fund Participants

Characteristic	Alchemy Code Lab	American Diesel Training Centers (ADTC)	Clinical Research Fastrack (CRF)	All Three Sites
Employment				
Ever employed in the 12 months before enrollment (%)	76.9	95.7	72.8	90.6
Employed at enrollment (%)	15.7	59.4	52.8	55.9
Average earnings from employment over the past 12 months, among those with any employment ($)	20,827	28,489	37,877	29,207
Household				
Have a spouse or partner living in the household (%)	34.0	30.3	41.5	31.9
Average number of adults in the household (including self)	2	2	4	3
Any children (under 18 years old) in the household (%)	15.6	55.5	52.2	52.3
Total household income (%)				
$0 - $14,999	36.4	18.7	22.5	20.2
$15,000 - $29,999	22.7	21.6	10.9	20.4
$30,000 - $49,999	25.8	32.1	33.3	31.8
$50,000 - $79,999	10.6	16.2	20.9	16.4
$80,000 or higher	4.5	11.5	12.4	11.2
Material hardships				
Lived in stable housing in the past two months (%)	98.7	92.4	87.6	92.2
Worried about not having stable housing in next two months (%)	14.1	16.5	29.9	17.9
In the last six months, ever (%)				
Ate less because there wasn't enough money for food	38.6	25.2	26.8	26.2
Hungry but didn't eat because there wasn't enough food	31.0	22.7	15.8	22.4
Financial Situation and Supports ("Agree" or "Strongly Agree")				
Worried about getting by financially while enrolled in training (%)	43.6	27.1	42.0	30.1
Amount of total debt is overwhelming (%)	34.0	31.0	48.2	33.2
Would have been very difficult to pay for training without an income share agreement (%)	96.7	76.4	92.6	79.6
Received sufficient information on financing options and on how an income share agreement works, before signing up for one (%)	94.5	82.5	85.8	83.8
Have access to the internet and have the technology necessary to complete coursework, apply for jobs, and make payments online (%)	100.0	88.4	95.7	90.2
Sample size	111	1,043	247	1,401

(continued)

Table 4 (continued)

SOURCE: MDRC calculations using information collected from training providers and from MDRC's baseline survey, as of April 2024.

NOTES: Sample sizes may vary for some measures due to missing information.
The sample for this table includes ADTC, Alchemy, and CRF learners that provided additional demographic information such as household characteristics, employment, or financial situation. This additional information is available for about 50 percent of Alchemy and CRF learners (except for employment status, which is available for 90 percent of CRF learners).

Enrollment Process

Since the start of the initiative in 2019, over 1,900 learners have enrolled in the four training programs and have entered into an ISA.[15] The offer to finance the training program with an ISA was consistently marketed and successfully integrated into training program operations, with training providers working with originators and servicers (third parties that generate and manage ISA contracts for learners signing an ISA) to provide information about the ISA and conduct the relevant screening. Prospective learners found out about the program through different sources, such as online searches or advertisements on websites and social media. Before enrolling in training program with the provider, most learners reported investigating multiple options for higher education or short-term training programs. Many discussed their options with their family and friends before making any decisions, primarily because of the financial commitment (to either pay the program's tuition or enter into an ISA), which they considered important.

Although a key goal of the UP Fund's CIB model is to increase access to training programs, learners still have to go through a multistep screening and application process before being admitted (similar to other workforce training programs). The exact criteria varied by program, but applicants generally had to be at least 18 years old, have a high school diploma or equivalent, and be a citizen or permanent resident or be eligible for Deferred Action for Childhood Arrivals (DACA).[16] At CRF, applicants had to be at least 21 years old and have at least 60 credit hours or a licensed vocational nurse diploma or medical assistant certification. In addition to meeting program eligibility criteria, applicants also had to complete interviews and, in some cases, written assessments.

15. The study focuses on learners who financed their training using an ISA, but training programs in the study also enrolled learners who financed their training either out of pocket or using private loans. The portion of learners who used an ISA to pay for the training varies across providers, ranging from almost all learners at ADTC to about half of learners at CRF.

16. Deferred Action for Childhood Arrivals (DACA) is the allowance for "certain people who came to the United States as children and meet several guidelines to request consideration of deferred action for a period of 2 years, subject to renewal," including eligibility for work authorization. Some threshold criteria include (1) were under the age of 31 as of June 15, 2012; (2) came to the United States before reaching 16 years old; and (3) have no lawful immigration status. See U.S. Citizenship and Immigration Services (2025).

Similar to other training programs that have been studied by MDRC, the drop-off between screening and application stages was at times significant, although it was not clear how much was due to applicants losing interest in the program and how much was due to not successfully completing a stage. For example, at Acuitus, out of over 3,000 individuals who completed an initial questionnaire, just over 1,000 completed interviews, about 500 completed written assessments, and ultimately about 400 learners were admitted (including both CIB and non-CIB participants). At ADTC, less than a fifth of prospective learners who completed telephone interviews went on to complete in-person interviews, and just under a quarter of interviewees were admitted, representing a more selective enrollment process.

To be considered for a training program and enter into an ISA, learners had to meet additional eligibility criteria and go through another application process. One key criterion is that learners had to have a certain income level (equal to or below 75 percent of their state's median income by family size) for at least three months in the two-year period before applying.[17] In addition, learners could not be actively involved in bankruptcy proceedings, have payments in arrears greater than $5,000 for any accounts, or have other ISA obligations that would result in paying an aggregate income share greater than 20 percent of their earned income in any given month.[18] These additional criteria were intended to protect learners from entering into an agreement where payments would probably cause financial hardship and to reduce risk, but they also limited the number of learners eligible for the training programs.

Learners generally discussed the ISA and financing options for their training program during the recruitment and enrollment process. At ADTC, according to enrollment staff members, the opportunity to apply for an ISA was mentioned throughout the outreach and recruitment process, as well as in recruitment videos, and the agreements were also explained during enrollment to make sure that learners had a clear understanding of the financial instrument. Learners with employer-backed ISAs were also interviewed by the employer, who issued an approval. Formal ISA materials were also provided by the originators. Applicants who met initial CIB eligibility criteria were referred to an ISA application portal where they formally applied for the ISA.

At ADTC and Alchemy Code Lab, prospective obligors could further choose whether to include an additional supportive option as part of their agreement for an extra cost — a diesel technician toolset in the case of ADTC (the lack of which can be a barrier to finding employment in the field), and a living stipend in the case of Alchemy. Of those who were referred to and submitted an application, about 80 percent ultimately executed their agreement.

17. There were some exceptions, as certain learners who were not from low-income backgrounds were allowed to enroll if they were unable to do so using other types of loans offered by the training providers.

18. Screening for criteria such as accounts in arrears was the responsibility of loan originators, who generally did soft credit inquiries (which do not impact credit scores) to look at obligations recorded by the credit bureaus. Other information for eligibility screening was generally reported by applicants.

Access to Training Programs

Although all training programs conducted intensive screening, and not all applicants were eligible, the CIB model probably increased access to training for individuals who might not have been able to afford it otherwise. Among ADTC, Alchemy, and CRF learners who completed the more extended baseline survey, about 80 percent agreed or strongly agreed that it would have been very difficult to pay for their training program without an ISA, ranging from 76 percent of ADTC learners to 97 percent of Alchemy learners (see Table 4).

When asked about considering other financing options for the training, one interviewee said, "I had no savings." Another participant said, "[I] probably would have taken [out] a loan, but it would have been risky because of the interest," so the participant opted for the ISA. Furthermore, CRF learners who signed up for an ISA were more likely to be from lower-income backgrounds than CRF learners who did not use an ISA. (To be eligible for the CIB program, learners' incomes had to be below a certain threshold.) Servicers also agreed in interviews that ISAs expanded access for people with limited credit histories and those with adverse credit events in the past. Similarly, ADTC staff members viewed the employer-backed ISAs as a way to get participants into the industry and employed quickly, while avoiding post-training debt and mitigating the burdensome commitment of training for months without pay.

From interviews, almost no learners expressed that they had received other options such as financial aid or traditional loans, and most learners shared that they did not explore other options to pay for the training programs besides the ISA. Some reasons for not exploring other options included not being told or being generally unaware of other options, being content with the ISA terms (such as the grace period and minimum threshold), seeing traditional loan terms as riskier, or not being eligible for other loans. From interviews, some participants mentioned trying to get a more traditional loan and not being able to or being advised that the ISA was their only option. As one participant explained, "It was more of 'you had to do it this way.' People were doing it for training. I understand that I need to make $280 a month toward ISA payments. I wasn't presented with other options."

There is also some evidence that the CIB model may have increased access to training for a more diverse group of learners. One of the training providers, CRF, provided some insight into demographic differences between CIB and non-CIB learners (that is, those who paid for their training program using an ISA versus those who paid out of pocket or used private loans). For example, CIB learners were more likely to identify as Black compared with non-CIB learners and may have been more likely to be immigrants, based on a larger percentage reporting that their college degrees were attained in other countries (including Haiti, Nigeria, and Sierra Leone, among other countries). CIB learners also reported lower levels of earnings and household income and were more likely to report experiences of material hardship such as food insecurity. These variations suggest that the ISA option was more commonly taken up by learners with greater financial need and may have made the training program accessible to a larger set of learners, including learners with lower-income backgrounds and learners of color.

