LILY ZANDNIAPOUR: Hello, my name is Lily Zandniapour and I'm a research and evaluation manager at the AmeriCorps Office of Research and Evaluation, or ORE for short. I want to thank you for your interest in this webinar that is focused on return on investment studies commissioned by our office.

Before delving into the topic, I want to provide you with a little bit of an introduction and background. First, can we tell you a little bit about the Office of Research and Evaluation at AmeriCorps? This office is dedicated to the development and dissemination of research and evaluation evidence.

ORE uses evidence to inform decision making and to support and strengthen the agency's work, programs, policies and investments. The office strives to create opportunities for innovation, improvement and increased impact. All of this is done with the intention to better position the agency, achieve its mission, which is to improve lives, strengthen communities and foster civic engagement to service and volunteering.

We accomplish this goal in partnership with our program officers in the agency and with our grantee partners across the country that implement solutions to local challenges and issues faced within the diverse communities in which they operate.

As you may know, evaluative measurement and testing are best tied to a program’s development stage. From testing of a program’s design to how it works or can work better, to whether or not it brings about changes it aims to produce. Measurement and testing are always geared to answering specific questions about a social intervention and they vary based on a program’s life cycle and its base of evidence.

One thing I want to emphasize is that AmeriCorps supports programs and solutions that are at different stages of development and have different types of evidence. So in a way, they are at different points along the evidence continuum. One of the important ways in which a program’s evidence base can be assessed in advance is through measurement that focuses on program cost and benefits.

An outcome or impact evaluation may assess whether the program leads to desirable outcomes and the extent to which they have impact. But these evaluations do not always look at the cost and benefit implications or to the value of these investments. Cost and benefit questions are usually the types of questions that are raised for interventions that are relatively mature, and their outcomes and impacts, or benefits, have been rigorously tested and captured through program evaluations using sound social science methodologies. These programs are then ripe for assessment of their cost effectiveness relative to the social benefits they generate.

Starting a few years ago, and as the agency and our grantees increased our collective investments in building evidence for programs and generated evidence, we started focusing more on questions related to costs and benefits. The office commissioned some pilot studies and feasibility assessments in this area. We wanted to address questions such as the ones you see on this slide. Are there short term or intermediate term outcomes from the programs or program models that can be measured and attributed to the program? These outcomes may be for children, families, communities, for national service members and volunteers, or for organizations and agencies.

Other questions of interest are, whether or not outcomes can be monetized to calculate a financial return or can the costs of the program for participant or otherwise be estimated? Can we estimate the return on investment for the programs we implement or support? Return on investment, or ROI, is a performance measure for evaluating the effectiveness on investment, providing an additional lens to an outcome or impact evaluation. As I mentioned earlier, it gives the sense of a program's value relative to its costs.

What our office wanted to do by conducting ROI analysis was to develop and advance our evidence footprint in this area. We partnered with ICF and its team of experts to answer some of the questions we had on this topic and we are delighted that they are going to share their findings on some of the work they have conducted in this area to-date.

Our hope is to continue this work in the coming months and years to advance our body of evidence in this area. And we hope that you stay informed about this work as we sponsor more studies using a variety of approaches and methodologies, and do more to increase the readiness of our programs and the interventions that our partners implement, to do more on this front.

In the meantime, there are different ways you can stay tuned and abreast of what we do. Please check our website, email us, sign up for our newsletter and future webinars and convenings. So without further ado, I will pass this on to our partners from ICF to explain and share their analysis and findings with you. Dr. Janet Pershing is going to kick us off. Thank you.

JANET PERSHING: Hi, I’m Janet Pershing and I’m part of the ICF team that’s had the privilege of working with the AmeriCorps Office of Research and Evaluation over the past year on a series of return on investment studies. I’m really pleased to be able to be here to share some insights with you about return on investment studies. I'd like to do four things with you here.

First, we're going to define Return on Investment, or ROI and take a quick look at some ROI research that's been done on national service programs. Then we're going to go through an ROI case study and really take a look at what an ROI is able to tell us. After that we're going to look at some of the steps that go into building the foundation for an ROI study. And then finally we're going to talk a little bit about the importance of building and identifying ROI-ready programs.

What I hope is that this information is going to help you effectively take part in building the evidence base for the programs that you support or deliver. So, let's start by defining Return on Investment and taking a look at ROI research on national service programs.

Okay, so, what is ROI? It's pretty simple, really. It's the amount of benefit generated for each unit of cost. An ROI estimate tells you what the payoff is for each dollar of investment. You can think of ROI as bang for the buck. To estimate the Return on Investment, researchers identify the benefits, identify the costs, and do the math. If you think about it, thought, sometimes it can be tricky. Those benefits especially can be really hard to quantify and sometimes it's hard to figure out what the costs are when there are multiple funding streams or in-kind contributions.

