

...WORTH the MONEY?

VALUE

The value of EE programs can be determined by Cost Comparison (CC) or Return On Investment (ROI). **CC** measures the costs and benefits of a EE program against those of another similar program. **ROI** calculates the operating cost of the EE program against its savings and benefits.

COST COMPARISON

An example of the CC measurement of value would be comparing the costs of placing youth at-risk in detention, boot camp, or EE program. One such classic study involved 1041 males who were matched across the three groups by their age and time spent in prison. As tabulated, programs were compared by daily costs/youth, annual savings/youth, and re-arrest rates. The EE program had highest costs (by \$28/day), but the lowest re-arrest rate (with similar savings).

| PROGRAM | COSTS | SAVINGS | RE-ARREST |
|------------|-------|----------|-----------|
| Detention | \$192 | \$28,769 | 68% |
| Boot Camp | \$220 | \$18,425 | 63% |
| EE Program | \$217 | \$23,587 | 49% |

Another example compared Outdoor Behavioral Healthcare (OBH) to Treatment As Usual (TAU) for young substance abusers with mental health issues. The study compared costs with various benefits. With lower costs and higher societal benefits, OBH had a better cost/benefit ratio than TAU. OBH also had great quality of life (QALY), due to fewer deaths, good treatment impact and impressive completion percentages.

| PROGRAM | COSTS | BENEFITS | C/B RATIO |
|---------|---------|----------|------------|
| OBH | \$28K | \$89K | 3.1786 |
| TAU | \$45K | \$35K | 0.7778 |
| PROGRAM | QALY | IMPACT | COMPLETION |
| OBH | \$5 mil | 258.50 | 94% |
| TAU | \$2 mil | 37.20 | 37% |

SOCIAL R.O.I.

Calculating return on investment usually only considers the amount of money spent versus the beneficial amount saved. However, the vast majority of EE program outcomes cannot easily be monetized. These important social factors, not typically found in financial statements, are assigned proxy values based on government information, publicly accessible facts, program evidence, and conservative estimates.

As an example, a Canadian EE program invested \$4.6-5.2 million/year of government funds in combined outdoor and residential therapies for youth with substance use or mental disorders. This returned seven times the social benefits in savings for healthcare, justice, and labor force.

Another EE program in Canada for vulnerable youth demonstrated a range from 5.6 to 13.4 times the social return for every \$1 invested in their intervention. Benefits included increased future earnings due to improved graduation rates and reduced medical support services due to enhanced well-being from the program.

For one more SROI, an EE program in Arkansas, returned \$8.10 in social benefits for each \$1 invested in program operations for 8-12 year old school children deemed highly at-risk for academics, behaviors, and self-esteem. When organized by education, healthcare, crime, and employment factors, savings ranged from \$4.53 to \$12 return per \$1 given by funding sources.

MEASURE YOUR VALUE

Use the further resources listed to measure the value of your own programs.

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FURTHER RESOURCES

COST COMPARISON

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SOCIAL RETURN ON INVESTMENT

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