Understanding the Terms of Income Share Agreements

A key aspect of the UP Fund's CIB model is that the ISA is to be clearly explained and well understood by learners. This understanding is important because learners are entering into a multiyear financial contract and need to know what is required of them to comply with the terms of their agreement. Information about ISAs was shared during marketing campaigns to recruit students and reiterated at other stages, such as during enrollment and toward the end of the training program. Different staff members were involved with managing ISA accounts and navigating payments, including enrollment specialists, career specialists, and instructors. These staff members often met with students in virtual meetings or communicated via email to discuss questions regarding the agreement, and staff members emphasized that the agreement would not require any up-front payments or impact a learner's credit score.

Although about 84 percent of learners reported that they received sufficient information on the ISA at the time of enrollment (see Table 4), follow-up surveys and interviews revealed that some learners had difficulty remembering some terms and there were occasional misconceptions. Findings suggest that some learners misunderstood the terms, failed to retain information, or experienced confusion about reporting requirements and repayment terms. For example, among survey respondents (with a response rate of 26 percent), about 71 percent agreed that they knew when and how to pay back the ISA and how much their monthly payments would be (see Table 5). However, only 58 percent agreed that the ISA terms were easy to understand. Furthermore, about 20 percent of respondents said that they either didn't or weren't sure whether they had signed an ISA (not shown).

Interviewees generally remembered terms such as the grace period, were aware of the threshold that would trigger payments, and understood that the agreement would not hurt or improve their credit score. However, they also reported some instances of misunderstanding or miscommunication. For example, one interviewee noted discrepancies between the training provider's explanation of the income thresholds and that of the ISA servicer. The interviewee recalled that the training provider had stated repayment would begin once the interviewee had secured a job paying $70,000 to $80,000, whereas the servicer may have indicated a lower threshold of $40,000 to $50,000. The interviewee wished that the servicer had clearly explained the terms at the start of the program. Several other interviewees said they were under the impression that payments were only required if they were employed in the industry targeted by the training program, whereas payments are based on earnings, regardless of industry.

Most of the interviewees with employer-backed ISAs understood that they would be responsible for repayment if they left their employer, although they demonstrated less collective clarity on other terms of the ISA, such as the minimum income threshold and the monthly payment amount. Survey respondents with employer-backed ISAs were also less likely to remember signing an ISA, compared with learners with a regular ISA. This difference may stem from the fact that employers make payments on behalf of learners while they remain employed with them, reducing the learner's need to closely understand the agreement's terms. As one interviewee said, "[ISA] payments are not coming out of my paycheck. [My employer] covers them. I just get confirmation emails that [the payments] went through."

Table 5. Follow-Up Survey: UP Fund Participant Income Share Agreement (ISA) Experiences

Outcome	Employer-Backed ISAs	Regular ISAs	All ISAs
Ever took out an ISA (%)	72.7	81.0	78.0
Ever contacted a servicer to get help or information (%)	31.3	78.0	62.1
Satisfied with efforts by the servicer's staff to give needed information or help resolve problems (%)			
Extremely or very satisfied	62.2	40.3	47.1
Somewhat satisfied	26.8	35.4	32.7
Not at all satisfied	11.0	24.3	20.2
Agree or strongly agree (%)			
Find ISA terms easy to understand	69.1	52.5	58.0
Know when and how to pay back ISA	71.4	70.6	70.9
Know how much to pay each month	69.4	72.3	71.3
Know how much the total payment will likely be	69.4	67.7	68.3
Know to provide updated income information annually	66.7	77.2	73.7
Sample size	150	264	414

SOURCE: MDRC calculations using the 6- and 18-month follow-up surveys, as of April 2024.

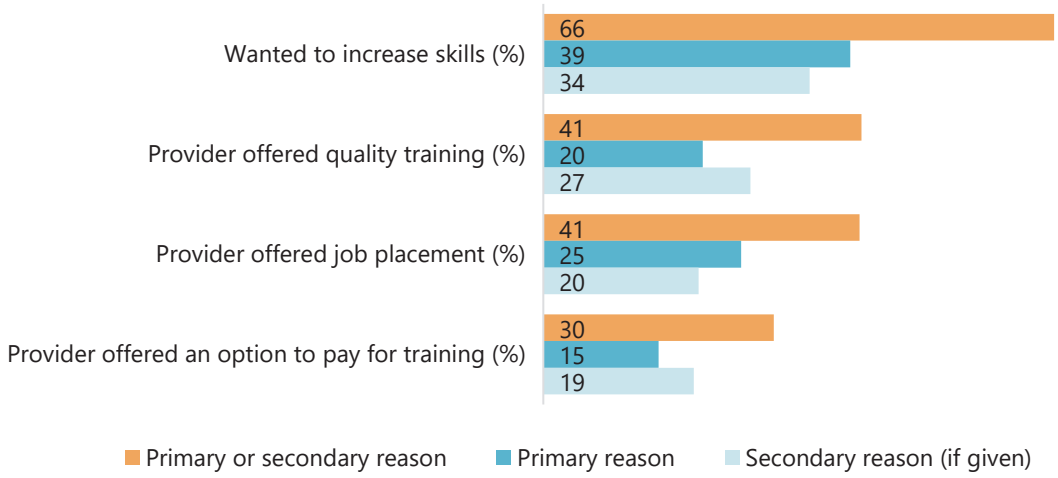
NOTES: Sample sizes may vary for some measures due to missing information.
Rounding may cause slight discrepancies in calculating sums.
Except for the first measure, measures in this table are among learners who answered "Yes" when asked if they remembered signing an ISA.

Experiences with Income Share Agreements and Servicers

ISAs appeared attractive to potential trainees: learners wanted skills and quality training, but the ISA was also a factor in selecting the training program. Many learners initially felt that the terms were appealing and relatively low risk. As shown in Figure 3, about 30 percent of survey respondents noted that the provider offering an option to pay for training was either their main or secondary reason for enrolling, and many aspects of the ISA were rated as either "extremely important" or "very important" to learners. Over 70 percent of learners selected this rating for ISA features such as the limited payment term, the payment cap, and how payments stop when the learner earns below the minimum income threshold and can vary based on earned income (not shown).

ISA terms, such as the grace period and minimum income threshold, were also highlighted in interviews as positive features that made people prefer the agreements over traditional loans. In interviews, some described the terms as providing some relief if they felt the training program was a gamble. Others described traditional loans as "scarier" and "riskier" since, with ISAs, they would not have to pay if their income was low and they would also not have

Figure 3. Reasons for Enrolling in UP Fund Training Programs



SOURCE: MDRC calculations using 6- and 18-month follow-up surveys.

NOTES: Estimates are for a sample of 414 learners across all training providers who completed a survey as of April 2024.
Rounding may cause slight discrepancies in calculating sums.

to pay high fees. Some interviewees also recognized the positive aspects of the CIB model. As one learner noted, "The incentives [are] built into it because the school doesn't get any money unless they give you a good education."[19] Another learner noted, "The ISA model is a good model. It expires after five years, and the amounts are capped. There is also a minimum income to trigger payments."

An important aspect of the ISA is the ability of learners to be able to effectively communicate with their agreement servicer. As part of their agreement, learners who reach the end of their grace period must report their earnings and start making monthly payments if their income surpasses the minimum income threshold. Learners must then provide income documentation annually and report changes to have their payments adjusted accordingly. If their earnings fall below the minimum income threshold, learners do not have to make payments, but they do have to report their earnings more often. Generally, participants reported income and verified information via email or through the servicer's web portal. Some participants also reported receiving phone calls to confirm their income and payments, as well as notifications confirming that their payments had been processed.

All four training providers had servicer transitions over the course of the study, resulting in extra work and challenges for learners, staff members, and other partners involved in the project. For example, a few interviewees did not know the name of their new servicer,

19. This quote reflects how a participant understood and viewed the ISA. However, incentives for training providers were in the form of deferred fees, which varied by site, and were generally received when certain placement rates and repayment amounts were reached.

and as part of one servicer transition, it came to light that contact had been lost with some learners who initially held employer-backed ISAs but had since left their employer. As a result, these learners were no longer in compliance with program requirements. In another example, an Alchemy participant relayed that her servicer went out of business and her ISA was transferred to a new servicer. However, the new servicer did not apply the terms of her agreement correctly and told her the grace period was over before it was supposed to be.

In interviews and survey responses, learners reported other instances of communication-related issues with their servicers. Some described finding their servicer's website hard to navigate, having difficulty providing documentation, and occasionally misunderstanding servicer information. For instance, some interviewees described getting payment requests before they were making above the minimum income threshold. One learner was working per diem, and although the rates may have reflected a wage above the threshold, it was not a full-time job, and payments should not have been required. Another learner described difficulty obtaining a deferment and clearing missed payments that accumulated even though the learner was earning below the minimum income threshold. Another participant mentioned that the lack of communication from the servicer was worrisome, especially because the participant was unclear about the terms for repayment.

