

## **Return on investment: The dollars and cents of a nonprofit program's worth**

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### **Breakout session – Family Services: Current ROI evidence, challenges, and issues**

Panelists: Dr. Christopher King, University of Texas  
Susan Gaertner, Ramsey County

Facilitator: Ellen Shelton, Wilder Research

#### **Discussion Summary:**

For the human services sector, applying Return on Investment (ROI) analysis requires a careful balance of quantifiable results and ethical considerations, as certain benefits or areas may not lend themselves well to quantification. Similarly, some areas, such as mental health, have significant front-end costs with smaller quantifiable long-term benefits. When approaching funders, nonprofits may need to list out the less-quantifiable benefits and ethical considerations separately to ensure that funders are aware of them.

Nonprofits also face the challenge of isolating program impacts as services become more integrated. Specifically, the more integrated services become, the harder it is for an evaluator to determine causality between different program components. Nonprofits may be further challenged to clearly articulate the cost savings of their services due to institutional silos. In particular, the savings from one set of services may appear in a different sector entirely from the original expenditure. More research is needed to determine a mechanism that allows for, and encourages, cross-sector benefits sharing and collaboration.

It is also important to note that legislation is often created based on anecdotes, rather than quantitative evidence. However, anecdotes alone fail to illustrate the full impact of programs and services. The most powerful arguments for human services instead usually result from a combination of data and anecdotes-- while the anecdotes give policymakers a sense of people's reality, the data provides them with the evidence needed to prevent decision-making deadlocks, and create meaningful change. As an added benefit, the more legislators incorporate data into their decision-making process, the more they have a basis to build public confidence in how government spends taxpayer funds.

Finally, ROI analysis includes a public relations component as well, particularly for critical human services programs that are not prioritized by the general public. Foundations are beginning to collaborate to ensure that the research message is circulated, but nonprofits can help by translating their message into current policy concerns. For instance, the district attorney's office justifies spending on child support enforcement by framing it in terms of public safety instead of strictly family services. These overlaps exist – the challenge for nonprofits will be to consistently make clear to policymakers the connection between their services and current priorities.