

Return on investment to the FATHER Project

Prepared for Goodwill/Easter Seals Minnesota

A Return on Investment Study was conducted for the FATHER Project, a program of Goodwill/Easter Seals Minnesota with the goal of describing the economic impacts of this program designed to promote enhancement of parenting skills and economic stability for families and children. The research approach known as Return on Investment (ROI) was used to analyze the economic impacts of the FATHER Project in two ways: Actual ROI and Prospective ROI. The Actual ROI is the long-term social return on investment using actual outcome data currently available for the FATHER Project. The Prospective ROI addresses presumed outcomes of the FATHER Project using appropriate estimates of program benefits and existing data extrapolated from other research. The economic benefits are analyzed for both approaches against program costs incurred in a one-year program period (using standard financial statements), in this case the 2009 fiscal year. For both approaches, data were analyzed for the 380 participants served in the FATHER Project during the 2009 Fiscal Year (September 2008 – October 2009). In addition, future directions (or next steps) for moving the Prospective ROI to Actual ROI are presented.

For the actual ROI, the following data were analyzed for FATHER Project participants: Employment status, changes in wages and hours worked, job placement and retention, educational achievement, and child support payment information. The actual long-term benefits considered were lifetime earnings, child support benefits paid, and benefits to taxpayers due to increased taxes paid. For the Prospective ROI, the following data were analyzed for FATHER Project participants: Paternity establishment, reduced criminal convictions, increased child literacy and development due to increased participation of fathers in their children's lives, engagement with early childhood programming, and increased community involvement and leadership development of fathers.

To perform the analyses, the overall cost of operating the FATHER Project for one year, including indirect costs not found in traditional financial statements, was calculated. Then, the actual and prospective economic benefits of the program were calculated

separately. Finally, the Actual and Prospective economic benefits of the program were compared against the overall annual operating costs to yield the Return on Investment results.

Key findings

Actual ROI

For the Actual ROI analysis, the long-term benefits derived from measureable FATHER Project outcomes for the 380 participants served in a one-year period will ultimately reach \$2.7 million. These results include:

- Increased income amounts to \$2.45 million
- Increased child support payment amounts to about \$50,180
- Increased tax revenue total more than \$183,000
- Overall, using conservative estimates, the benefits generated by the FATHER Project outweigh the costs of its operation in the long-term, returning \$3.41 for every dollar invested in one year of operation

Prospective ROI

For the Prospective ROI, the estimated ROI benefits for the same period of operation of the project will ultimately reach nearly \$4.7 million. These potential benefits, through comparisons to existing research include the following results:

- Paternity establishment related to future child support payments amounts to \$97,000
- Reduced criminal convictions and recidivism amounts to \$1.66 million
- Increased child literacy and development due to increased father participation amounts to \$45,000
- Engagement and involvement with early childhood programming amounts to \$2.9 million

Overall, using conservative estimates, the additional prospective benefits that potentially could be generated by the project outweigh the costs of its operation in the long-term, potentially returning an additional \$6.03 for every dollar invested in one year of operation.

Total Return on Investment

The combined actual and prospective Return on Investment totals an estimated \$9.47 for every dollar invested, ultimately reaching \$7.4 million.



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For more information

This summary presents highlights of the *Return on investment to the FATHER Project*. For more information about this report, contact Jose Diaz at Wilder Research, 651-280-2738.

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