

Social Return on Investment of Genesys Works

Genesys Works is a national not-for-profit organization with the goal of giving economically-disadvantaged high school students the knowledge and experience required to succeed in the world of work. Rising seniors receive eight intensive weeks of training in specific technical fields and in professional skills. During their senior year, the students are assigned part-time work at a client workplace. Located in five cities, *Genesys Works* has served over 3,700 students since 2006.

Executive Summary

Increasingly, social programs are being evaluated using investment appraisal techniques. For *Genesys Works*, we calculate the Social Return on Investment (SROI): this calculation compares program expenditures with all the gains for participants and society.

The direct expenditures for *Genesys Works* include spending on recruitment, training, internship placement, and management at both the site and national level. Expenditures were collected from each site and national office using the ingredients method.

- **Expenditure per student on *Genesys Works* is \$9,990.** For a cohort of 610 entering seniors who progress through the program, expenditures are estimated at \$6.1 million.

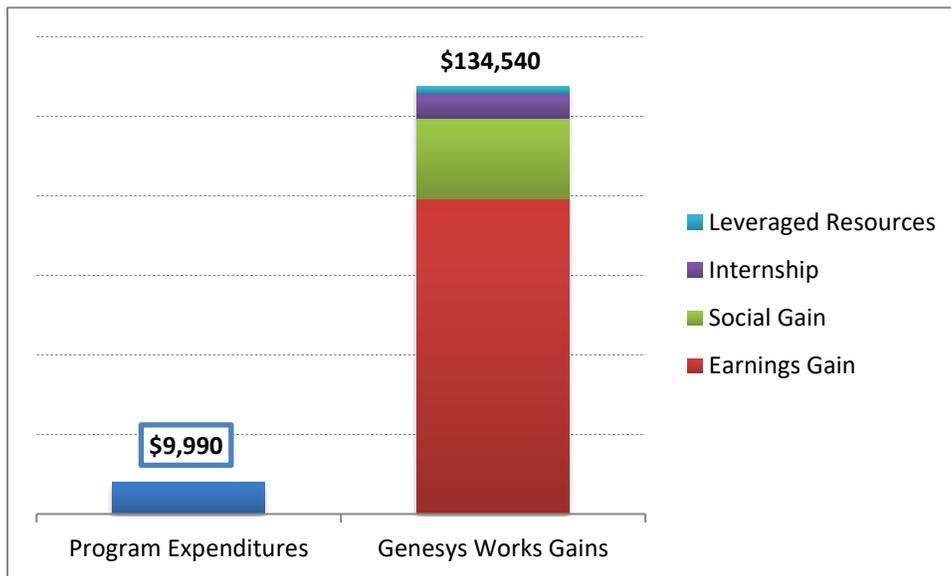
The primary benefit of *Genesys Works* comes from students' higher rates of college enrollment and completion, and a greater ability to obtain meaningful employment given their internship experience. Almost all participants enroll in college (compared to approximately three-quarters of students nationally) and they complete degree programs at much higher rates. This extra postsecondary education generates benefits in terms of higher incomes, lower social burdens, and faster economic growth. In addition, participants work as paid interns at local businesses and earn wages during the school year. *Genesys Works* also leverages resources from local businesses and volunteer groups to support the youth.

The benefits of *Genesys Works* are calculated relative to comparable non-participants (mid-ability high schoolers from low-income families):

- **Economic benefits per student from *Genesys Works* are: \$98,930 in extra lifetime earnings; \$25,620 in social gains; \$7,780 in internship earnings; and \$2,210 in leveraged resources. The total gains are therefore \$134,540.***

From a policymaker and donor perspective, the social return on investment (SROI) is an important metric. The SROI can be expressed as the ratio of benefits to spending. As shown in the Figure, **the social returns to *Genesys Works* are 13 times as large as direct expenditures.**

The Social Return on Investment from Genesys Works



Our analysis looked primarily at the expected lifetime earnings increase as a result of college enrollment and completion, on a net present value, and discounting the cost of the college education itself. We conclude that by increasing college enrollment rates and workplace experience, the Genesys Works program can help generate substantial net economic and social value for society. Moreover, this study did not take into consideration the fact that, given their internship, students have more experience when they enter the labor market and this is likely to lead to higher earnings at each level of education. Furthermore, another advantage is that the participants may gain more non-cognitive skills to help them succeed. These advantages, which are not factored into the model shown here, suggest the value of the internship is greater than the immediate earnings.

In a simple comparison against other student groups, the social value of the Genesys Works program is high. The Social Return on Investment is 13 to 1, i.e. 13 dollars returned for every one dollar invested. Sensitivity testing shows that this conclusion – high returns net of expenditures – is robust to alternative model assumptions and different comparison groups of students.

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