

Analyzing the Social Return on Investment in Youth Intervention Programs

A framework for Minnesota

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Executive summary

Youth intervention programs perform an important social service by redirecting the lives of “at risk” youth into more productive channels, both increasing their chances of success in life and reducing the expected educational and social costs generated by their likely problem behavior as juveniles and adults. This study puts forward a framework for quantifying the value of the benefits of intervention programs and comparing them to program costs in order to calculate the social return-on-investment (SROI) of such programs.

Major findings

- While there may be broad societal awareness of the value of youth programs, there have been few studies that attempt to quantify and compare the costs and benefits of specific programs. Most of the formal analyses that have been done have focused on more general youth mentoring programs, rather than on intervention programs with “at risk” youth.
- Effective intervention programs are likely to produce some of the highest returns of any youth programs since they deal with more concentrated populations, many of whom have been identified through truancy, juvenile crime, or other problem behaviors.
- Based on our study of intervention programs in Minnesota, effective youth intervention programs can produce some or all of the following direct benefits whose values can (in principle) be quantified:
 - Reduced truancy – resulting in reduced school costs and, ultimately, reduced high school dropouts and increased lifetime earnings
 - Improved school performance – leading to increased graduation rates and higher lifetime earnings
 - Reduced near-term court costs – saving court costs through youth diversion programs
 - Reduced costs of adult crime – both the crime losses of victims and the societal costs of prosecuting and incarcerating adult offenders
 - Reduced needs for social services – both near-term cost of family counseling and long-term costs of public assistance

- Improved health outcomes – including reductions in teen pregnancy, reduced or delayed use of tobacco, alcohol, or illicit drugs
- This paper puts forward a framework for comparing the dollar value of costs and benefits of youth intervention programs in Minnesota and, potentially, in other states. This framework can be used to calculate the social return-on-investment (SROI) of such programs.
- Based on outcomes data that have been collected by Minnesota youth intervention programs and conservative assumptions about outcomes that are in line with the experience of Minnesota youth programs, we provide an SROI analysis of two fictional representative programs. One is a comprehensive program designed to redirect a youth's life path; the other is a targeted program focused on a particular destructive behavior. Using conservative assumptions for program outcomes, we estimate that:
 - **An effective comprehensive program costing around \$2,000 per participant returns benefits of \$4.89 for every dollar of cost, based on very conservative assumptions about effects and valuations. Moreover, the program returns \$14.68 for every State dollar invested, assuming a 2 to 1 match of other funding.**
 - **A targeted program to reduce recidivism of property crimes costing approximately \$200 per participant returns benefits of \$8.18 per dollar invested.**
 - **If strictly public benefits are compared to public costs, the comprehensive program produces \$2.33 for every public dollar, while the targeted program produces \$8.18 for each public dollar invested.**
- The actual returns for a particular program would depend on the outcomes and expenses of that particular program. We believe that returns in the examples presented here fairly represent the returns that are achievable for well-run, effective youth intervention programs. In some cases, it is quite possible that returns could be even higher than these examples.
- To produce more accurate and detailed analyses of individual programs, more detailed data on program participants will need to be kept in order to measure and document juvenile and adult outcomes more precisely. This data collection could include an intermediate-term (5- to 10-year) longitudinal study of participants and similar youth who do not participate in intervention programs.