

DRAFT

Informing investment in youth work

Measuring value and strengthening the evidence base

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Introduction

With public spending under immense pressure, it is vital that the youth sector can actively demonstrate the value that it achieves for young people and society as a whole. This paper focuses on youth work, and addresses the question of how best to evidence its value, presenting findings of work undertaken by the Young Foundation in partnership with the National Youth Agency, and with support from the Local Government Association.

Drawing on a rapid review of existing research and tools, and the insights from an expert seminar discussion held in April 2011, this paper sets out a framework explaining key types of value, and cost-benefit analyses using that approach.

In the following sections, we consider the issues:

- What is youth work? Why is there a need to value what it achieves?
- How can we progress towards good evidence?
 - What are the outcomes that youth work contributes to?
 - What is the difference that youth work makes to those outcomes?
 - What is the value of unit improvement in outcomes?
 - How should we adjust valuations for the reliability of evidence?
- What values does the evidence base estimate for youth work?
- What should be done to strengthen the evidence base?

What is youth work? Why is there a need to value what it achieves?

The purpose of youth work is to:

*'Enable young people to develop holistically, working with them to facilitate their personal, social and educational development, to enable them to develop their voice, influence and place in society and to reach their full potential.'*¹

Essentially a voluntary activity requiring skilled adults to facilitate, it makes extensive use of experiential learning and small groups, in settings that vary from youth clubs to mentoring, from sailing to reading.

At its best, youth work makes a huge difference as to whether young people achieve their potential. As Fiona Blacke put it in oral evidence to the Education Select Committee Inquiry into Services for Young People, *'every one of us...could tell you transformational stories about young people who have engaged with youth workers in a positive way'*.²

¹ LLUK, Professional and National Occupational Standards for Youth Work

² Services for Young People, Uncorrected transcript of oral evidence 26 January 2011
<http://www.publications.parliament.uk/pa/cm201011/cmselect/cmeduc/uc744-i/uc74401.htm>

Yet youth work faces severe reductions in budgets – even though youth services receive less than two per cent of local authority education spending³, and just 1.5 per cent of private voluntary donations⁴.

Commissioners and funders are asking anew: what is it, when they invest in work with young people, they are paying for?⁵ Some make a more explicit challenge: what would happen if youth services were cut? Unfortunately, the response to this challenge has been perceived to be relatively weak:

'It's been all too easy for Government and local authorities to cut spending on services for young people, because as a sector we haven't been able to demonstrate our impact well enough. We should never have been in that position and we should never be in that position again' (Youth sector respondent in a telephone interview)

Winning public sector contracts and obtaining trust and foundation grants increasingly depends upon being able to measure the impact and value of youth work. Commissioners and grant-givers need to know what difference services make for young people, and what value that creates.

Impact measures are increasingly used to inform trusts boards and individual givers⁶ and the search for social investment (investment expecting some financial return as well as social benefits⁷) raises the bar for evidence even higher. Social investors often take a 'hard nosed' approach - as a contributor to our seminar put it: *'hoping that investors will invest because it's a good thing to do is naïve'*. At the same time, youth services themselves have to be confident that their future services can not only have a social benefit, but also generate savings to the public purse and so a financial return.

Progressing towards good evidence

When we compare the costs of poor outcomes to the costs of youth services, the public sector investment case looks simple. A year in prison costs the state £40,000 a year or more for instance, while most youth services cost less than £2,000 per participant – and volunteer-staffed services can cost a little as £32 per participant.⁸ But to properly compare like with like, the key challenge is knowing how far youth services actually help avoid such costs to the state.

So far, that challenge has not been well met. The Audit Commission's 2009 review⁹ of sport and leisure provision for young people at risk of offending found that just over half of youth projects had any evidence of outcomes, with only 27 per cent collecting data in a way that would allow for an assessment of value for money. Major cultural and resource barriers will have to be overcome if progress is to be made towards better evidence on youth work.

