



Westchester Institute
for Human Development

2018

SOCIAL RETURN ON INVESTMENT & ECONOMIC IMPACT STUDY 2018

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FOR PUBLIC POLICY INITIATIVES

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Why The Westchester Institute for Human Development (WIHD) is producing this report

Westchester Institute for Human Development (WIHD) is a unique resource in Westchester County impacting the lives of individuals with intellectual and developmental disabilities, vulnerable children, and families by providing direct medical, dental, clinical, and social services; conducting innovative research to inform best practices in the field; and training current and future professionals. The purpose of this social return on investment (SROI) and Economic Investment (EI) study is to assess the economic value of WIHD through its programs, staff, and expenditures.

What is Social Return on Investment (SROI)?

Social Return on Investment (SROI) is a cost-benefit analysis of social programs, policies, organizations, and projects. It seeks to reduce inequality and improve wellbeing by incorporating social, environmental, and economic costs and benefits. These analyses depict the outcomes of services and their contributions to society. They are represented by monetary values in order to quantify their social impact. Essentially, dollars are used to convey value. The purpose of an SROI is to assess the social impact of services provided by organizations. This assessment not only identifies possible improvements in these services but also recognizes valuable programs that benefit the wellbeing of their clients.

An SROI is based on seven key principles developed by the SROI Network:



SROIs are projected savings to society as a result of services provided. Given the assumed impacts due to these services (e.g., improved academic outcomes, reduced emergency room visits) and given empirical evidence of the short term financial costs associated with these impacts, the SROI tells us for every \$1 spent on program delivery, how many dollars are potentially saved by society.

FIGURE 1. **SROI MODEL**



How is SROI measured?

Generally, conducting an evaluative SROI involves six stages:



This project is an evaluative SROI in that it was conducted retrospectively and based on actual outcomes that have already occurred. Each program defines the services provided, the total number of visits annually (total receipts of service annually), and the annual cost for service delivery.

FIGURE 2. DETERMINING SERVICES PROVIDED



For each service, the programs worked with the research to identify the impact that service would have for the client. For example, the service of chronic care management would have the outcome of reducing emergency room hospitalizations. Once the outcome(s) for each service were determined, they are assigned a dollar value using academic literature that have examined the economic impact of these outcomes. Finally, the program provides a likelihood (on a scale of 0% to 100%) that this service would be available to those receiving it if this program did not exist. For example if there were another local center providing similar care for the same population the likelihood would be 50%; if this program were the only program providing the service to this population, the likelihood would be 0%. This likelihood is used to weigh the economic impact accordingly. The total social return on investment is calculated as a ratio to represent the benefit for every dollar spent based of the following formula:

$$\frac{((\text{economic impact of service} * (1.0 - \text{likelihood})) * \text{total number of visits})}{\text{annual cost of service delivery}}$$

For example if chronic care is delivered in 1,000 visits per year at an annual cost of \$100,000, its impact per reduced emergency room visit was \$2,000 but one other center provides chronic care to this population (50% likelihood), the formula would result in:

$$\begin{aligned} & ((\$2,000 * 0.50) * 1,000) / \$100,000 \\ & = (\$1,000 * 1,000) / \$100,000 \\ & = \$1,000,000 / \$100,000 \\ & = \$10 \end{aligned}$$

For every \$1.00 spent on delivering chronic care there is an annual social return of \$50.

Factors that impact the SROI:

1. If a **larger number** of visits are provided annually, the SROI will increase.
2. If the **annual cost** of the service is higher, the SROI will decrease.
3. If the **likelihood** that the service can be found elsewhere is higher, the SROI will decrease.

Some impacts have empirically received a higher cost savings in the literature for example:

Improved daily wellbeing	\$ 228.00
Reduced ER hospitalizations	\$ 1,312.00
Increased academic achievement	\$ 2,209.00
Reduced time in foster care	\$ 6,675.00
Increased early intervention	\$ 15,712.00
Reduced ER visits/ Increased early intervention	\$ 17,024.00
Decreased mental illness	\$ 18,254.00
Improved care from others	\$ 23,436.00
Reduced number of caregivers	\$ 23,893.00
Decreased child abuse/maltreatment	\$ 35,430.00