Some interviewees reported feeling stress related to the ISA, which may have been exacerbated by or related to challenges communicating with their servicers. For example, one learner described the tuition amount as being "consistently over my head and thoughts," and another expressed "a lot of stress" due to calls from the servicer and wondering whether his income could be garnished. However, under the ISA's terms, earnings are not garnished. Another learner described feeling stressed about needing to request another deferment and not being sure how long it could go on. One learner described feeling "so much pressure" as the grace period ended, saying, "I was going [into] overdrive and [I would] just be applying [and] applying [to jobs]." However, under the agreement's terms, learners do not have to make ISA payments after the grace period if they are earning below the minimum income threshold.

Interviewees also expressed some positive views of the ISA and were generally comfortable with higher payments if they earned higher incomes. For example, one learner noted that the ISA helped him break into the field he wanted. Another learner said, "It provided me the opportunity to make more money than I would have otherwise."

Table 5 provides additional insight into learners' experiences with ISA servicers. Among survey respondents, 62 percent reported contacting their servicer. However, notable differences emerged between learners with employer-backed ISAs and those with regular ISAs. Nearly 80 percent of learners with a regular ISA reported reaching out to their servicer for help or information at some point, compared with only 31 percent of those with an employer-backed ISA. Satisfaction levels also varied: among learners with employer-backed ISAs who contacted a servicer, 62 percent were extremely or very satisfied with the servicer, compared with just 40 percent of learners with a regular ISA.

Training Experiences

As intended by the UP Fund's CIB model, most learners successfully completed their training programs (close to 94 percent), with survey results and administrative records indicating that the majority of learners across the training providers graduated from their programs. Although only a small number of survey respondents fell into this scenario, learners who did not complete their program had a range of reasons for not doing so (not shown), such as finding a job and feeling that the training program was not necessary, having challenges such as illness or disability, or being unable to sustain the length of the training program without an income. Some reported disliking elements of the program or instruction, finding the program too difficult, or finding a different program. Acuitus learners may have been particularly affected by the pandemic, as some reported being disappointed by the training program's need to move online, and not being able to physically set up systems as initially expected.[20]

The overall learning experience and program satisfaction varied by provider. Some interviewees agreed that many of the skills that they learned from the training program were helpful and highly rated their overall learning experience. An interviewee who advanced to higher-paying jobs commented, "I've gotten as far in two years as I would have in five [if not for the Acuitus training]."

However, some interviewees reported that the training programs felt short and condensed relative to the content they were expected to know in their jobs, and they wished that they had received more hands-on experience. For example, one Alchemy participant said, "Software engineering is hard, and a boot camp can barely scratch the surface of what you're actually going to need to do." An ADTC graduate remarked that the training felt like "18 months' worth of information shoved into five weeks."

Across sites, some interviewees also felt that they needed additional training beyond what they received during their training program to obtain good jobs. In interviews, some learners expressed sentiments such as wanting more credentials. For instance, an Acuitus interviewee said, "[The training] … was good but didn't have any certifications, and lacked test prep. It didn't specialize or prepare me for certifications." This interviewee would go on to join another training organization to get certifications to help him secure the type of job he wanted.

All interviewees reported getting helpful advice and assistance with job preparation and job searches. For example, interviewees from CRF reported receiving helpful pointers about résumé development, recording a personal video (or preparing for interviews on Zoom), and more. An interviewee noted, "I would not have passed my second interview without the preparation I received from my mentor."

20. Acuitus and ADTC learners had their ISA refunded if they did not complete the program, while CRF and Alchemy learners received reductions in their ISA amount if they withdrew within a certain period.

Many interviewees expressed a desire for more support with job leads and coaching. Some expected access to an employer network or greater job assistance than they received. For instance, two participants from the same training provider suggested improving and consistently delivering the program's one-on-one mentorship component, which is heavily emphasized during recruitment. One learner found her own job but felt the program could have been more proactive with job placement services. Similarly, another learner, despite being connected to a specific company, expected more targeted support beyond general job search advice. Overall, interviewees hoped for more tailored job assistance based on their qualifications.

The follow-up survey also asked learners about the types of services they received and their overall satisfaction with the training (see Table 6). Similar to the interview findings,

Table 6. Follow-Up Survey: UP Fund Participant Training Experiences

Outcome (%)	Employer-Backed Income Share Agreements (ISAs)	Regular ISAs	All ISAs
Completed training	100.0	90.3	93.8
While in the training program, received help			
Creating a career plan	79.5	66.7	71.3
Preparing a resume	42.8	80.7	67.1
Preparing for an interview	43.2	77.2	64.9
Finding a specific job opportunity to apply for	58.3	56.2	56.9
Finding a better job	68.8	51.6	57.8
Learning how to advance in career or earn more	82.2	59.4	67.7
Learning how to interact with coworkers	81.2	60.6	68.0
Finding a tutor	53.5	61.2	58.5
Other	29.7	27.0	28.0
Any of the above	96.6	95.8	96.1
Helpfulness of all program services and supports			
Not very helpful	6.1	18.8	14.3
Somewhat helpful	12.9	18.8	16.7
Helpful	36.7	25.4	29.5
Extremely helpful	44.2	36.9	39.6
Agree with the following statements			
Program helped me achieve my goals	79.7	53.5	63.0
Program helped me get a better job	79.1	46.3	58.2
Program helped me earn more money	81.0	45.3	58.3
Program was worth the cost	52.4	34.9	41.2
Would recommend the program to someone like me	72.3	52.1	59.4
Sample size	150	264	414

SOURCE: MDRC calculations using the 6- and 18-month follow-up surveys, as of April 2024.

NOTES: Sample sizes may vary for some measures due to missing information.
Rounding may cause slight discrepancies in calculating sums.

the majority of survey respondents reported receiving help creating a career plan or résumé or learning how to interact with coworkers (about 70 percent), while less than 60 percent reported receiving help with job development or finding a specific job opportunity to apply for or help finding a better job.[21] This description suggests that providers have room for improvement in helping learners find employment opportunities after completing their programs and in providing additional supportive services, which could affect access to meaningful employment. Due to the remote nature of most of the training programs, however, it is possible that some providers faced challenges helping learners in different geographic areas navigate different job markets.

Over half of the survey respondents described the program as helpful in achieving their goals and getting a better job and in terms of the support and services they received. However, less than half agreed that the program was "worth the cost." The results indicate that learners with employer-backed ISAs were much more likely to agree with positive statements about the program compared with those with a regular ISA. For example, almost 80 percent of learners with employer-backed ISAs reported that the program helped them achieve their goals, compared with about 54 percent of learners with regular ISAs. Additionally, 52 percent of employer-backed ISA learners believed the program was worth the cost, significantly higher than the 35 percent of learners with a regular ISA.

Staff Members' Perspectives on Employer Relationships

Training providers emphasized the importance of employer interactions and relationships to their program's success. Typical strategies for strengthening these relationships included using employers in the field to review and revise the curriculum, enlisting personnel from employers who may hire graduates to provide instruction and creating opportunities for students to introduce themselves to employers and showcase their qualifications. Providers also used conferences as a way to enlist employers who might be hiring as collaborators. At least one training provider decided to hire an employer relations director to fill a gap that students and staff members perceived in employer connections. Another provider created an employer advisory group that had the advantage of strengthening personal bonds and getting comments from hiring employers on the quality and capabilities of program graduates. However, while staff members attempted to actively engage employers and, in some instances, incorporate their input into curricula and instruction, the study was not able to measure whether these efforts directly translated into helping learners with their job searches.

21. Learners also reported other types of supports, which varied by training program. For instance, some CRF learners reported receiving help networking and connecting with previous learners and having a mentor, while ADTC learners reported receiving help learning how to budget, manage their finances, and in some cases address issues related to benefits.

EMPLOYMENT OUTCOMES

A central goal of the UP Fund's CIB model is for learners to find employment in their target industry after completing their training programs with higher wages than they would have been able to achieve without the training and support services, and for that employment to ideally offer stability, benefits, and opportunities for advancement. Employment outcomes are integral to the CIB model's viability, as learners with ISAs agree to pay a percentage of their earnings after completing the program and securing a job with a salary above the minimum income threshold. This section explores the employment and earnings of CIB participants after graduation to assess how well the training programs helped learners reach their employment goals and determine how much they must pay for their training program, making the learner's job status a critical factor in the financial dynamics of the agreement and the viability of the CIB model.

The data for this section are derived from employment information collected by ISA servicers as well as the study's follow-up surveys. Data are available for a subset of the sample from both data sources. Employment and earnings information are only available for about 55 percent of the learners who are up to date in reporting their incomes. The learners who did not report their earnings (45 percent) present challenges both to the CIB model and to the interpretation of the employment findings. Furthermore, employment and earnings information from the survey are only available for the 26 percent of learners who completed either a 6-month or an 18-month survey. Therefore, the results should not be generalized to the entire population of CIB participants, as they may not represent the experiences of those who did not report data.[22] Despite these limitations, the findings provide some insight into learners' employment experiences and outcomes after completing the training programs.