³ The National Youth Agency (2008) *England's Local Authority Youth Services: NYA Audit 2007-8*

⁴ Private Equity Foundation (2008) *It all adds up: The Review*

⁵ Services for Young People, Uncorrected transcript of oral evidence 26 January 2011
<http://www.publications.parliament.uk/pa/cm201011/cmselect/cmeduc/uc744-i/uc74401.htm>

⁶ Hedley, S et al (2011) *Helping grantees focus on impact*

⁷ Joy, I et al (2011) *Understanding the demand and supply of social finance: Research to inform the Big Society Bank*

⁸ Joseph Rowntree Foundation, 2004, *Street-based youth work*, upscaled to 2010 prices on RPI.

⁹ The Audit Commission (2009) *Tired of Hanging Around*

On the one hand, a push towards social investment requires a certain level of quality of evidence: one that mitigates potential bias and uses comparable data. This means having the skills and time to be able to collect data with a good sample size, quantify the difference it makes, and have some sort of 'control group'.¹⁰ On the other hand, there is the need to adopt a pragmatic, non-bureaucratic approach to evaluation. The voluntary sector, in particular, has traditionally spent little on overheads (in part because it finds it hard to get funding for such expenditure), which affects the ability to develop and implement systems on impact.

Both qualitative and quantitative information is vital to effective performance.

Qualitative information based on self-assessments from young people can be both inspiring and illuminating in informing practice. The process of collecting it can also to give voice to young people's experience of services, and help them reflect on their own progress.

Quantitative data is essential if more financially focussed decision-makers are to see and review the results that they ask for – and it is in this agenda where the greatest weaknesses lie.

Such circumstances make it essential to develop and disseminate tools and techniques that facilitate good practice on applying quantitative data (for example, such issues as control groups), so raising standards of evidence while making it easier for organisations to adopt them.

In particular, the challenge is to share learning on how best to address the following five stages that are required to derive an estimate of the value of youth work:

- Establish the outcomes youth work contributes to;
- Determine the difference that youth work makes to those outcomes (for a specific project);
- Estimate the value of a unit improvement in outcomes;
- Calculate the value of the achieved improvement in outcomes; and
- Estimate the wider applicability of the results (for example, to a larger cohort, or to a different type of client group).

We consider these steps in turn below.

The outcomes to which youth work contributes

In a recent survey of young people, three-quarters ranked education as amongst the top three challenges in their life, while 44 per cent thought relationships were key. Careers and health followed closely behind, being important challenges for a third and a fifth of young people respectively.

Youth work contributes to meeting those challenges in an indirect way by promoting social and personal development. In general, those we interviewed for this research highlighted such aspects as promoting non-cognitive skills (such as conscientiousness and openness to new ideas and approaches); increasing resilience

¹⁰ This need not be real control group in the sense of experimental randomised control groups, it might also mean statistically comparing like groups of young people, who did and did not receive the service.

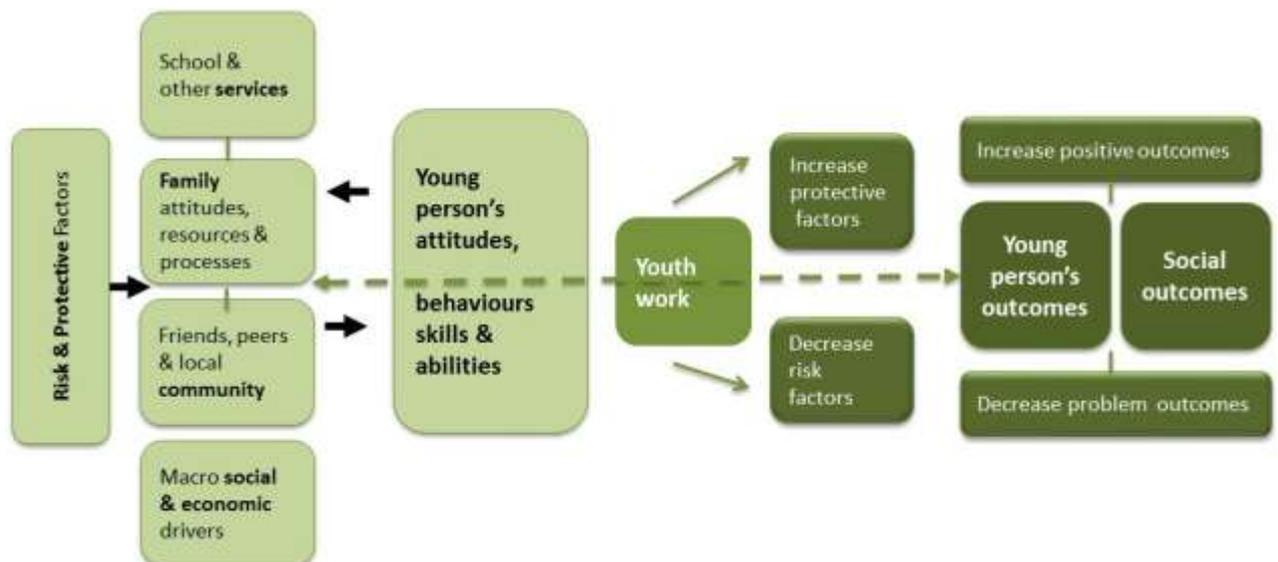
and the avoidance of risky behaviour; and supporting transition to adulthood and the 'central life pillars' – learning, work and relationships.