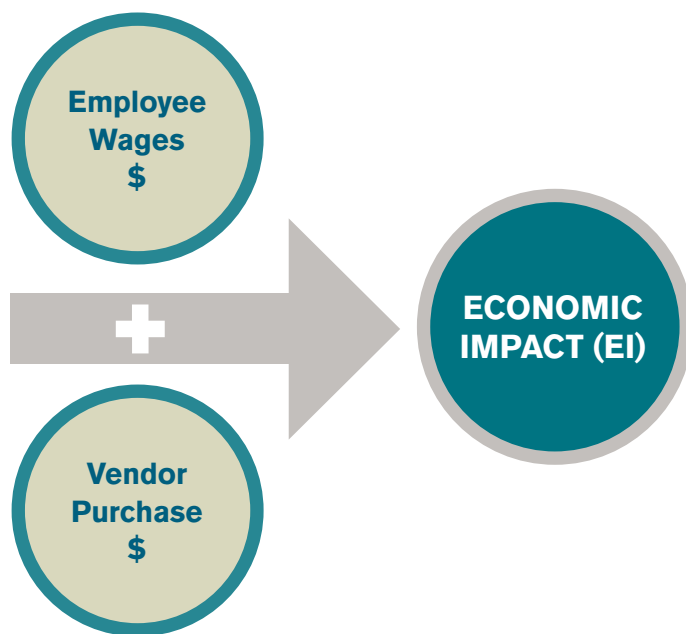
This study specifically focuses on the value of the Westchester Institute for Human Development (WIHD). Surveys were distributed to the programs involved requiring information about their mission, services provided, vendors, and employees. SROI studies can be applied across various types of organizations. The ratio calculated depicts a wealth of information on which to base decisions. It justifies the value-for-money of educational and public health interventions. SROI analyses tell a story of change and social impact, one that is often used to make larger decisions about improvements that can be made to better society.

What is Economic Impact (EI)?

An Economic Impact study provides an estimated impact of how spending on both vendors and salaries effects the local economy. For every dollar spent, there is a multiplier effect in the economy; this study estimates that impact. Using the data from spending by category (salaries, retail, food, etc.) and by vendor/zip code, a Regional Input-Output Modelling System (RIMS) Multipliers II is used to calculate indirect spending that is created by the direct spending. The calculations also include both direct and indirect jobs created from the spending. The multiplier estimates the effect on Westchester County and the state wide effect on the economy and jobs.

This report uses the U.S. Department of Commerce's Bureau of Economic Analysis' Regional Input-Output Modeling System (RIMS II) to measure the impact the WIHD on the local and state economies. Each dollar spent by the Westchester Institute for Human Development and its employees circulates through the economy impacting various industries. The RIMS II model provided multipliers that measure this impact. The RIMS II multipliers are based on an input-output (I-O) table that shows the inputs purchased and outputs sold for each industry. The RIMS II final-demand output, earnings, and employment multipliers were used in all of the calculations throughout this study. The RIMS II direct-effect employment multiplier was used

