

# RESEARCH BRIEF - ROI PROJECT National Civilian Community Corps Weatherization Projects

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## **Program Description**

The National Civilian Community Corps (NCCC) is a full-time, team-based program that works to meet various community needs across the country. This analysis focuses exclusively on NCCC's home weatherization activities which vary by project, but have included installing efficiency devices, retrofitting for efficient lighting, insulation, putting flashing around chimneys to block air flow, installing gaskets on exterior doors, and more. Weatherization increases the energy efficiency of homes, producing environmental, economic, and health benefits for homeowners and society. NCCC members' time spent working on weatherization projects during the period studied summed to 93 full-time equivalents (FTEs).

## **Return on Investment Analysis**

To better understand the impact of the program in relation to costs, AmeriCorps commissioned a return on investment (ROI) analysis by ICF, an independent research firm.

AmeriCorps, the federal agency for national service and volunteerism, provides opportunities for Americans to serve their country domestically, address the nation's most pressing challenges, improve lives and communities, and strengthen civic engagement. Each year, the agency places more than 200,000 **AmeriCorps members and** AmeriCorps Seniors volunteers in intensive service roles; and empowers millions more to serve as long-term, short-term, or onetime volunteers. Learn more at AmeriCorps.gov.

ROI analyses of national service programs estimate the monetary value of benefits that a program generates per dollar invested. <u>The ROI analysis of *total benefits per federal dollar* estimated NCCC weatherization projects to have an ROI of between -\$2.96 and \$7.60, depending on how long AmeriCorps members experience increased earnings as a result of the program. NCCC receives only federal government funding.<sup>1</sup></u>

# **Overview of Benefits and Costs**

To calculate the ROI, the program benefits were identified, quantified, and compared to program costs and forgone benefits (professional and investment opportunity costs) of members and funders because of their participation and investment in NCCC. Benefits of NCC weatherization projects include:

- **Cost savings to households living in weatherized homes.** Homes weatherized by NCCC AmeriCorps members generally experience a decrease in energy consumption following weatherization. This decrease in consumption results in an annual cost saving to homeowners.
- Reduced costs to households, private insurers, and government due to health benefits. Weatherization also leads to health benefits, such as reduced thermal stress from both cold and heat, reduced asthma-related medical care and costs, and fewer missed days at work. These health benefits also benefit private insurers and government in the form of reduced spending on healthcare.
- **Reduced costs to society from carbon emissions.** Weatherization improves the energy efficiency of homes, leading to a decrease in carbon emissions.
- Additional earnings by AmeriCorps members. Serving in AmeriCorps leads to increased wages and reduced unemployment post-national service through skill acquisition, as well as increased educational attainment post-service.
- Living allowances, stipends, and education awards. AmeriCorps members receive living allowances and stipends during their national service and receive Segal AmeriCorps Education Awards after successful completion.
- **Increased tax revenue for government**. The government receives more income tax revenue from increased AmeriCorps member earnings post-service, as well as additional sales tax revenue related to those earnings. The government also realizes tax revenue from the taxable living allowances, stipends, and education awards provided to AmeriCorps members.
- **Reduced lifetime spending on corrections, public assistance, and social insurance**. Because of the increase in secondary and post-secondary educational attainment for AmeriCorps members, government spends less on these items.

Program costs for NCCC weatherization projects during the 2021-2022 program year totaled \$124,439.

## **ROI Results**

The table below shows the ROI results. The first row shows total benefits per federal dollar and the second row shows federal government benefits per federal dollar. The ROI estimates are presented as dollars returned for every \$1.00 of investment. The analysis used three different scenarios to estimate benefits under

<sup>&</sup>lt;sup>1</sup> Other ROI studies in this series include estimates of *total benefits per funder dollar*. However, NCCC receives only federal government funding, leading to identical values for the ROI estimates for *total benefits per federal dollar* and *total benefits per funder dollar*. For that reason, this study omits the *total benefits per funder dollar* calculation.

different assumptions. Specifically, the study assumed that increased earnings due to AmeriCorps service last for one year (short-term), 15 years (medium-term), or 30 years (long-term).

	ROI Scenario		
ROI Calculation	Short-Term	Medium- Term	Long-Term
Total benefits per federal dollar	-\$2.96	\$2.25	\$7.60
Federal government benefits per federal dollar	-\$0.21	-\$0.17	-\$0.33

The program produces strong returns in the medium- and long-term scenario for the *total benefits per federal dollar*, \$2.25 and \$7.60 in return for every \$1 spent, respectively. The most significant factors driving the positive ROI estimates are:

- Educational attainment outcomes of AmeriCorps members. After serving in the AmeriCorps program, AmeriCorps members receive an education award, which is used by a portion of members to help pay for postsecondary degrees postservice. The additional educational attainment resulting from the use of the education award generates additional earnings for AmeriCorps members.
- **Employment outcomes of AmeriCorps members.** Past studies establish that AmeriCorps members experience increased employment and increased earnings post-service.
- Benefits to households, society, and government from weatherized homes. These included benefits to various stakeholders. Households living in weatherized homes benefited from reduced energy costs and reduced medical costs. Society benefited from decreased costs of carbon emissions. Government benefited from reduced spending on public insurance programs as a result of health benefits to homeowners.

In the short-term scenario for the federal benefits per federal dollar ROI calculations, the ROI results are negative because the costs of funding NCCC weatherization projects, combined with opportunity costs, exceed benefits 1 year post-program. A negative ROI in the first-year post-program is common in programs where there is an initial one-time investment made and benefits accrue in the following years. This is because it can require several years of benefits to recoup the initial investment and generate positive returns.

The federal government benefits per federal dollar calculations estimate losses for all three scenarios. NCCC weatherization projects are intended primarily to generate benefits to society, households, and AmeriCorps members, rather than benefits to the federal government, so these results are consistent with the design of the projects.

#### About the Office of Research and Evaluation

The <u>AmeriCorps Office of Research and Evaluation</u> assists AmeriCorps and its partners in collecting, analyzing, and disseminating data and insights about AmeriCorps programs and civic life in America.

For more information, please contact evaluation@americorps.gov.

## About this Brief

The report summarized in this research brief was commissioned by AmeriCorps' Office of Research and Evaluation under Contract # GS00Q14OADU209 and Order # 95332A20F0068. Information in this report is in the public domain. Please, direct communications related to this report to Lily Zandniapour at <u>Izandniapour@americorps.gov</u> and Emily McDonald at <u>emcdonald@americorps.gov</u>. Cite this report as follows: Borgida, J., Calamari, M., Clark, D., Miller, B., Modicamore, D., Pershing, J., Thompson, P., & Voigt, G. (2024). *Return on Investment Study: National Civilian Community Corps Weatherization*. ICF.

Produced and published at US taxpayer expense.