Putting these considerations together implies an indicative framework such as that set out below:

'Harder' Indicators	<ul style="list-style-type: none"> - Staying on at school - Avoiding exclusion - Gaining qualifications - Not becoming 'looked after' - Reduced risky behaviours - Reduced obesity 	<ul style="list-style-type: none"> - Employment - Not offending - Not behaving anti-socially - Lowered health risk
	<ul style="list-style-type: none"> - Self-esteem, self-belief - 'Locus of control' - Voice & empowerment - Positive peer group support - Reduced bullying 	<ul style="list-style-type: none"> - Participation in public life - Quality family life and relationships - Wellbeing - Making a social contribution - Community cohesion
	Individual outcomes	Social outcomes

The differences that youth work makes to those outcomes

No-one can expect youth work to make all the difference to outcomes in adolescent and early adulthood. There are many other influences, both from young people's own abilities and attitudes, their childhood experience, their families, other services, and external opportunities in their immediate and wider communities. Youth work can mediate these other influences, by both increasing protective factors, such as supportive parenting, and reducing risk factors, such as lacking basic qualifications.



This is a complex process, so it is not surprising that a number of factors can make it hard to isolate the impact of youth work:

- Youth services often work with young people for whom mainstream services (e.g. schools, JobCentre Plus, Police) have not been effective; or who are at an acute risk of poor outcomes;
- Young people rarely receive only a youth work 'intervention'; youth services may work alongside, for example, social services, police, colleges, sexual health clinics, often on an 'open door' policy;
- Youth work is a relational, highly personalised service – outcomes always co-produced with, and often set and led by the young person themselves. Often tailored to vulnerable groups or individuals; and
- Youth work is characterised by a high level of local and practitioner flexibility, with a high use of third sector and volunteers, and many providers often operating on a very small scale.

Taking these into account is far from straight-forward. The paradox is that these aspects may well be precisely what makes youth work a valuable proposition to recipients and society as a whole.

That said, there are a range of approaches that can be used to derive at least some estimate of the difference that services make for young people before and after they have engaged with provision.

The most reliable approach is through a randomised control trial, which is particularly used in medical innovations. This simply compares the results obtained by one cohort that has undergone the intervention against the results of a comparable group that did not receive the support. A related approach is through participant / control comparisons. Some form of database tracks progress of participants against those with similar characteristics, but who are not part of the scheme.

Where such approaches are not available, econometric modelling can be used in an attempt to 'isolate' out the effect of the intervention, compared to other factors such as macro-economic circumstances. When analytical expertise is not available, the simplest approach is to use benchmarks, drawing together assessments of likely outcomes that would occur if no intervention takes place.

We reviewed the robustness of a wide range of evaluations across seven criteria including having key outcomes and theory of change, a baseline or control group, and decent sample size (which could be as high as 500 to 1,000 for impacts of the order of 10 per cent or so).

Those that were assessed highest were where there was significant investment in gathering evidence for the youth sector or trialling programmes: the Aos and

colleagues reviews in Washington State of primarily services to reduce youth offending¹¹, and the Harvard Family Project evaluations¹².

The overall message is that there is a long way to go to achieve very robust results. But rather than aiming for perfection, which could take many years to attain if at all, a pragmatic approach must be to aim for 'reasonably good' levels of robustness.



