

Return on Investment

Program	No. Graduates	Annual Social Cost	Social Cost Reduction Years	Total Social Costs Reduction
Year 1	15	\$ 5,000	54	\$ 4,050,000
Year 2	15	\$ 5,000	54	\$ 4,050,000
Year 3	15	\$ 5,000	54	\$ 4,050,000
Year 4	15	\$ 5,000	54	\$ 4,050,000
Year 5	15	\$ 5,000	54	\$ 4,050,000
Year 6	15	\$ 5,000	54	\$ 4,050,000
Year 7	15	\$ 5,000	54	\$ 4,050,000
Year 8	15	\$ 5,000	54	\$ 4,050,000
Year 9	15	\$ 5,000	54	\$ 4,050,000
Year 10	15	\$ 5,000	54	\$ 4,050,000
Total Lifetime Impact of Social Costs Reduction Attributed from Program Years 1-10				\$ 40,500,000
Initial Investment				\$ 3,500,000
Lifetime Return Years 1-10				\$ 37,000,000
ROI				1057%

Assumptions:

- The Annie E. Casey Foundation *Success Beyond 18 Infographic Handout* states, "on average, for every young person who ages out, taxpayers and communities pay \$300,000 in social costs over that person's lifetime. Social costs equal taxpayer-funded costs such as public assistance and incarceration, as well as costs absorbed by the community, such as wages lost as a result of dropping out of high school.
- A lifetime after aging out = 60 years of social costs.
- Average annual social costs per person then equals \$300K/60years = \$5K per year.
- Program graduate only requires 6 years of social costs.
- Total lifetime impact of social costs reduction attributed from program graduation equals 54 years.