Table 7 shows the employment and earnings outcomes for UP Fund CIB learners, across learners with an employer-backed ISA, learners with a regular ISA, and all learners combined. As noted above, 55 percent of all CIB learners were up to date on reporting their earnings. The results show that learners with employer-backed ISAs were more up to date on reporting their earnings than learners with regular ISAs (69 percent and almost 47 percent, respectively). This result is not surprising since employers are responsible for paying the employer-backed ISAs directly. The table also shows that among learners that were actively reporting their incomes, the majority of learners with an employer-backed ISA (99 percent, or 65 percent of the full employer-backed ISA sample) were earning above the minimum income threshold compared with only 71 percent of those with a regular ISA (or 33 percent of the entire regular ISA sample). Average annual earnings for employed learners were slightly higher for learners with a regular ISA than for learners with an employer-backed ISA ($47,299 versus $46,299). This difference may reflect that the target industry for the employer-backed ISAs

22. Learners who report earnings to the ISA servicers may be more likely to be employed and making above the minimum income threshold, since there is evidence from the follow-up survey that learners who are not able to pay or may have forgotten to defer their payments may be less likely to report their earnings to the servicer. Past research has also shown that earnings are usually higher in survey data. See Yang and Hendra (2018) and Barnow and Greenberg (2015).

Table 7. Employment Outcomes for UP Fund Participants

Outcome	Employer-Backed ISAs	Regular ISAs	All ISAs
Employment and earnings reporting status			
Up to date on reporting earnings (%)	69.3	46.6	54.5
Employed	68.9	35.5	47.1
In deferment[a]	0.3	11.1	7.4
Not up to date on reporting earnings (%)	30.7	53.4	45.5
Among learners that are up to date on reporting[b]			
Currently employed (%)	100.0	91.3	95.2
Employed and earning above the minimum income threshold (%)	98.8	71.0	83.3
Average annual earnings, among employed learners ($)	46,299	47,427	46,904
Sample size	605	1,145	1,750

SOURCE: MDRC calculations using administrative records from income share agreement (ISA) servicers as of April 2024.

NOTES: Sample sizes may vary for some measures due to missing information.
Rounding may cause slight discrepancies in calculating sums.
The sample includes learners that left the program and are past due on their first payment.
[a]Learners in deferment include those that reported being unemployed and those that are employed and earning below the minimum income threshold.
[b]For employment and earnings measures, learners that have not reported their earnings and have servicer-estimated earnings are excluded.

has lower average wages compared with the other training industries (as indicated by the lower minimum income threshold of $30,000).

However, the employment status of the remaining 45 percent of learners who did not report earnings is uncertain. At least 30 percent of this group had previously had their payments deferred because they were unemployed or earning below the minimum income threshold (meaning that they did not owe any payments for those months), but since they did not provide updated information, their deferment status was not maintained.[23] The survey results discussed below indicate that some individuals did not report their earnings primarily because they were having difficulties making payments. (Challenges and potential reasons for nonreporting are explored more in the next section.)

As shown in Table 8, the follow-up surveys provide some additional insight into learners' employment outcomes and how they are faring financially. Among survey respondents (or

23. Information on previous deferments comes from historic deferment records, which are not available for all sites and may be incomplete. In the most recent servicer data snapshot, learners in this scenario either appear with missing employment information or with estimated earnings.

Table 8. Follow-Up Survey: UP Fund Participant Employment Outcomes

Outcome	Employer-Backed ISAs	Regular ISAs	All ISAs
Ever employed since starting training (%)	89.9	82.4	85.2
Any irregular or side jobs (%)	37.2	47.8	44.0
Employed at the time of the survey (%)	85.6	70.9	76.2
Earning above the minimum income threshold (%)			
Among all learners	81.0	52.2	62.6
Among learners with any employment	95.3	69.9	79.8
Annual earnings from current or most recent job (%)			
$0	15.0	25.3	21.6
$1 - $29,999	4.0	10.7	8.3
$30,000 - $39,999	4.0	14.0	10.4
$40,000 - $49,999	22.0	16.9	18.7
$50,000 - $59,999	25.0	11.2	16.2
$60,000 - $69,999	21.0	11.8	15.1
$70,000 or more	9.0	10.1	9.7
Among learners with any employment			
Average annual earnings from current or most recent job ($)	54,170	51,245	52,385
Job aligns with training (%)			
Agree that job is related	82.4	46.7	59.8
Report a related occupation or industry	82.3	64.9	71.7
Job includes benefits such as (%)			
Sick days with full pay	89.6	68.9	77.4
Vacation days with full pay	90.6	71.7	79.5
Holidays with full pay	91.4	77.5	83.1
Dental benefits	90.4	74.7	81.0
Retirement plan	88.7	67.7	76.1
Health plan or medical insurance	91.3	80.1	84.5
Any of the above	95.3	88.3	91.0
Job has the possibility of being promoted (%)	91.5	74.6	81.4
Satisfaction with job (%)			
Extremely or very satisfied	67.8	44.7	54.2
Somewhat satisfied	22.9	35.9	30.6
Not very or not at all satisfied	9.3	19.4	15.3
Sample size	150	264	414

SOURCE: MDRC calculations using the 6- and 18-month follow-up surveys, as of April 2024.

NOTES: Sample sizes may vary for some measures due to missing information.
Rounding may cause slight discrepancies in calculating sums.
About 33 percent of survey respondents did not provide an earnings amount.

about a quarter of the sample), 85 percent reported being employed at any point since starting their training, with average annual earnings of about $52,000, and 76 percent were still employed at the time of the survey. Among the survey respondents, about 86 percent of learners who had entered into an employed-backed ISA were employed at the time of the survey, compared with 71 percent of learners with regular ISAs, and 95 percent were earning above the minimum income threshold, compared with 70 percent of regular ISA holders.

However, among respondents with any employment, about 20 percent had earnings below the minimum income threshold and about 40 percent did not agree that their job was related to their training. Forty-four percent of survey respondents also reported having had irregular or side jobs. These rates are higher among survey respondents with a regular ISA, and nearly 60 percent of this group also reported that they had requested to defer their payments due to unemployment or low earnings. Among survey respondents who reported being unemployed at the time of the survey, most indicated that they were currently searching for a job (about 70 percent; not shown), and the most common reason given for not working was not being able to find work. Other reported but less common reasons included experiencing illness or disability, taking care of family members, or feeling they needed more education or work experience.

The survey also included some positive experiences among the 85 percent of respondents who reported being employed since enrolling in their training program. Among this subset, most reported that the job included various benefits such as health insurance, a retirement plan, holidays, vacation, and sick days with pay. Among those with a regular ISA (that is, not employment-backed), about 75 percent reported that their position had the possibility of advancement, and just over 80 percent reported being at least somewhat satisfied with their job. About 65 percent of this group reported working in an occupation or industry that was related to the industry of their training. This employment includes IT or software jobs for Acuitus and Alchemy, health services for CRF, and automotive repair and maintenance for ADTC. However, a lower percentage — about 47 percent — agreed that their job was related to what they trained for, so it is possible that some were in their intended industry but not in the type of role they had expected.

Additional Findings on Employer-Backed Income Share Agreements

As described earlier, ADTC was the only training program in the study that offered an employer-sponsored ISA, where participants were guaranteed a job and where their employer agreed to repay the ISA as long as the individual remained with the employer. If the learner were to leave before the end of the ISA term (48 months), the learner would then become responsible for reporting earnings and for the remaining ISA payments. One student said, “As long as we worked for the company for a certain amount of time, they would make the payments for us. But if we left before a certain amount of time, we would take over the payments.”

Staff member and employer interviews provided some reasons for why this arrangement was appealing to employers. One ADTC staff member shared that the employer-backed ISA is described as a "retention tool" for companies. Interviews with employers revealed that they saw higher retention rates among such learners, possibly due to the commitment required from learners to avoid ISA payments. Employers involved with the employer-backed ISAs were also able to suggest that specific skills be incorporated into the training curriculum to ensure the students had valuable industry-relevant training, even beyond employment with them. For these types of ISAs, employers often sought candidates with experience in the industry during the initial approval process.

As noted earlier, learners who entered into employer-backed ISAs reported more positive employment outcomes compared with learners with regular ISAs. Even among learners who later left their original employer, survey results show that they felt positive about their training program and experience (see Tables 7 and 8). Compared with learners with a regular ISA, learners with an employer-backed ISA were more likely to be employed and earning above the minimum income threshold, were more likely to be satisfied with their training, and were more likely to report that the training was worth the cost.

Some learners did, however, note potential drawbacks to the employer-backed ISAs and reported some influence on their employment decisions, such as potentially feeling "stuck" with their initial employer since they would have to take over the ISA payments if they left their job before the required term. One ADTC interviewee acknowledged that transitioning jobs would place the ISA "burden" on him and that any new job would have to pay a lot more for him to switch. Another learner described not planning to leave the employer while the ISA was in place as the learner did not believe it would be fair to have to pay it back, noting that paying back the ISA would be the same as a regular employer requesting an employee to pay for on-the-job training. He said, "Students paying for an employer to train you is ridiculous." This sentiment was, however, not universal. Another student mentioned that he did not feel locked into a company, he understood that the ISA offered flexibility based on a student's income, and he thought that the servicer would help to facilitate payments.