It should also be noted that qualitative evidence can very much provide key insights. One example is the use of a strength and difficulties questionnaire used on Chance UK's mentoring programme with young people. This found that teachers reported that nearly half (48 per cent) of young people who had a 'high' or 'particularly high' difficulties score saw a reduction in scores after the programme. Surprisingly, the reductions recorded varied widely by who recorded them: 30 per cent of parents reported a reduction in high difficulties, while only six per cent of the mentors did.

The value of a unit improvement in outcomes

When young people fail to transition successfully into adulthood, this has significant costs to the state. Each young person employed saves DWP/HM Treasury some £4,000 per year in terms of benefits payments and tax receipts, and it is estimated around £1 billion a year was spent on Jobseekers Allowance for young people under 24 year olds before the recent recession took hold.¹³ A young person in custody costs on average over £40,000 a year – and some 13 per cent of prisoners are under 21.¹⁴ And a young person in local authority care costs on average over £27,000 a year¹⁵, with the strong likelihood of requiring further state intervention either with respect to unemployment or to crime.

¹¹ See, for example, Aos, S et al (2004) *Benefits and Costs of Prevention and Early Intervention Programmes for Youth*

¹² For more information, see <http://www.hfrp.org/>

¹³ Fairbridge (2009) *Engage: Scaling up business engagement with young people*

¹⁴ New Economics Foundation/Catch 22 (2011) *Improving Services for Young People: An Economic Perspective*

¹⁵ Demos (2010) *In Loco Parentis*

An important consideration is the extent to which public services can actively reduce costs as a result of better outcomes – the problem known as ‘cashability’. Much of the costs associated with prison, for instance, relate to the building itself, rather than prison uniforms or meals, and this former cost can only be substantively reduced when either a wing or indeed the whole facility is closed. In this case, cashability is low. By contrast, if a person comes off unemployment benefit then the savings are much more direct.

A further issue relates to the distinction between short-term and long-term savings to the state. Our preferred, cautious, approach takes short-run figures for unemployment, custody and care costs, but it should be noted the long-term and inter-generational costs can be remarkably high.

The long term costs of being NEET to the taxpayer are estimated at £97,000 over a lifetime, totalling £3.65 billion annually¹⁶. Where young people become parents, there is a higher risk of poor outcomes for their children, and so potentially greater costs¹⁷.

Calculate the value of the achieved improvement in outcomes

This stage brings together evidence on the impact of youth work on key outcomes, and scales that up against the unit value of those outcomes.

In the United States, for example, an adolescent diversion project working with lower-risk offenders has been found through randomised control trials to reduce crime by 17.6 per cent compared to rates amongst similar groups¹⁸. Knowing this impact, it becomes possible to calculate the relative costs and benefits of the programme – in this case, it saves over \$8 US dollars to each \$1 dollar marginally invested.¹⁹

When such randomized control data is not available (as in the UK), more indirect routes have to be tried. For example, statistical analysis suggests an eight per cent decrease in absence from school between the ages of 14 and 16 is associated with four GCSE grades, while avoiding risky behaviours at age 14 is associated with about ten GCSE grades. We also know from separate data that GCSE attainment increases the chance of being employed by 23 percentage points (47 per cent).

This provides some basis to project savings into the future based upon intermediate indicators of improvements for young people, such as reduced absenteeism or reduced risky behaviour – for example, a 23 percentage point reduction in unemployment equates to a £1,900 estimated saving for DWP and HM Treasury over a two year period²⁰.

