



Youth Opportunities

Baseline Social Return on Investment Report

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Executive Summary

This report provides a baseline Social Return on Investment (SROI) analysis of the Youth Opportunities Personal Leadership Program (PLP) for young people. It looks at the investment in the PLP from the 2009 and 2010 calendar years and assesses the impact that the activities have had on seven schools and their significant stakeholder groups.

Youth Opportunities Background

Youth Opportunities is an Australian non-profit organisation working in over 30 secondary schools across South Australia. The organisation's driving philosophy is to help young Australian's reach their full potential and become confident and resilient leaders.

The organisation was established by Peter Marshman in 1997 and was inspired by a successful leadership program that Peter had developed for business as a way of increasing employee motivation. Through his own engagement with young people he observed the emotional, social, physical and psychological challenges that young people face in the middle years of their secondary schooling. These challenges, if not addressed appropriately, often result in a range of negative consequences including disengagement from school, friends, family and society. He tailored his program to assist young people navigate these challenges and transitions promoting resilience, responsibility and effort.

The program, which is aimed at year 10 students, focuses on two core beliefs. First, to achieve enduring change it is essential to offer an individual new ways of thinking, giving purpose, understanding and motivation to succeed in all areas of life. Second, it is critical to foster a collaborative environment at school with engaged student peers, teachers and parents so that young people have a safe space to grow and develop their confidence.

Project Background

Youth Opportunities commissioned Social Ventures Australia (SVA) Consulting, a leading SROI practitioner in Australia, to assess the value that was created by the PLP across seven schools during the 2009-10 calendar years. SROI is a framework for measuring and accounting for the broad concept of value which incorporates social, environmental and economic benefits for a range of stakeholders.

The primary objective of this SROI analysis was to understand and value the impact that the Youth Opportunities PLP has had on the various stakeholders involved. The analysis will be used to demonstrate the value created by the Youth Opportunities PLP to existing and potential investors, students, schools, parents, the community, pro-bono supporters and government. It will also be used to evaluate the design and effectiveness of the PLP, inform the development of external communication strategies and serve as an input into Youth Opportunities' strategic plan.

This report was completed and peer reviewed by accredited SROI practitioners.

Value Creation

Interviews, surveys, secondary research and evidence provided by Youth Opportunities, were used to understand the value that was created by the PLP. The significant changes experienced by each stakeholder group are:

- **PLP participants (students)** who have improved social and communication skills, improved relationships with family and friends, improved engagement in school and as a result are more likely to stay in school and have successful futures
- **Schools** who have increased staff knowledge and skills to support students, improved staff and student relationships and improved student retention

- **Parents of PLP participants** who experienced improved family relationships and reduced family stress
- **Donors** who benefit from being able to align their personal and corporate interests to help young people build the confidence to achieve their full potential.

Although outcomes are associated with each stakeholder group, it is the model as a whole that creates value – value creation requires all stakeholder involvement.

The following is a summary of the value created and the social return on investment:

Stakeholders	Real outcomes due to Youth Opportunities	Value*	Value per stakeholder group*
PLP participants (students)	Increased awareness of the importance of education, leading to students completing the school year and transitioning into the next year	\$312,669	\$5,612,320
	Increased confidence to pursue goals beyond school	\$4,287,957	
	Improved social and communication skills	\$562,052	
	Improved relationships with family and friends	\$449,642	
Schools	Increased student retention	\$921,877	\$985,575
	Increased teacher skills and knowledge to support students, leading to improved teacher student relationships	\$63,688	
	Outcomes experienced by PLP participants		
Parents	Improved child, parent communication, leading to greater engagement in their child's education	\$416,453	\$877,613
	Reduced family stress	\$461,160	
	Outcomes experienced by their children		
Donors	Outcomes experienced by PLP participants		
	Total Present Value	\$6,690,928	
	Total Investment	\$1,163,479	
	Social Return on Investment	5.75:1	

*Value calculated prior to discount rate being applied

Investment

A cash investment of \$837,041 was required to support the program across the seven schools in the 2009 and 2010 calendar years.

