



Measuring Return On Investment (ROI) for State Government



Overview

- ROI: Framework
- ROI: Logic Model
- ROI: Model



ROI: Framework

A performance measure used to evaluate the efficiency of an investment

$$\text{ROI} = \frac{\text{Impact from program} - \text{Impact without program}}{\text{Cost}}$$



Source: <http://www.investopedia.com/terms/r/returnoninvestment.asp#ixzz8RDY0y>

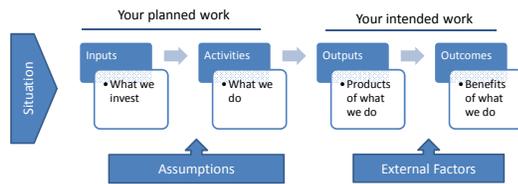
The Seven Principles

- Engage stakeholders
- Only include what is material
- Understand what is changing
- Value what matters
- Not to over claim
- Transparency
- Verify results



Source: A Guide to Social Return on Investment (2009)

ROI: Logic Model



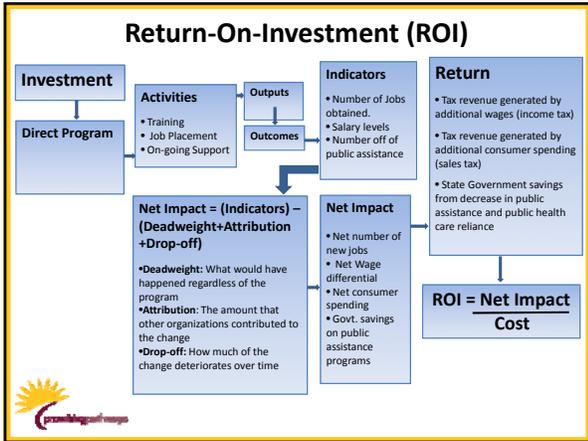
Major Components of ROI Framework

- Stakeholder
- Inputs
- Outcomes
- Outcome Indicators
- Deadweight
- Attribution
- Drop-off



ROI: Model





- ### Data Required to Calculate State ROI
- Number of participants in Cohort
 - Number of participants within cohort completing program
 - Cost per participant
 - Average income of cohort upon entering program and one and two years after completing program
 - Average public assistance collection per participant pre and post-program
 - Average public health care collection per participant pre and post-program
 - Incarceration rates pre and post-program
 - State income and sales tax rates
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Questions!



Contact Information

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