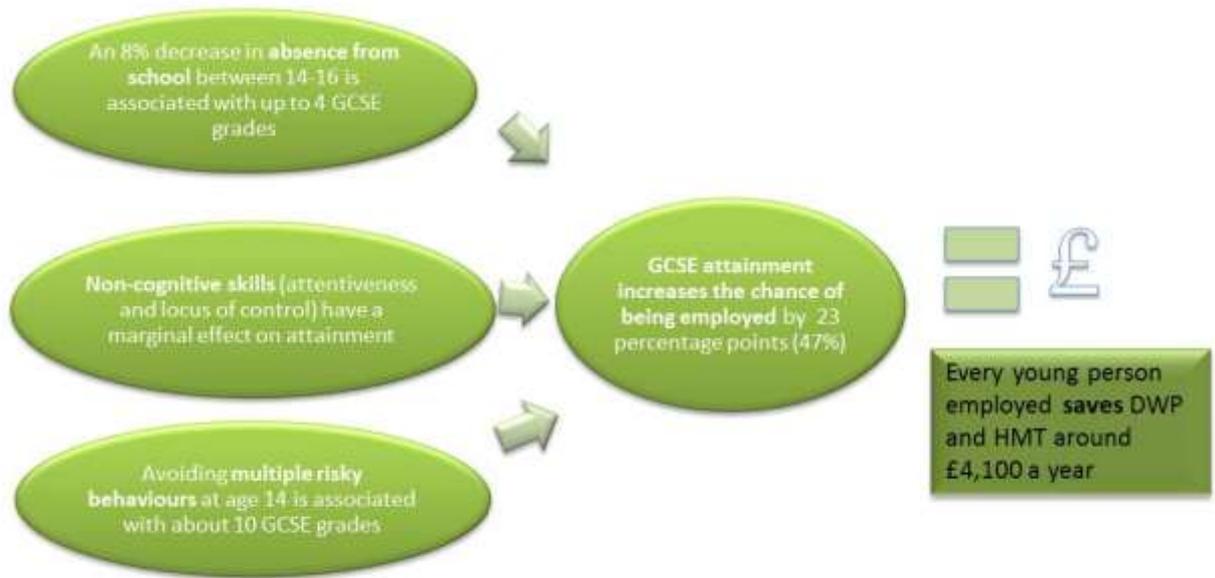
¹⁶ Coles et al (2010) *Estimating the life-time cost of NEET: 16-18 year olds not in education, employment and training*

¹⁷ New Economics Foundation/Catch 22 (2011) *Improving Services for Young People: An Economic Perspective*

¹⁸ That is where a group receiving the intervention can be compared with a similar group not received the intervention, to try to isolate the discrete impact of the programme itself.

¹⁹ That is invested in place of or on top of existing provision. Drake, Aos & Miller 2009, Evidence-Based Public Policy Options to Reduce Crime and Criminal Justice Costs: Implications in Washington State Offenders, Vol. 4, No. 1, November 2008: pp. 1–35

²⁰ Calculated as 23% * £4,100 savings per year to DWP & HM Treasury * 2 years



Estimating wider applicability of results

To inform investment we need to have some confidence that a service can make a difference not just to a small group of young people. In general commissioners and practitioners are overly optimistic about the outcomes that will be achieved by projects. To account for this, it is important to apply correction factors to address levels of uncertainty. The factors agreed by a cross-Whitehall group of economists in assessing business cases for a Community Budgets pilot suggested that uncorroborated expert judgement should be corrected by a factor of 40 per cent or more; while much more formal recent data should only require a correction of up to 5 per cent.

What value does youth work create?

Intrinsic value

Monetary values can, at least in theory, be readily put upon social costs (such as unemployment or prison places). By contrast, the intrinsic value of factors such as happiness or self-confidence is problematic. Although some researchers have attempted to put a financial value on these second category of outcomes this can methodologically fraught²¹.

Qualitative stories are a vital part of the process of demonstrating intrinsic value, allied to indices of outcomes such as those produced through Outcome Stars²². Fairbridge's approach, for example, is designed to involve young people and their youth or key workers in assessing their progress on important social and emotional skills such as managing feelings, negotiating, planning and reviewing²³.

²¹ Arvidson, M et al (2010) *The ambitions and challenges of SROI*

²² The Outcomes Star was developed by Triangle Consulting. For more information, see <http://www.outcomesstar.org.uk/>

²³ Knight, B (2010) *Back from the Brink: How Fairbridge transforms the lives of disadvantaged young people*

Intrinsic value is particularly important for that group of participants in youth work that are not at particular risk of being involved in problematic behavior (and so the prospect of causing social costs), but who are at strong risk of missing out on their potential by lessening their social and personal development.

Extrinsic value

Extrinsic value is easier to assess, as shown in examples below. This is only a narrow perspective on what can be achieved, and the intrinsic value must always be kept in mind. But better valuations of extrinsic value are critical at a time of deep reductions in budgets, if due recognition is to be given to youth work.

