

# Deloitte – Social Return on Investment Analysis

## Context and purpose

Raising Expectations is a cross-sectoral collaboration between the Centre for Excellence in Child and Family Welfare (CFECFW), Victoria's peak body for child and family services, founding university partners, Federation University Australia and La Trobe University, and more recently Swinburne University of Technology. Through the program, the three universities support care leavers to participate in vocational and higher education.

The program started in July 2015, funded initially for three years by the Sidney Myer Fund, in response to poor educational outcomes experienced by young people leaving Out-of-home care. Few care leavers participate in higher education, compared to 40% of the Australian population, aged 25-35. This is due to the barriers including mental and physical health, personal and family, financial and housing instability (AIFS 2018). Since July 2018, the Victorian Department of Education and Training has been Raising Expectations' funding partner.

The CFECFW engaged Deloitte Access Economics to undertake a return on investment (ROI) analysis of the Raising Expectations program to evaluate program returns relative to administration costs. A social return on investment (SROI) analysis which considers the program's social returns and costs was also conducted.

## Scope of the analysis

Deloitte focused on the economic and social benefits associated with the participation of the CFECFW, Federation University Australia and La Trobe University in Raising Expectations from 2016 to 2019. Costs and benefits associated with Swinburne University of Technology have been excluded from the analysis, as the program only extended to this university in late 2018. The analysis focuses on the costs and benefits for the state of Victoria.

## Evidence of the benefits of Raising Expectations

Deloitte developed a Benefits Framework to identify how Raising Expectations lifts educational outcomes for care leavers, and how the lift in educational attainment is expected to generate benefits in Victoria, for the student, their families, the community, and the government. This involved:

- Conducting a literature review to understand the existing outcomes for care leavers across the domains of education, health, housing, and justice
- Interviewing the three participating universities, including a care leaver at one university, and a survey of Out-of-home care providers to understand Raising Expectations' progress towards its goals.
- Gathering evidence on the benefits of further education, including for the general population, and how these benefits differ for disadvantaged populations such as care leavers.

The Benefits framework identified and quantified benefits in Victoria related to:

- **Students:** improved labour market outcomes, including increased lifetime earnings and probability of remaining in employment and improved health outcomes, including longevity benefits
- **The government:** increased taxation receipts received by government resulting from higher lifetime earnings and reduced reliance on government services, including justice, mental health, and homelessness services.
- **The community:** broader benefits associated with improvements in social capital, including improved family wellbeing, community safety, stability and diversity were identified but not quantified.

## Estimating the social return

The social return of Raising Expectations was estimated by:

- Identifying the benefits and costs of Raising Expectations using the Benefits Framework
- Obtaining data on the number of care leavers enrolled in the program and program delivery costs
- Estimating the number of participating care leavers that would be expected to graduate from university or vocational training
- Estimating the proportion of students that graduated from further education due to Raising Expectations (also known as attribution)
- Estimating the monetary value of the costs and benefits, where possible
- Calculating the total benefits and comparing this to the total costs.

## Key findings

- For every dollar invested, Raising Expectations generates an estimated minimum of \$1.80 in economic and social benefits
- The social benefits of Raising Expectations are found to substantially outweigh the costs

- Based on the evidence collected and analysed, the report assumed that at least 20% of the care leavers who complete further education at the participating universities is attributable to the Raising Expectations program.
- An attribution of 20% leads to a 1.80 SROI, or a 1.16 ROI. This means that for every dollar invested into the Raising Expectations program, \$1.80 is generated in economic and social benefits.
- In all scenarios, program benefits outweigh the costs since 2016, based on the assumptions in the report. The program leads to a total net social benefit of \$7.8 million for the years 2016 to 2019, with benefits equalling \$17.5 million and total costs equalling \$9.7 million.
- An attribution rate of 12% is needed for the program to breakeven, based on the social return on investment. This means if at least 12% of care leavers participating in the program graduated due to support provided by Raising Expectations, then the program's social benefits will outweigh costs.
- Through the support of the Raising Expectations program, care leaver student completion of university and vocational training is expected to increase.
- Care leavers completing their studies are expected to benefit from additional earnings and health related longevity benefits.
- The Victorian government is also expected to benefit from additional taxation revenue and reduced spending on government services, including justice, mental health, and homelessness services.

## Conclusion

The Raising Expectations program assists a group of individuals who are highly disadvantaged and who otherwise receive limited supports. Demonstrating the benefits of this program is expected to help generate a greater understanding of the importance of engagement in post-secondary education for improving care leaver life outcomes and livelihoods.

Given the program has existed for a short period, this positive rate of return under conservative assumptions suggests the program is effective. With time, it is possible that the program's returns will grow, as awareness improves among care leavers and out of home care providers. Analysis of commencement and completion rates among this group may be used to estimate the program's return in the future, over a longer period.