FIGURE 3. EI MODEL



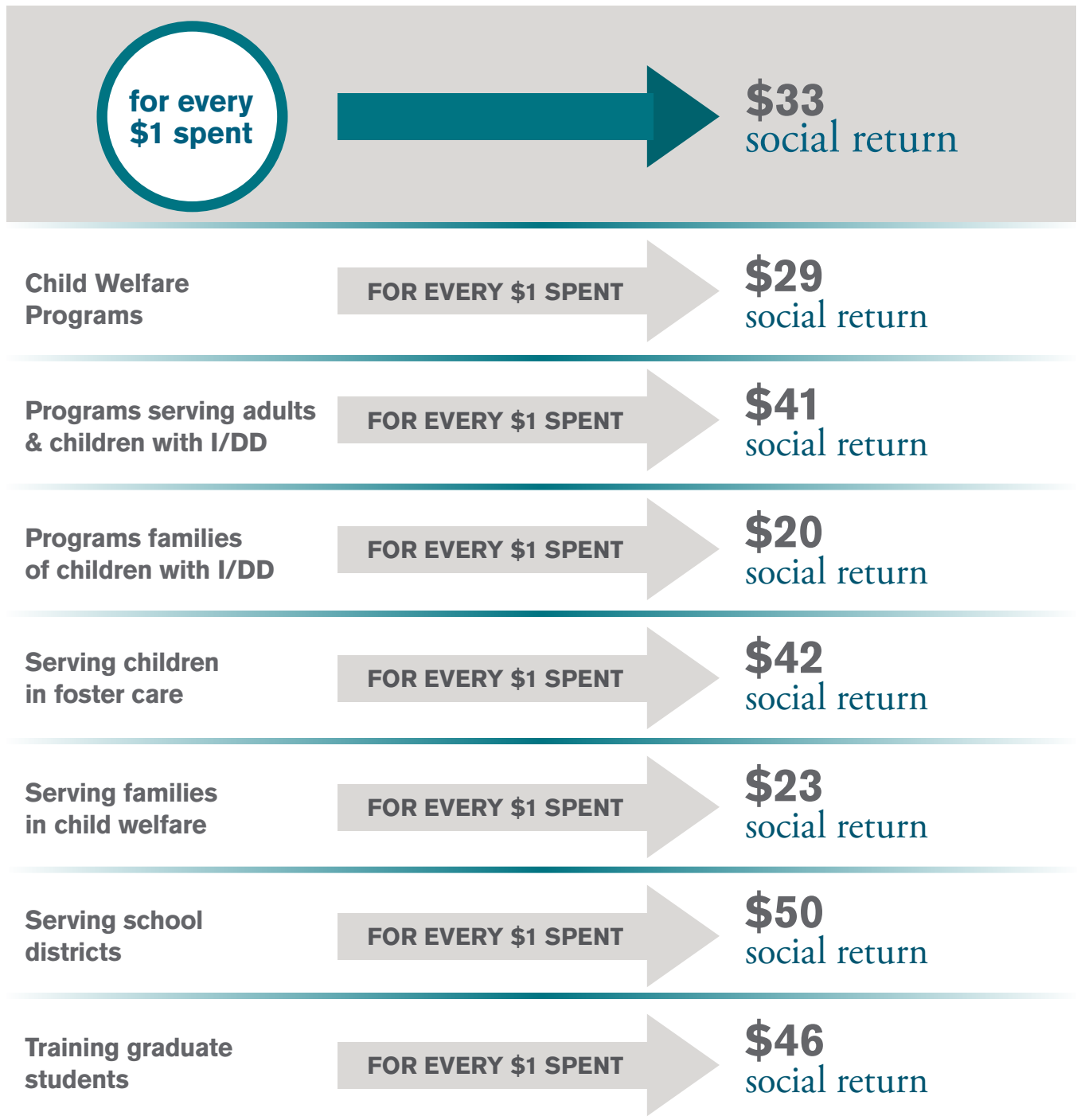
to calculate the number of jobs created in Westchester County and NYS. RIMS II-based estimates and those based on surveys are similar as shown through empirical tests. The multiplier used was the 2007 U.S. Benchmark I-O data and 2015 Regional Data.

Assumptions and limitations

The Social Return on Investment assessments relies on empirically measured and published cost savings analyses, not necessarily intended for the same I/DD and vulnerable populations served. As some individuals with I/DD and other vulnerabilities may require more complex services, the values are likely conservative estimates. Additionally, all estimates are based on a short-term (one year) projection only.

Findings

Below are cumulative SROI's that merge together several programs' impacts.