So, ROI researchers spend a lot of time finding ways to put monetary value on intangible benefits and really capture all of the costs associated with a program. That lets them plug the numbers into a formula like this to come up with an ROI.

One of the important things about ROI estimates is that they make comparisons possible. An ROI for one program can be compared to the ROI for another program. That consistent comparison works if the programs are similar; but it also works if they do very different things. That ability to make comparisons allows us to inform policy decisions and investment decisions. So the more this community understands what it takes to create strong ROI studies, the better equipped AmeriCorps will be to be able to use those studies, build a strong series of ROI estimates, and support good policy and investment decisions.

Now, not every program is ready for ROI analysis. ROIs require an understanding of a program's outcomes, and you need prior research that allows you to really monetize those results. So for example, you can show that a program's improved kids' educational performance; but unless you have prior studies that link that kind of improvement to something like lifetime earnings, there's really no way to say how much that educational improvement is worth in dollars. So the ROI really depends on being able to monetize costs and benefits in order for that formula to do those cross-program comparisons.

You may be familiar with some ROI research that's already been done to look at the ROI of national service across multiple programs. Three quick examples on your screen. The first one is a 2013 study from Columbia University. That one looked at all youth and senior based national service in the U.S. The second one, a 2020 study that ICF did, that looked at the combined return for a collection of more than two dozen AmeriCorps programs. And in addition, AmeriCorps has begun an initiative, called the ROI Studies Initiative, to really look at a series of programs that rely on national service, and estimate the ROI.

We're going to use some of the work of that ROI initiative to talk more about how ROIs work and what they can tell us. In 2020 that AmeriCorps ROI Studies Initiative produced four separate ROI studies for four very different programs. You can see their icons here, the AmeriCorps Seniors Foster Grandparent Parent Program, and Senior Companion Program; the Community Technology Empowerment Program, known by its acronym CTEP; the Minnesota Reading Corps; and College Possible.

Those four reports look at ROI results for programs in a range of program areas including early education, workforce development, college access, and Senior Corps Programs. One tenet of the ROI Studies Initiatives is taking a conservative approach to decide what’s to count or not count when assessing costs and benefits. That means that we only include benefits when the research can really back them up solidly. We do that even when intuition or common sense is suggesting that there really must be other benefits. We always stick with that fully-defensible approach that’s supported by rigorous research and evaluation.

We’ll talk more about this later, but for some studies, existing research establishes benefits but not how long those benefits last. So, for example, we don’t know how long some education or workforce interventions increased earnings for. To deal with that kind of uncertainty, the studies estimated ROI using some short, medium, and long-term scenarios - one year, fifteen years, thirty years. And that range of options to understand possible benefits is something that we will look at in more detail in a little bit.

The important thing for right now to know about these four studies is that for every one of the programs that we’ve looked at, and in every one of the scenarios, short, medium, and long-term, the benefits that we found were positive. The magnitude ranged, but all of them had positive results.

So let’s take a look at a case study to really understand how this ROI concept can be applied. The Community Technology Empowerment Program was implemented by the St. Paul Neighborhood Network. It was a program that looks at addressing the digital divide in the Minneapolis-St. Paul Metro area and it relies on service from AmeriCorps members to do things like teaching classes, providing one-on-one mentoring and training in computer and technology labs, and certifying participants in their technology skills.

There’s been an evaluation done to assess the effectiveness of the CTEP program. In 2018 we found that those folks who participated in the program reported that of those who were unemployed before starting CTEP, 10.3 percent became employed afterward and reported that CTEP had helped them become employed. And the average annualized earnings for the CTEP programs who were unemployed and became employed, was almost $31,000 dollars. So, we know how many more people attributed their employment after participation to the program, and we know how much those folks earned.

So those are some pretty clear benefits. But it turns out that the CTEP participants were not the only ones to see those benefits. A CTEP study that we did looked at benefits for two additional stakeholder groups. So, we know that the CTEP program participants had increased earnings that could be attributed to the program, but AmeriCorps members that supported CTEP operations, and those members benefited from their involvement too.

AmeriCorps members benefited in the form of stipends and living allowances that they received during their service. They got education awards following their service. And there's also research showing that involvement in AmeriCorps boosts members' earnings post-service. And then the third type of beneficiary were governments at the state, federal, and local level. They all benefited from CTEPs due to increased earnings for the participants and the members in varying ways.

The federal government, for example, received Social Security and Medicare and income tax revenue from the increased earnings of the CTEP participants and members. State and local governments benefited from sales tax revenue from increased spending from those earnings. And we also know that increased educational attainment is associated with reduced spending on government costs like corrections, public assistance, social insurance programs. So increased education associated with CTEP can also help reduce those costs to the government.