- a) *Reducing risk of becoming NEET.* One programme delivers an alternative school curriculum and reduces the numbers of young people not in employment, education or training by 19 per cent.²⁴ We want to discount this impact because it is based upon a small sample size and national comparative data. It costs £1,400 for every young person who participates. Assuming all costs are cashable, this would save DWP nearly half of the costs of the programme within one year. The cumulative costs, and knock-on savings to other areas of government are likely to be significantly greater.
- b) *Street-based youth work.* A national evaluation of street-based youth work looked at how outcomes changed before and after the programme²⁵. It found that numbers NEET reduced by 28 per cent, the numbers known to be offending by 31 per cent, and the numbers avoiding homelessness by 79 per cent. The relatively small sample size implies a need to discount impact by 40 per cent or more, and the difficulty of releasing savings leads to an assumption that only 80 per cent of the costs avoided are cashable. Looking at employment and homelessness outcomes for young people, we can estimate that on average each intervention saves over £1,300. As the costs for this volunteer-staffed service were estimated at only £32 for each period of contact, this benefit is many times the cost.

Not all such studies do show strong business cases, however. Feinstein and colleagues' review of leisure contexts for young people found *negative* impacts of youth services on some outcomes, notably teenage pregnancy.²⁶ The reasons for this are not clear – it may relate to the difficulties in controlling for the full range of potential factors influencing outcomes for young people – it may be that the approaches taken simply did not work. The best approach is to have a range of pilots undertaken, allied to good processes for gathering and analysing evidence, so that one is able to pinpoint more clearly the true position.

²⁴ The likelihood of becoming NEET fell from 23% to 3.6%; *The Value of Skill Force* (2009)

²⁵ Joseph Rowntree Foundation (2004) *Street-based youth work*

²⁶ Feinstein, L et al (2005) *Leisure contexts in adolescence and their effects on adult outcomes*

Next steps

There is increasing recognition among providers, commissioners and investors that more needs to be done to produce better estimates of the value of youth work.

Encouraging steps are underway. For instance, *Sharing knowledge to increase impact: a guide for charitable funders (2011)* is a report issued by New Philanthropy Capital that sets out ways that funders can come together to share knowledge and sets out plans for a website to facilitate this; while Dartington's *Research in Practice* unit brings together analyses from a range of organisations to strengthen outcomes.

At the same time, the development of the Big Society Bank presents an important opportunity for work to encourage a broader consensus on the outcomes of youth work, and on suitable benchmarks that can be applied to the assessment of impact with respect to those outcomes.

Such next steps should consider intrinsic measures as well as extrinsic measures of impact, and the current 'age of austerity' may indeed provide data as well as impetus to do so. As youth work organisations seek new forms of revenue, they are likely to step up the call for payments from the families of those participants that can afford to make a contribution – so enabling future analysis on the topic.

Conclusions

The potential for services working with young people to demonstrate their value is there. Increasingly, the evidence reinforces what many in the youth sector have long suspected: that social and emotional skills are critical, not only in themselves, but in their effect on education and employment outcomes into adulthood. These could generate significant value for the public sector and society more widely.

Informing investment in youth work means the sector having a strong story to tell about its impact and value; it also means investors listening seriously to that story. Indeed, a level of investment – financial and non-financial - is needed to help the sector develop the evidence to build the case. In the meantime, it should be remembered that even where evidence currently does not exist that youth work works, it does not mean that it does not work. A service leadership and workforce that is confident and capable in engaging with evidenced-based practice, encouraging a mix of continuous innovation and evidence gathering will likely be important going forward.

Whilst informing investment, a focus on impact and value of youth work should inform reflective practice to better improve outcomes for young people. Quantifying the difference youth work makes can feel technical, far from the highly relational work at the heart of the youth work approach. It certainly can seem like an external pressure, driven by a budget cuts rather than service improvement agenda, with the voice of investors drowning out that of young people. The incentive to create an evidence base for the difference youth work makes may be a good outcome of tighter budgets. If done right, it may yet make a difference to spending and investment decisions, and ultimately to young people's lives.