INCOME SHARE AGREEMENT RESULTS AND OTHER OUTCOMES

Under the terms of their ISAs, learners who complete their training are required to report their earnings before their grace period ends and to start making monthly payments if their earnings exceed the minimum income threshold. Although learners must report any changes in earnings as they occur so that their monthly payment obligations can be adjusted, there is also an annual reporting requirement and reconciliation process during which servicers make corrections (either because of over- or under-payments) based on updated information. For learners that are past the grace period and earning above the minimum income threshold, monthly ISA payments are equal to either 9 percent or 9.5 percent of earnings, depending on the provider, or a fixed amount for two different income bands in the case of ADTC.

Learners who are unemployed or who have earnings below the minimum income threshold in any given month can receive a deferment, meaning they do not incur any payment obligations for that month (and their payment term is not extended), but they need to report their earnings more often in order to maintain their deferment status. The ISA obligation ends when the learner reaches the end of the payment period (regardless of the amount that has been paid) or when total payments reach the maximum payment cap.

Reporting to servicers provides the primary and most up-to-date source of information regarding learners' employment and earnings, which is needed to determine learners' payment obligations and to provide insight into whether learners had positive employment and earnings outcomes after completing the training program. Income reporting and ISA repayment information are also tied to the financial feasibility and incentives underpinning the CIB model. Although the arrangements vary across training providers and certain details are confidential, providers generally receive a portion of their funding from the UP Fund only after a certain percentage of graduates receive placement and earn above the minimum income threshold and have made a certain number of payments. This is meant to align training providers' financial interests with learners' interests in finding a job that pays above the minimum income threshold. The CIB model, as implemented at the four training providers, also had certain expectations regarding placement rates, salaries, and payments as part of the set of assumptions underpinning the financial sustainability of the model and the training programs. Initial expectations were that the majority of learners would keep up with both reporting and required payments. It was also expected that the ISA requirements would be well understood and that payments would be affordable for learners because they were tied to earnings.

Income Reporting and Repayments

This section examines ISA outcomes such as reporting and payment rates for learners who have passed their grace periods, both overall and by subgroups (defined by race and ethnicity, age, education level, and gender). It also examines how learners felt about their ISA obligations after completing the program, facilitators and barriers to payment, and other outcomes related to learners' financial circumstances.

Table 9 shows several income reporting and ISA payment outcomes for learners with an employer-backed ISA, learners with a regular ISA, and all learners. Among learners with a regular ISA who had reached the end of their grace periods, about 47 percent were up to date with reporting their earnings to their servicers, about 46 percent had made some payments, and about 37 percent were not up to date on their payments.[24] Although there is not a clear benchmark for reporting and payment rates, these figures are lower than was initially estimated when the early CIB model was established with the training providers. Less than

24. To be considered in compliance with the ISA, learners in the repayment phase must either report that they do not have earnings above the minimum income threshold and receive a deferment or not have any payments more than 30 days past due if their earnings are above the minimum threshold.

Table 9. UP Fund Participant Income Share Agreement (ISA) Outcomes

Outcome	Employer-Backed ISAs	Regular ISAs	All ISAs
Up to date on reporting earnings (%)	69.3	46.6	54.5
Employed	68.9	35.5	47.1
In deferment[a]	0.3	11.1	7.4
Up to date on ISA payments[b] (%)	55.5	36.6	43.1
Made any payments toward an ISA (%)	98.7	46.4	64.5
Average ISA amount ($)	10,420	18,322	15,586
Average amount paid to date, among those with any payments ($)	3,996	5,174	4,550
Sample size	605	1,145	1,750

SOURCE: MDRC calculations using administrative records from ISA servicers as of April 2024.

NOTES: Sample sizes may vary for some measures due to missing information.
Rounding may cause slight discrepancies in calculating sums.
The sample includes learners that left the program and are past due on their first payment.
[a]Learners in deferment include those that reported being unemployed and those that are employed and earning below the minimum income threshold.
[b]Learners are considered up to date on payments if they do not have any payments that are more than 30 days overdue.

half of learners with regular ISAs kept up with either reporting or required payments, both of which are important components of the model.

The drop-off between the number of learners who made any payments and the number of learners who are not up to date on payments shows that some learners made payments initially but did not continue making payments over time. The servicer data also suggest that compliance may decrease over time, as compliance rates were lower for learners who had graduated more than two years before the data were compiled than for learners who had graduated less than two years before the data were compiled (not shown). Nonreporting and noncompliance are also linked, since learners who are not reporting are also generally not making payments.[25] When learners do not report their earnings, servicers assume they are employed in their target industry and estimate their earnings based on an industry average that is above the minimum income threshold. If learners do not meet the annual reporting requirement, the servicer assumes that their earnings increase by 10 percent annually. This assumption means that until learners report or update their earnings, their ISA obligation

25. Since reporting is an annual requirement and payments are due monthly, it is possible to be up to date on reporting but to fall behind on payments. It is also possible for learners to not report their earnings and still make payments, but this is uncommon.

will be based on these estimates, and they will become noncompliant when payments are more than 30 days past due.[26]

There may be different reasons why learners are not reporting or making payments. It is possible that some learners are not earning enough to make payments but are not communicating this frequently enough to servicers. Deferments are generally granted for 90 days at a time, and learners are required to report their earnings again in order to stay in deferment (or to report their earnings as soon as there is a change). From repayment data, over 30 percent of learners who were not keeping up with required payments had at some point received a deferment, so it is possible that some may have needed a longer deferment period but did not keep up with reporting requirements (not shown). While the surveys only capture responses from about a quarter of the study sample, the responses also suggest that this may be the case for some learners. For example, the most common reason given on the surveys for not reporting earnings and for not making payments was that the respondents were earning below the minimum threshold. Survey respondents who reported not making payments were more likely to have ever requested a deferment compared with those who reported making payments (80 percent versus 30 percent of regular ISA holders; not shown).

For some learners, the payments may be too large to pay consistently given their earnings and other responsibilities. Among survey respondents with a regular ISA, about 32 percent reported finding the monthly payments to be "much higher than expected," and just over 60 percent reported financial difficulties making payments or needing to make changes to budgets and spending to make payments (see Table 10). When providing reasons for not making payments or for not reporting (not shown), some respondents also reported needing to make other bills and expenses a priority or that they could not afford to make the payments, and in some cases described unexpected disruptions and challenges, such as housing instability or divorce.[27] As described in the implementation section, the servicer transitions, communication issues with servicers, and some reported misunderstanding about the ISAs may also have contributed to some learners not reporting or making payments.

Subgroup Findings

The study found some significant differences in reporting and repayments across several subgroups of learners with regular ISAs. Older learners (age 35 or older), learners identifying as Black, and those without a college degree were less likely to have made any payments or to be up to date on reporting requirements, compared with other learners (see Table 11).[28] For example, about 40 percent of older learners and those with a high school diploma, GED,

26. As noted earlier, servicers correct any overpayments or underpayments during an annual reconciliation process.

27. Learners experiencing financial hardships can request a deferment for their ISA payments.

28. Some similar challenges are evident in conventional student loans. For example, some research has found that over the past 20 years, 50 percent of Black and 40 percent of Hispanic or Latino student loan borrowers have had a loan default, compared with 29 percent of White borrowers. See Pew Charitable Trusts (2024). Older students and women were also found more likely to default on student

Table 10. Follow-Up Survey: UP Fund Participant Income Share Agreement (ISA) Payments

Outcome	Employer-Backed ISAs	Regular ISAs	All ISAs
Reported income to ISA servicer (%)	81.6	89.3	86.9
Currently making monthly ISA payments (%)	60.0	51.1	53.9
Found monthly ISA payments to be (%):			
Much higher than expected	7.9	32.1	24.6
Somewhat higher than expected	6.6	18.5	14.8
About as expected	67.1	34.5	44.7
Less than expected	6.6	4.2	4.9
Was not sure what to expect	11.8	10.7	11.1
Any financial difficulties making ISA payments (%)	12.5	61.0	48.6
Made any changes to budgeting or spending in order to make ISA payments ($)	20.0	62.3	52.0
Ever requested to defer ISA payments (%)	7.5	58.5	46.7
Sample size	150	264	414

SOURCE: MDRC calculations using the 6- and 18-month follow-up surveys, as of April 2024.

NOTES: Sample sizes may vary for some measures due to missing information.
Rounding may cause slight discrepancies in calculating sums.
Measures in this table are among learners who answered "Yes" when asked if they have ever taken out an ISA.

or lower educational attainment had made any payments, compared with over 55 percent of learners ages 18 to 24 and those with an associate's degree or higher. About a third of Black learners had made any payments, compared with over half of White learners. These differences persisted even after controlling for other demographic characteristics, training provider, and enrollment year. Although sample sizes are small, among learners with regular ISAs who were up do date on their reporting requirements, similar patterns were observed. Lower percentages of Black learners and learners without a college degree reported being employed with earnings above the minimum income threshold, compared with other learners.

These variations could be due to a combination of factors but are probably driven by preexisting disparities such as differences in financial circumstances and greater challenges finding stable, well-paying employment. For example, learners of color on average face persistent gaps in wealth and earnings compared with White learners, have less access to high-quality

loans, compared with younger students and men, respectively. See West, Takyi-Larea, and Levine (2023).