Now, we’re going to look at a chart here with a lot of information packed into it. We’re going to take a minute here to break it down and interpret. We’ve seen already that the CTEP program had positive effects on the earnings of both the program participants and the AmeriCorps members. But what that research didn’t establish, as I mentioned earlier, is the duration of that impact.

We know there were positive earnings effects, but we don’t know how long they lasted. It’s possible that they endure for a long time; it’s possible that they also fade. For that reason we estimated Return on Investment using three different scenarios and in the top red area of this chart you can see those three areas.

The short-term scenario assumed that the positive effects lasted for one year, medium-term assumed they lasted for fifteen years and long-term assumed that they lasted for thirty years. So each column assumes a different duration of those benefits. We also calculated the ROI, not across only the timeframes, but across different stakeholder groups.

So, the row titles down the left-hand side give three different ways to think about benefits to stakeholders. In the first row we’re talking about the total benefits for all stakeholders: program participants, AmeriCorps members, and governments. And we’re looking at those total benefits for all stakeholders per federal dollar.

In the second row, it changes a little bit. We’re looking still at the total benefits for all stakeholders, but we’re looking per funder-dollar because federal dollars can be combined and leveraged, additional dollars, additional contributions. So the second row looks at the benefits for all funders. And in the last row we look at only benefits to the federal government. So, no benefits to anybody else considered - benefits to the federal government per federal dollar invested.

So you can really see how the federal government benefits from its own investment of federal funds. So, you’ve got timeframes across the top and stakeholders and funders down the side. So with that orientation, let’s look at those ROI estimates for CTEP, and just make sure they know how to read those. We’re going to focus, for simplicity’s, sake on medium term, so the middle column assuming that the benefits fade after 15 years.

So, the first row, total benefits per federal dollar, is showing us that this program generates $33.35 in benefits across all of the various stakeholders for every dollar invested. The second row, again in the medium term column, is showing us that the total benefits to all stakeholders is $21.48 per funder-dollar, when you take into account not only federal but all funder investment.

And finally in the last row, we see the federal government benefit per federal dollar. Again, in the medium-term, every dollar that the federal government invests yields $7.39 in benefits to the federal government. This slide gives one other view into the results that we just looked at. Just want to make sure that we all understand how to interpret the results that we're seeing on that last slide, again, focusing on the medium-term.

And you can see here that that right-hand column puts those findings from the ROI study into words. And what we see is that the total benefits per federal dollar, the ROI analysis estimated that every dollar of federal government investment generates $33.35. On the second line, we can see the total benefits per funder, and here you see some of the specifics. It can be federal, state and local governments, foundations and philanthropies, private donors, community organizations, all the different contributions.

When you take all of that into account, the ROI analysis estimated that every dollar of funder investment generates $21.48 in benefits. And again, in the last line you can see that federal government benefits per federal dollar, we're talking about the analysis estimating that every dollar's investment by the federal government generates $7.39 in benefits to the federal government alone.

So with that understanding of what an ROI is, let's back up. Let's take a look now at the steps involved in estimating a Return on Investment. The steps include a five step process, which you can see on the screen here. The first step is developing a logic model.

And we're going to take a look at a logic model on the next slide to help us think about identifying outcomes, costs and benefits and to think about the metrics that are going to be available to measure them. Step two is developing a feasibility study to figure out can we actually do an ROI on this program. Step three is compiling existing data and collecting new data. Step four, you have to estimate and monetize the benefits and the costs. And finally, you do that ROI calculation. It's logical, it's straightforward, but the devil is, of course, in the detail of how to get that done.

So we're going to walk through each of those steps. This is an example of a logic model for CTEP. You can see how the program's inputs and costs and activities lead to short-term and longer term outcomes and ultimately benefits. You'll see that the bolded text in this logic model is showing how those costs, activities, benefits, relate to particular stakeholder groups that are in the bolded font - so AmeriCorps members, program participants, public sector and so on.

The logic model flows from left to right and it shows how those inputs and costs make the activities possible. Those activities generate short and long-term outcomes and ultimately those outcomes results in benefits to various stakeholders.

For the ROI analysis, what we’re going to be doing is measuring the costs on the far left and expressing them in dollars, which they usually are, and then measuring the benefits on the far right. Those also need to be expressed in dollars. For some benefits, like increased earnings, converting it to dollars is pretty straightforward. If the lifetime earnings over 15 to 30 years is known, you need to discount to the value of money over time, but it’s a fairly straightforward calculation.

For other types of benefits, it is much more challenging. Think about something like improved health, which is a benefit that some of the AmeriCorps supported programs support. Improved health is certainly a benefit, but how do you monetize that?

Well, it turns out that economists and researchers have spent lots of energy figuring out how you can monetize lots of these kinds of intangibles. And in many cases, there is appropriate, rigorous research to show you how to monetize the kinds of benefits that we want to measure.