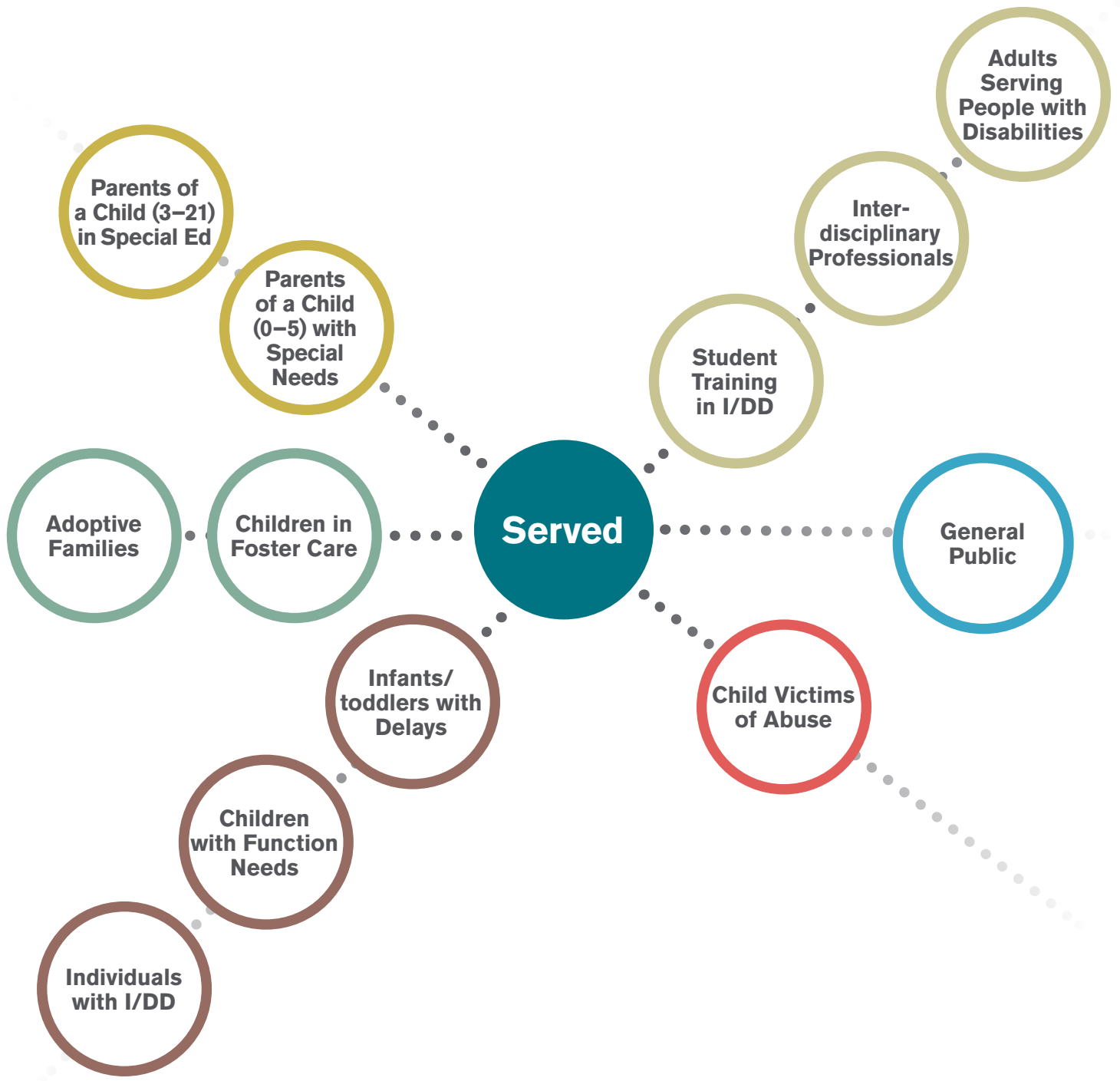


Individuals served and services provided

TABLE 1. **SUMMARY OF SERVICES**

Assistive technology provision, evaluations, trainings
Clinical support to foster parents; therapeutic recreation/respice
Cognitive, academic, behavioral screening of children in foster care
Behavioral Psychology Services
Education Coordination
ENT Physician Visits
Forensic interviews, medical evaluations, assist abuse investigations
In-home Assessments
In-home Parent Training for parents with developmental disabilities
Inpatient speech and hearing evaluation and treatment
Intake/eligibility service coordination for early intervention
Medical care, care coordination for children in foster care
Mobile dental van services providing preventative and restorative dental care
Outpatient speech and hearing evaluation and treatment
Preventative and restorative dental care
Primary and Specialty Medical Services
Professional development, consultation services, Educational materials, workshops
Psychiatry
Service Brokerage and Individual Budget Development
Support groups, parenting training, family therapy
Training and information for parents with children with disabilities
Training interdisciplinary graduate students and fellows
Trauma focused treatment

FIGURE 4. POPULATIONS SERVED



Economic Impact (EI)

WIHD spent \$9.5 million in Westchester County and \$13.3 million in NYS for purchases and employee salaries. WIHD spending for purchases and employee salaries generates an estimated \$26.2 million and 172 jobs in NYS annually with an estimated \$15.5 million in overall economic activity and 99 jobs in Westchester County specifically. The report concludes that WIHD estimated economic impact is not insignificant to the region or New York State but provides an economic engine that drives additional jobs within the region and State.

TABLE 2. TOTAL ECONOMIC IMPACT

Westchester Institute for Human Development		EXPENDITURES	ECONOMIC IMPACT	JOBS GENERATED
Westchester County	Vendor Spending	\$4,177,960	\$6,499,560	20.2
	Employee Salary	\$5,308,206	\$8,976,176	79.0
	TOTAL	\$9,486,166	\$15,475,736	99.2
New York State	Vendor Spending	\$4,964,135	\$9,205,220	40.9
	Employee Salary	\$8,299,985	\$16,978,449	131.0
	TOTAL	\$13,264,120	\$26,183,669	172.0

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Author Bio

Eve Waltermaurer graduated in 2005 with a Ph.D in Social/Violence Epidemiology from the University at Albany. She is currently the senior research scientist at The Benjamin Center. She specializes in social and behavioral research including violence, criminology, health, and youth risk/development. She has extensive experience in conducting survey research, secondary data analysis, research design, evaluation, measurement and statistics.

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