Table 11. Regular Income Share Agreement (ISA) Outcomes, by Subgroup

Sample (%)	Up to Date on Payments	Reporting Earnings	Made any Payments	Employed and Earning Above the Minimum Income Threshold
All learners with a regular ISA	36.6	46.6	46.4	71.0
Race/ethnicity				
Black	34.4	43.8	33.2	55.7
Hispanic	47.5	51.2	46.2	58.9
White	53.1	58.9	51.5	61.7
Other race or ethnicity	55.4	60.3	54.9	59.2
Gender				
Male	47.4	51.6	47.4	57.6
Female	47.8	55.5	45.5	60.1
Age at enrollment				
18 to 24	53.6	58.1	55.7	57.7
25 to 34	44.7	51.5	43.7	59.2
35 or older	44.4	51.1	40.0	59.7
Highest level of education completed at enrollment				
High school diploma or GED or less	43.5	48.6	39.6	57.1
Vocational or trade program or some college	43.3	52.5	42.7	54.8
Associate's degree or higher	55.9	59.6	57.1	64.7
Sample size				1,145

SOURCE: MDRC calculations using administrative data from servicers and baseline survey data, as of April 2024.

NOTES: The sample includes learners with a regular ISA that left the training program and are past due on their first payment.

Subgroup estimates were regression-adjusted, controlling for demographic characteristics, training provider, and enrollment year. About 15 percent of the sample have incomplete demographic information and were excluded from the subgroup analysis.

Some categories were combined or excluded due to small sample sizes.

Learners are considered up to date on required payments if they do not have any payments that are more than 30 days past due.

Information on employment and earnings is only available for about half of the sample, so the employment measure is presented for this smaller subset only.

jobs, and disproportionately face financial challenges such as debt and material hardships.[29] These economic inequalities are rooted in many forms of historic and systemic racial discrimination that continue to negatively impact individuals of color, and may contribute to greater challenges that limit the benefits of the training programs and the ability of these learners to keep up with ISA requirements, compared with other learners.[30] Learners without a college degree may also face additional challenges finding employment and achieving higher earnings, compared with learners with a degree, while older learners may have more competing responsibilities and existing debt compared with younger learners.[31] Learners in these demographic groups may, therefore, be more likely to need to defer their payments or find it difficult to keep up with payments, contributing to lower repayment rates.

The surveys show similar variation across subgroups, as well as some differences by gender. Respondents who reported being unemployed or having more difficulty making payments were more likely to be older, Black, and female, compared with other learners (not shown). Older, Black, and female learners were also more likely to report higher levels of debt, such as student loans, and to have ever requested a deferment, suggesting greater financial challenges. Additionally, older participants (age 35 or older) were less likely to complete the training or find the program helpful. However, because the survey sample size is small, these findings should be interpreted with caution. Survey responses could not be analyzed by education level due to missing data.

Differences in these outcomes probably reflect larger systemic inequities and differences at enrollment and should be understood in this larger context. Reflecting that learners did not all begin the training program with the same starting contexts, based on surveys completed at enrollment, women, older learners, and Black learners were more likely to agree that their total amount of debt was overwhelming, and were less likely to have been employed in the 12 months before starting the training program, compared with other learners. Learners in these demographic groups may face additional challenges due to the ISA itself, potentially worsening their financial strain. However, it remains unclear whether the ISA itself directly contributes to these challenges, or whether these disparities primarily reflect preexisting inequities. Additional support may be needed to help learners from these groups secure employment and manage ISA repayments, and a more comprehensive evaluation is needed to assess the impact of ISAs on different subgroups.

Financial Circumstances

The follow-up surveys provide some insight into learners' financial circumstances, although it should be reiterated that the average response rate was about 26 percent. Overall, financial circumstances among survey respondents varied. For example, among respondents with a regular ISA, 31 percent reported usually not having enough to make ends meet at the end of the month, while 28 percent reported usually having some money left over (see Table 12).

29. Carnevale et al. (2019).
30. Carnevale et al. (2019).
31. Li and Goodman (2015).

Table 12. Follow-Up Survey: UP Fund Participant Household and Financial Circumstances

Outcome	Employer-Backed Income Share Agreements (ISAs)	Regular ISAs	All ISAs
Household			
Average monthly household income ($)	3,657	3,767	3,731
Average annual household income ($)	43,886	45,209	44,766
Annual household income (%)			
$0	4.1	6.9	6.0
$1 - $19,999	12.3	16.6	15.1
$20,000 - $39,999	27.4	27.6	27.5
$40,000 - $59,999	30.1	25.5	27.1
$60,000 - $79,999	17.8	8.3	11.5
$80,000 - $99,999	6.8	8.3	7.8
$100,000 or more	1.4	6.9	5.0
Any children (%)	46.3	42.2	43.7
Savings and debt			
Have any savings (%)	47.1	36.6	40.3
Average savings amount, among those with any savings ($)	3,877	6,012	5,198
Have any debt (%)	77.4	84.2	81.9
Average amount of debt, among those with any debt ($)	25,498	52,763	43,768
Types of debt (%)			
Car loan	78.0	50.9	60.1
Home loan	11.4	19.1	16.6
Student loans	30.5	66.3	54.3
Hospital or medical bills	37.8	39.2	38.8
Credit card or store bill	77.8	85.5	82.9
Other	10.4	19.3	16.4
Financial situation			
Agree that financial situation is better than it was last year (%)	63.3	39.5	47.9
How household finances usually work out at end of the month (%)			
Some money left over	58.0	27.7	38.4
Just enough to make ends meet	28.6	41.3	36.8
Not enough to make ends meet	13.4	31.1	24.8
Since starting training, was there ever a time when... (%)			
Unable to pay full rent or mortgage	25.2	38.3	33.8
Had gas or electric service turned off	14.0	20.9	18.4
Had cellphone or landline disconnected	12.1	29.1	22.9
Unable to buy food	29.6	39.5	35.9
Unable to buy medicine or see doctor	21.2	36.3	30.9
Sample size	150	264	414

SOURCE: MDRC calculations using the 6- and 18-month follow-up surveys, as of April 2024.

NOTES: Sample sizes may vary for some measures due to missing information.
Rounding may cause slight discrepancies in calculating sums.
Household income was not reported by about half of the survey respondents, and about a quarter did not report whether they had any savings, debt, or material hardships.

Some respondents reported hardships at any time since starting the training program, such as being unable to pay their full rent or buy food, ranging from 21 percent to 40 percent of respondents depending on the hardship. A few interviewees also painted a dire financial picture, such as having no income and not being able to pay their rent that month, or they reported needing to use credit cards to afford basic expenses. The majority of survey respondents with a regular ISA (over 80 percent) also reported having high levels of debt, such as car loans, student loans, credit card or store bills, and hospital or medical bills, with an average debt of $52,000. However, about 40 percent of survey respondents with a regular ISA agreed that their financial situation had improved compared with the previous year and did not report any difficulties making ISA payments.

Repayments and Financial Circumstances: Employer-Backed Income Share Agreements

Learners that entered into employer-backed ISAs (where the employers repay the ISA while the learners are employed with them after graduation) saw higher levels of repayment and income reporting compared with regular ISAs, potentially because these processes were managed by the initial employers after graduation. Almost all learners with employer-backed ISAs had at least some payments made toward their ISA, and a higher percentage remained up to date on required payments and reporting, compared with learners with regular ISAs. Including learners that later left their initial employer, about 56 percent remained up to date on payments, compared with 37 percent of regular ISA holders, and about 70 percent were up to date on reporting, compared with 47 percent of regular ISA holders (see Table 9). Learners who were not up to date generally had left their initial employer and assumed responsibility for managing their ISA obligations themselves.

Once ADTC learners moved to a different employer, they were unlikely to take over any remaining payments for the ISA despite being required to. A contributing factor was that ADTC transitioned to a new servicer and the new servicer did not connect with employer-backed learners at the time of the servicer transition. The new servicer later began conducting outreach to help address this issue for anyone who had switched jobs. It is also possible that since the employer had managed the repayment obligation, learners in this situation may have been less familiar with their servicer and the overall process and would have had less reason to be in contact with their servicer. About 27 percent of learners with employed-backed ISAs were not sure whether they had entered into an agreement when asked on the survey, and a much smaller percentage had ever contacted their servicer, compared with learners with regular ISAs (see Table 5).

Among survey respondents, ADTC learners with an employer-backed ISA were much more likely to agree that their financial situation was better than it was a year earlier (63 percent, versus about 40 percent of learners with regular ISAs, see Table 6), and to report usually having some money left over at the end of the month (58 percent compared with about 28 percent, see Table 12). Interviewees with employer-backed ISA did not feel that the agreement influenced their financial decisions because their employers covered the payments.

However, some interviewees acknowledged that transitioning jobs would place the ISA repayment burden on them. As a result, the ISA may have influenced their employment decisions, such as whether to stay with their current employer.

CONCLUSION AND OVERALL ASSESSMENT

This report concludes the study of the UP Fund's early CIB model, which allowed individuals to enroll in short-term, sector-based skills training programs with access to career and supportive services, without paying up-front tuition. The CIB model's goals included: (1) expanding access to high-quality training programs for underserved learners, particularly those from low-income backgrounds and communities of color; (2) improving program completion and career outcomes by offering robust support services to help learners overcome obstacles; and (3) ensuring transparency and compliance by clearly communicating the terms, commitments, and potential risks associated with the ISAs to prospective participants.