All right, so you've got your logic model. Figured out what those costs are, what those benefits are. Can you actually do this analysis? Step two is to do a feasibility study to figure that out. Because as we just discussed, sometimes getting the information you need to do it rigorously is not straightforward.

So before you really dig in to do the work of an ROI study, researchers conduct a feasibility study to confirm that the information is available to allow you to actually estimate the ROI. And that process usually includes developing an analysis plan, figuring out what data is needed and getting that information.

This step checks whether the ROI study is feasible before you actually invest a lot of time or other resources. Step three is compiling and collecting the data. Once you've decided it's feasible, you can launch right into compiling data that already exists, collecting any additional data that you might need.

This step can include data that you have on hand based on the operations of the program, or maybe data from past evaluations that have been done. Sometimes you have to figure out how you're going to go and collect additional data. And often we try to use public datasets.

So, for example, looking at what are the publicly available tax rates to understand what benefits are to various levels of government. Throughout all of that compiling and collecting of data, of course, we always need to make sure that we are continuing to respect participant privacy.

So any time we're looking at data that comes from the program, we always make sure that we're being respectful of the privacy requirements. Step four is estimating and monetizing those benefits and costs. The data for an ROI study is almost always going to need to leverage rigorous research that's going to connect those outcomes that you're able to measure in the program to estimates in the value of those outcomes. So the ROI analysis needs to do that and careful controls for the changing value of the dollar over time when you're looking at that longer-term benefit.

Finally, step five is actually calculating the ROI. So the all-in ROI calculation includes all of the benefits and costs that you've looked at. But as we've seen, the ROI analyses can also explore ROI calculations that are restricted to a particular group of stakeholders or to a particular funding source. And your ROI analysis gives you different answers depending on what questions you're asking and what the audience you're speaking to cares about the most.

This slide is showing a sample ROI calculation for total benefits for all beneficiaries per federal dollar. Those benefits, those beneficiaries include participants, AmeriCorps members, and government at all levels. And you can see that in the numerator at the formula at the bottom of the slide. The amount of federal funding, since this is benefits per federal dollar, federal funding, is the denominator.

So you can see it’s not a complicated formula, but you have to be very careful about what you put in your numerator and denominator to make sure you’re answering the question you want to be answering. The real key here, whatever question you want to answer, whichever groups of stakeholders or funding sources you want to pay attention to, is to be really clear about exactly what goes into that formula.

And that’s it, really. It’s five easy steps. It is conceptually straightforward, but there is a whole lot of data in those details, of course. Time to move on, then, to talking for a minute about finding ROI-ready programs. We talked about the feasibility in step two of the process we just walked through.

Not all programs have high quality outcomes data and there’s not always a way to monetize intangible benefits. So we need to really think about how we find or build ROI programs in order to really be able to increase our evidence base. Let’s take a minute to think about how you can help find or build ROI-ready programs. One is to really help build evidence of impact of national service. That can happen through supporting rigorous evaluation that measure near-term, medium-term, long-term outcomes and to really be sure we’re carefully capturing program costs.

Think about the programs that you work with, the ways that evaluation and research could be improved and supported to be ready for ROI analysis in the coming months or years. The second thing you can do is to suggest programs that may be ROI-ready to the AmeriCorps Office of Research and Evaluation to let them know that we have a promising program for an ROI. Try letting them know that and getting it into the queue for an ROI analysis.

Really, I think the take-away here is that AmeriCorps has been working for years to increase the evidence base and really understand which national service programs work in an effort to target those national service efforts most effectively. ROI studies are another component of that evidence base, really helping demonstrate which national service programs provide the most bang for the buck.

But as you've seen, a lot goes into an ROI study and you need to have building blocks before we can do one. We need to have evidence about the results. We need to have ways to monetize the results. A way to assess resources that go into running a program, including contributions from various funding streams and the value of in-kind contributions are also really essential. So not every program is ready for an ROI, but those of you who work with programs that rely on national service, you can actively support efforts to get them ROI-ready and build this evidence base.

If you've got questions about what's going on with the ROI initiative at AmeriCorps, you can reach out to Lily Zandniapour. You can see her email contact information on the screen here. Lily is always interested in what folks have to offer and would be delighted to work with any of you if you have an ROI opportunity in one of the programs that you work with. So thank you very much for participating in the discussion here, and good luck with upcoming ROIs.

LILY ZANDNIAPOUR: I want to thank Dr. Janet Pershing from ICF for this presentation. We hope this was informative for you. As I mentioned at the beginning of this webinar, please stay informed and abreast of all we do and stay tuned for more in this area. Please check our website, email us or sign up for our newsletter and future webinars and convenings. Thanks again for joining us today.

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