A number of non-cash investments were also required. These included, time committed by school staff; time volunteered by the Youth Opportunities CEO and pro bono contributions from community facilities e.g. venues and catering. If we value these inputs based on commensurate market rates then the total non-cash investments made were \$326,438.

Social Return on Investment

A cash investment of \$837,041 in the 2009 and 2010 calendar years creates \$6,690m of present value, resulting in an indicative SROI ratio of 7.99:1. That is, for the equivalent of every \$1 invested in the PLP, \$7.99 is returned in value.

If the valuation of non-cash investments are included as part of the investment, then the total investment is \$1.163m and the indicative SROI is 5.75:1. That is, for the equivalent of every \$1 invested in the PLP (cash, time and venue hire), \$5.75 is returned in value.

Highlights

- 80% of value is created for the PLP participants. The main driver of value creation is that students are equipped with skills and confidence to establish and pursue their goals. The challenges perceived as insurmountable by PLP participants prior to the program are diminished and replaced with a determination to overcome them.
- By providing an alternative learning model within a school setting, the PLP builds the capabilities of teaching staff to support young people. This has led to an increase in staff skills, improved staff and student relationships and in student retention.
- Non-cash investments are critical to the success of PLP. 28% of the valuation of all inputs (cash and non-cash) is from the contributions of schools, staff and community supporters.
- The SROI ratio for the cash investment in the PLP is 7.99:1. This demonstrates to cash investors in the PLP that significant value is created from their investment.
- The value generated by the PLP is \$5.85 million above the total cash investment for the 2009-10 calendar years.

Considerations

The focus of this report is to understand and analyse the impact that the program has had on major stakeholders. Importantly, this analysis provides insight into the type of data that should be captured in order to communicate the social impact and value created to all stakeholders.

In understanding and interpreting the SROI analysis, there are a number of important factors that need to be considered:

- A principle of SROI analysis is to engage with stakeholders to understand what changes and how it is valued. As part of the survey we asked PLP participants to describe the changes they had experienced. Comments provided by students indicated that their involvement in the PLP has had an overall impact on their mental health and wellbeing, for example, *“It has made me much happier”*, *“I feel that I am worth something”*. Due to time constraints we were not able to gain further evidence to support this outcome; however, it is likely that there could be greater value generated as a result of the programs impact on young people’s overall

mental health.

- The Government (Federal or State) does not currently invest in Youth Opportunities. Over the longer term, however, it is likely that Government will benefit from the program's positive outcomes in that there will be greater student retention leading to lower youth employment and less dependence on government welfare programs. Therefore there could be more value generated as a result of the PLP. However, this was beyond the scope of this project.
- The total value generated by the PLP is not only robust with an SROI which stays above 2:1 even in the worst case scenario, but is also likely conservative. Throughout the analysis conservative assumptions were used and benefit forecast time frames were limited. As such, the SROI ratio of 5.75:1 should be considered a low level estimate which should be refined with further stakeholder engagement.
- SROI ratios should not be compared between organisations without having a clear understanding of both organisations' strategy, program logic or theory of change, geographic location, stage of development and what the organisations are looking to achieve.

Recommendations

The SROI analysis revealed a number of areas where Youth Opportunities could improve to better demonstrate the value it creates. The recommendations are*:

1. Consider re-engaging with students who participate in the program beyond Year 10 to increase the longevity of the outcomes
2. Use the SROI analysis as an input into the development of Youth Opportunities strategic plan.
3. Consider developing a longitudinal study to gain a better understanding of the longer term impacts the program has on young people, specifically, academic outcomes, mental health outcomes and transitioning outcomes
4. Embed the SROI analysis in Youth Opportunities current measurement and evaluation system by specifically tracking outcomes achieved and sustained by all stakeholders e.g. students as well as teachers
5. Use the findings to create tailored marketing message for critical stakeholders e.g. donors, schools and government
6. Leverage the analysis to encourage more teacher involvement and improve school culture and leadership
7. Expand the PLP to other states, regional and rural areas through social media

**Comprehensive explanations of the recommendations are included in section 7 of this report.*