With these goals in mind, MDRC and Social Finance designed the CIB study, which includes an implementation study and an outcomes study for four training providers. While this study does not establish causal relationships and cannot determine the impact of the CIB model on access to training, employment, or earnings, its findings offer valuable insights into the model and lessons for designing and implementing similar approaches.

This section highlights key findings from the study and offers an overall assessment of how well the model's goals were met. Note that the UP Fund's CIB model improved during the study period, as Social Finance worked with training providers and servicers to refine it.

- **The CIB model demonstrated the potential for expanding access to short-term skills training programs for individuals from low-income backgrounds who would not have been able to access the training otherwise.**

There is some evidence that CIB learners were more likely to come from lower-income backgrounds and underrepresented groups compared with non-CIB learners. Staff members from the training providers also agreed that they would not have been able to serve many of these learners without offering the ISA, as many would not have qualified for traditional loans and would not have been able to afford the training otherwise. Participants themselves also noted that without the CIB, it would have been very difficult for them to enroll in the training programs. The majority of CIB learners ultimately completed their training. However, like other short-term training programs, CIB providers had a rigorous screening process for program inclusion, which may have resulted in a more engaged and motivated group of participants while potentially excluding individuals who could have benefitted more from the training programs.

- **Many learners reported difficulty understanding or remembering some of the terms of the ISA after they graduated.**

Overall, learners found the ISAs to be less risky than traditional loans and appreciated many of the terms and conditions, such as the grace period and the minimum income threshold. Over 1,900 learners enrolled in the UP Fund's CIB training programs since 2019 and based on survey responses and participant interviews, the majority of learners reported receiving sufficient information on ISA terms and conditions when they enrolled. Data collected from qualitative interviews and survey responses suggest that learners did not fully understand some of the terms. For example, learners had trouble quantifying the monthly payments or the total amount that they had to pay. There were also some common misconceptions among interviewees which included the belief that learners would not have to pay the ISA if they did not find a job in the industry or that nonpayment would lead to the servicers reporting them to the credit bureaus. According to survey respondents with an employer-backed ISA, almost 30 percent reported that they did not take out or did not know whether they had entered into an ISA.

These findings underscore the importance of communication regarding ISA terms. To help individuals better understand the terms both at the start of the program and over time, it is important to provide clear information and multiple touchpoints throughout the years. To counteract the natural decay of information over time, servicers and provider staff members should use varied, accessible communication methods to explain terms and payment processes. Examples include dedicated websites, instructional videos on key terms, and ISA calculators to help individuals estimate their monthly payments and total payment amounts. Servicers have reportedly improved communication efforts and may have implemented many of these approaches already.

A number of learners who were interviewed or were part of the learning collaborative also had suggestions on how to improve their experiences with the ISA, including raising the minimum income threshold, and having training programs provide clearer and more comprehensive explanations of the ISA at enrollment. Some learners also suggested longer grace periods that would allow them to recover financially after completion, as many experienced a loss of income while participating in the training program.

- **Learners' satisfaction with the training programs varied by provider. However, many wanted more job development and placement assistance.**

Most learners who were interviewed expressed that they learned many skills that were helpful for their career and job search. Several interviewees also reported that the training program helped them break into a new field and improve their career prospects. However, many interviewees reported wishing they had received more hands-on experience, connections to employers, continued supports such as coaching, or additional training and credentials, which they viewed as necessary to obtain good jobs.

Among the survey respondents, the majority reported receiving various job-related services during training, such as résumé preparation, interview practice, and career planning, aimed at boosting employment prospects, but only about half received help with specific job opportunities. Over half of survey respondents described the program as helpful in terms of the support and services received, as well as in achieving their goals and getting a better job. However, less than half agreed that the program was "worth the cost." Learners with employer-backed ISAs were much more likely to be satisfied with the training program and to agree that the program helped them achieve their goals and earn more money, compared with learners with regular ISAs.

- **Only about half of learners in the repayment phase were reporting their earnings to the servicers and less than half were current on their required ISA payments.**

More than half of the learners who were required to make ISA payments did not do so after graduating from their training programs. Several factors contributed to learners not reporting their earnings to the servicer.

First, there is some evidence that financial constraints played a significant role: Survey respondents said their main reason for not reporting earnings was having difficulty making ISA payments due to unemployment or not making enough money. The survey data also indicate that some survey respondents were facing financial challenges. The survey found that individuals with regular ISAs had average debt exceeding $52,000. About 25 percent reported frequently struggling to cover their expenses by the end of the month, while approximately 33 percent experienced financial hardships since beginning their training, including difficulties paying rent in full or affording food.[32] According to the servicer data, those not reporting were also more likely to have requested a deferment in the past.

Second, servicer transitions may have disrupted the repayment process. Since the launch of the initiative, the ISA market has faced an evolving regulatory environment at both the federal and state levels. In some cases, this led to the initiative's training providers having to switch servicers due to regulatory changes, while in other cases, servicers left the market entirely or went out of business. These shifts introduced additional work for learners and staff members and contributed to communication challenges that may have affected payments and income reporting.

Third, and as mentioned earlier, some learners may have misunderstood the terms of their ISAs. For example, some mistakenly believed that they only had to make payments if they secured a job in the specific industry for which they had trained, leading them to incorrectly assume they did not have to make any payments if they were not employed in that industry.

In contrast, learners with employer-backed ISAs were more likely to be up to date with their ISA payments, probably because employers handled the payments directly. However, find-

32. Note that learners could have requested a hardship deferral when facing hardships.

ings indicate that individuals who leave their initial employers before the end of their ISA term are less likely to take over any remaining payments and report earnings, despite being required to do so.

- **Learners experienced a range of outcomes in employment and earnings; some secured jobs in their target industry and increased their income, while others faced challenges finding employment or earning above the minimum income threshold.**

Earnings data were collected from ISA servicers for 69 percent of learners with an employer-backed ISA, and 47 percent of learners with a regular ISA. Additional employment and earnings data were collected from follow-up surveys for 26 percent of the CIB study sample. Due to the study design and limited earnings data, the study cannot assess the effects of the CIB program on employment and earnings for the full study sample, and results should not be generalized to the broader CIB sample.

Among those with an employer-backed ISA who were up to date with their earnings reporting requirements, the majority (99 percent) earned above the minimum income threshold of $30,000 (see Table 7). Among those with a regular ISA, 71 percent earned above the minimum threshold, ranging from $30,000 to $50,000. Average annual earnings for employed learners were slightly higher for learners with a regular ISA ($47,427) than for learners with an employer-backed ISA ($46,299).

Among the survey respondents with a regular ISA, 52 percent were employed and earning above the minimum income threshold. Among those with any employment, the average reported earnings were $51,245, and 65 percent reported working in an industry related to their training (see Table 8). However, survey and interview results revealed that some learners did not secure jobs related to their training, leading to confusion about their ISA payment obligations and financial challenges, including difficulty making ISA payments. Additionally, some learners found the minimum income threshold too low or misunderstood the requirement to repay the ISA and faced financial difficulties as a result.

Learners with employer-backed ISAs generally saw higher rates of employment, job satisfaction, and alignment with their training. At the same time, some learners described a potential downside of the employer-sponsored model: Graduates who want to leave their initial employers must take on the cost and management of any remaining ISA payments. Interviewees reflected that this might cause them to remain at their initial employer even if they could find better pay or working conditions elsewhere.

The results show that training providers have room for improvement in helping learners transition to stable, well-paid, industry-aligned employment. Job placement and employer partnerships need to be strengthened. Post-training support, along with access to mentors and networking opportunities, could improve employment outcomes for learners.

- **The study identified significant differences in outcomes among subgroups, indicating that ISA outcomes may mirror preexisting racial and systemic inequities. Older learners, those without a college degree, and Black learners appear to face disproportionate challenges in making ISA payments.**

Outcomes for learners with regular ISAs were examined based on learners' characteristics and differences were found across several subgroups. According to servicer data, older learners, those without a college degree, and Black learners were less likely to have made any payments or to have remained up to date on required payments and income reporting, compared with other learners. This difference could be due to a combination of factors that vary by subgroup, but the differences in outcomes probably reflect preexisting disparities in areas such as debt, wealth accumulation, earnings, or employment opportunities, which can contribute to challenges in meeting ISA requirements and making payments.

Survey results confirmed some of the patterns observed in the servicer data. Among survey respondents, Black learners and older learners, as well as women, reported more difficulties making ISA payments and finding employment. They were also more likely to have requested a deferment and to face financial challenges, such as large amounts of debt, compared with their subgroup counterparts. While these groups may experience additional financial strain due to the ISA itself, it is unclear whether the ISA directly worsens their outcomes or whether these disparities primarily reflect preexisting economic inequalities. A more comprehensive evaluation is needed to assess the actual impacts of ISAs on different subgroups, including potential differences in employment, earnings, or financial stability after program completion. Furthermore, this evaluation could explore whether additional supports or adjustments to the ISA model could mitigate challenges faced by these groups.

