

**Return on investment: The dollars and cents of a nonprofit program's worth**  
July 15, 2008, Wilder Foundation

**Breakout session – Preparing your organization for ROI analysis**

Panelists: Steve Rothschild, Twin Cities Rise!  
Joellen Gonder-Spacek, Mentoring Partnership of Minnesota  
Facilitator: Paul Anton, Wilder Research

**Discussion summary**

Steve Rothschild, founder of Twin Cities Rise! explained how his organization used ROI analysis to convince the legislature to institute a new “pay for performance” funding mechanism for job training services. Over the last 12 years, appropriations for this “pay for performance” fund have grown steadily due to demonstrated payback for the state.

Joellen Gonder-Spacek, shared her experiences working with Paul Anton, Chief Economist at Wilder Research, to develop a prospective ROI analysis for youth mentoring. Since she did not have complete data on outcomes at the time, a prospective analysis was done. She uses the results to support funding requests and to recruit mentors from the private business community.

Anton discussed the key requirements to complete a typical ROI analysis, including:

1. Measuring costs accurately – total costs of the program
2. Measuring outputs of the program
3. Valuing the outputs
4. Comparing the value of outputs with the costs

Anton stressed that data collection with an eye toward ROI is important. He suggested several questions that program leaders may want to address as they consider doing an ROI analysis, such as:

- What is your audience?  
This will influence what outcomes are measured.
- What if you don't already have a formal evaluation?  
A speculative/prospective study can still be done – follow up is still useful.
- At what level can you do this type of analysis?  
Very small specific programs can be analyzed with ROI techniques.

Anton said as this work progresses, there will be more of a “tool box” for economists that would allow significant sharing of information to reduce duplication of effort.