The CIB study is among the first to provide evidence of the use of ISAs. Findings indicate the potential of these agreements to increase access to short-term skills training programs and improve career pathways for individuals from low-income backgrounds. Learners appreciated the protections offered by ISAs, which prevented them from facing overwhelming repayment burdens if they failed to find jobs or earned much less than expected. However, results also suggest areas of improvement for the UP Fund's CIB model. Some of the ISA terms and conditions are complex, making them difficult for individuals to fully understand or comply with. This complexity highlights the need for simplified terms and clearer communication that will help learners not only understand the ISA terms but also remember them after graduation. Enrollment procedures should also take into account learners' existing debt levels to ensure that financing does not leave them worse off financially. Enhanced support, especially in job placement, is also needed to help all learners achieve upward mobility. Additionally, the capability of servicers must be strengthened to better support and manage ISA-related concerns. Servicers should receive training to handle inquiries and concerns from CIB learners.

Some of the findings from the CIB study may also be relevant to similar financial structures such as outcome-based loans. With outcome-based loans, learners receive funding for their training in exchange for a share of their future earnings. The primary distinction between

ISAs and outcome-based loans lies in their terms and structure, such as set interest rates (if applicable), standard repayment terms, and monthly payment amounts. Payment activities may also be reported to credit agencies, which can have implications for credit scores. Falling behind on reporting and repayments can, therefore, result in more serious consequences, particularly if payments continue to accrue in the absence of reporting, and may exacerbate existing inequalities and financial challenges. This possibility makes it even more important that learners fully understand the terms, requirements, and consequences of their financing options, that loans are managed by an institution with sufficient capacity, and that learners receive robust support to complete their training and find employment in their target industry and at their desired income level. It is also important that the payments are manageable for learners. Despite being tied to income, learners could still find payments to be a challenge depending on the terms of the arrangement (such as the share of income owed or level of earnings that trigger repayment), as well as their employment outcomes and financial circumstances. Financing options similar to the ISA can, therefore, be informed by some of the lessons and challenges of the early CIB model, as can future iterations of the CIB model.

Future research should examine learners' long-term outcomes and explore different ISA messaging and strategies to improve repayment, reporting rates, and understanding of the ISA. Given the potential impact of skills training on employment and financial stability, it is critical to rigorously evaluate models like the CIB model using a random assignment study. Such an approach would provide the most robust evidence on the model's effectiveness. Such research should also assess the actual impacts of the ISAs on different subgroups, including potential differences in employment, earnings, or financial stability. Additionally, further research could examine whether enhanced supports or adjustments to the CIB model could help address the challenges encountered by specific groups found in this study. Different financing structures and iterations of the model should also be explored, such as varying minimum income threshold amounts for repayments. Designers may want to pilot test some improvements before making large investments in replicating alternative versions of the model. Skills training is an important resource and can be a pathway to improved employment and financial outcomes, so ensuring affordable access to high-quality training programs continues to be of great value, as does understanding learners' outcomes and experiences.

APPENDIX

A

Survey Response Bias Analysis

Response rates posed a challenge for the study and the final response rate was about 26 percent across all training programs, ranging from 19 percent at Acuitus to 37 percent at Clinical Research Fastrack (CRF). Therefore, the results should be interpreted with caution and should not be generalized to the full study sample. However, the survey still provides some valuable insights into learners' experiences for a subset of the sample.

Response rates were low for a few possible reasons, including most enrollments taking place before the study began and without MDRC's involvement. Many learners were therefore less familiar with MDRC and the study, and older cohorts may have also had more outdated contact information. The different response rates by program likely reflect the different periods of enrollment (for example, Acuitus enrolled learners primarily before the study began, whereas CRF joined the study partway through and introduced learners to MDRC and the study early on). Additionally, the survey was voluntary and self-administered, with most learners being invited by MDRC to complete the survey online over email. (Text messages were also used and helped improve response rates, but this option was only available for a portion of the sample.)

Because administrative records were deidentified for many learners, given when they enrolled, determining which records were for nonrespondents and which were for respondents was not possible for most of the sample. Therefore, to check whether learners who completed the survey were similar to the larger sample, characteristics and certain outcomes for the survey sample (as reported on the survey) were compared with the larger study sample and other data sources. Appendix Table A.1 shows this comparison. The survey respondent sample had some minor differences, but broadly similar distributions by age, gender, and race and ethnicity, compared with the larger sample. One of the differences is that women make up 27 percent of the survey sample, compared with 20 percent of the larger sample, and Alchemy and Acuitus survey respondents were older compared with the larger sample.

The category of annual household income had similar distributions for both samples, although Alchemy survey respondents tended to have higher household incomes at the time of the survey, compared with the larger sample at the time of enrollment. Respondents also reported similar rates of employment before the baseline and follow-up surveys, although they reflect somewhat different points in time. The larger sample had a higher employment rate according to the servicer data, compared with the survey sample and survey responses (about 95 percent and 76 percent, respectively). However, the servicer data may undercount unemployment due to the number of learners not reporting their earnings. Among those that did report recent earnings, the survey sample had somewhat higher annual earnings compared with the larger sample and servicer data.

With regard to compliance, a higher percentage of survey respondents reported currently making income share agreement payments, compared with the percentage that were up to date on payments and not in deferment according to the most recent servicer data snapshot. It is possible that some learners were making payments, but not the full amount required, or were making payments at the time of the survey but the payments were not consistent. It is also possible that learners who were not meeting reporting or repayment requirements

may have been less responsive to survey outreach. A much higher percentage of survey respondents said they had reported their income to the servicer (87 percent compared with 55 percent). Similarly, it is possible that some respondents may have reported their earnings at least once, but then did not keep up with reporting, or that survey respondents were more likely to be reporting their earnings.

Appendix Table A.1. Comparison of Follow-Up Survey and Administrative Records

Measure	Follow-Up Survey	Administrative Records
Average age at survey completion	31	30
Age at survey completion (%)		
18 to 24	33.3	37.8
25 to 34	37.5	36.5
35 to 44	17.6	16.0
45 or older	11.5	9.7
Gender (%)		
Female	26.9	20.3
Male	70.0	78.8
Nonbinary	3.1	0.9
Race/ethnicity (%)		
Asian[a]	5.7	4.9
Black	27.8	28.8
Hispanic	21.0	18.0
White	39.8	40.8
Another race or ethnicity[b]	0.9	3.3
More than one race	4.8	4.1
Annual household income (%)		
$0 - 14,999	17.0	20.2
$15,000 - 29,999	15.1	20.4
$30,000 - 49,999	33.5	31.8
$50,000 - 79,999	21.6	16.4
$80,000 or higher	12.8	11.2
Employment and earnings[c]		
Employed before survey (%)	85.2	90.6
Currently employed (%)	76.2	95.2
Average annual earnings from current or most recent job, among those with any employment ($)	52,385	46,904
Income share agreement (ISA) outcomes[d]		
Making ISA payments (%)	53.9	36.1
Ever reported or currently reporting earnings (%)	86.9	54.5
Sample size	414	1,861

(continued)

Appendix Table A.1 (continued)

SOURCE: MDRC calculations using the 6- and 18-month (post-enrollment) follow-up survey responses, baseline information from training providers and MDRC's Baseline Information Form, and administrative records from ISA servicers, as of April 2024.

NOTES: Sample sizes may vary for some measures due to missing information.

Rounding may cause slight discrepancies in calculating sums.

[a]Race and ethnicity categories are mutually exclusive.

[b]Other reported races include Middle Eastern or North African, American Indian or Alaska Native, and Native Hawaiian or Pacific Islander.

[c]The follow-up survey asked participants whether they were employed at any point since starting training, if they were employed at the time of the survey, and what their earnings were for their current or most recent job. The servicer data is a more recent snapshot as of April 2024 and does not include earnings for learners that are not actively reporting earnings to their servicer.

[d]ISA outcomes compare responses on the follow-up survey, which was fielded from March 2023 to March 2024, to records from servicers as of April 2024. On the follow-up survey, learners were asked whether they were currently making payments, and whether they had ever reported their earnings to the servicer. The servicer data show whether learners in the repayment phase are up to date on payments (and not currently in deferment), and whether they are up to date on reporting earnings.

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ABOUT MDRC

MDRC, a nonprofit, nonpartisan social and education policy research organization, is committed to finding solutions to some of the most difficult problems facing the nation. We aim to reduce poverty and bolster economic mobility; improve early child development, public education, and pathways from high school to college completion and careers; and reduce inequities in the criminal justice system. Our partners include public agencies and school systems, nonprofit and community-based organizations, private philanthropies, and others who are creating opportunity for individuals, families, and communities.

Founded in 1974, MDRC builds and applies evidence about changes in policy and practice that can improve the well-being of people who are economically disadvantaged. In service of this goal, we work alongside our programmatic partners and the people they serve to identify and design more effective and equitable approaches. We work with them to strengthen the impact of those approaches. And we work with them to evaluate policies or practices using the highest research standards. Our staff members have an unusual combination of research and organizational experience, with expertise in the latest qualitative and quantitative research methods, data science, behavioral science, culturally responsive practices, and collaborative design and program improvement processes. To disseminate what we learn, we actively engage with policymakers, practitioners, public and private funders, and others to apply the best evidence available to the decisions they are making.

MDRC works in almost every state and all the nation's largest cities, with offices in New York City; Oakland, California; and Washington, DC.