

Executive summary

Simulating the economic benefits of youth work

The Youth Investment Fund: Learning and Insight Paper Eight

Introduction

The value of investing in the social and emotional development of young people may seem obvious. No one disputes that healthy, sociable, confident, conscientious, and productive young people are good for society today and for its future. But this doesn't help answer specific, yet fundamental, questions such as: how much difference can youth services make to the social and emotional skills of young people? And how much is it worth spending on youth services to develop such skills?

Few have tried to answer this last question because the economic benefits of improving social and emotional skills are dispersed and may only be clear in the long term, which makes measuring them difficult and costly. A 2013 systematic review of academic research on youth work found that only four out of 175 studies looked at the cost-effectiveness or cost-benefit of youth work. Nevertheless, as part of the [Youth Investment Fund \(YIF\)](#) learning project, we sought to develop a model that estimates the long-term value of open access youth services for participants and society at large. The aim was to find out whether such a model was possible given the methodological challenges.

We tested the model with outcomes data collected as part of the YIF shared evaluation ([see Insight Paper 7](#)). This data set included outcomes data from twelve grant-holders who collected baseline and three month surveys from young people and eleven grant-holders who collected baseline and six month surveys. Young people were asked to complete the outcome surveys at regular intervals, in order to track their progress in their social, emotional and learning skill development over time. The changes in skills for both groups were then compared to changes in

the same skills of a similar group of young people who did not participate in such programmes. The aim of this test was to find out whether the outputs of the model were plausible.

Conclusions

Development of such a model was possible and facilitated by longitudinal research published in 2015 by researchers from the Institute of Education at University College London that estimated the effect of social and emotional skills of young people on their life outcomes at age 42.¹

Populating the model with survey data from the YIF shared evaluation produced positive and plausible results. These were driven by significant short-term improvements in the social and emotional skills experienced by a small sample of young people that were surveyed.

But as with all economic modelling, there are a number of assumptions, caveats, and limitations that make it not advisable to extrapolate from these specific results to youth services generally. More robust data is needed to increase confidence in the replicability of these results.

Results of the model

When combined with other research funded by YIF, the results suggest that investments in high quality open access youth services can potentially generate positive financial and economic returns that accumulate over the long-term, namely, based on research by Professor Goodman, a 25 year period when the participants become 42 years old. The young people themselves are the main beneficiaries. We estimate that approximately 65% of the economic benefits we identified will accrue to the young people themselves (see Table A). This is mainly because people with higher levels of social and emotional skills have higher levels of employment and income. But we also estimate that over the 25 year period, the UK Exchequer may receive back between £3 and £13 for every £1 invested in these specific youth services. This is because higher social and emotional skills are associated with higher incomes and employment, and hence higher tax payments, and lower use of public services such as health services. Figure 1 summarises the impacts that are included in these economic benefits.

¹ Goodman, A., Joshi, H., Nasim, B., & Tyler, C. (2015). Social and emotional skills in childhood and their long-term effects on adult life. *London: Institute of Education.*

Table A: Summary of the results of the economic model

	3 month group	6 month group
Number of young people in cohort	181 from 12 youth organisations	79 from 11 youth organisations
Total costs for the cohort	£113,171	£64,353
Value of benefits to respondents (young people) themselves, up to age 42	£2,838,421 (65%)	£393,464 (66%)
Value of benefits to UK Exchequer, over approx. 25 years	£1,448,459 (33%)	£188,358 (31%)
Value of benefits to community through reduced crime over approx. 25 years	£83,740 (2%)	£16,953 (3%)
Total value of benefits	£4,370,619 (100%)	£598,775 (100%)
Benefit-cost ratio (all stakeholders)	39 : 1	9.3 : 1
Benefit-cost ratio for UK Exchequer and community only (i.e. excluding value to young people themselves)	13.5 : 1	3.2 : 1

Assumptions, limitations, and caveats

While these results are positive and strong, there are several important caveats:

- The model omits a number of benefits that are not easily monetizable, such as the value of improved mental and physical health to young people, which many may consider very important.
- There are a number of important assumptions that underline the model, most notably that the short-term changes in the social and emotional skills (e.g. sociability, self-confidence) of young people, identified in the survey results, are sustained over time and contribute to the long-term impacts.
- There are some concerns about the robustness and credibility of the outcome and the cost data that mean the results should not be extrapolated to all youth services. Most notably:
 - The sample size of the survey data turned out to be small due to challenges in collecting data. We are unsure whether the results are unusual or typical.
 - Due to concerns about the completeness and quality of attendance data, we made the assumption that young people would need to attend the youth service for 24 months for the changes reported by the young people to be sustained. This needs to be tested.
 - The cost data is self-reported by youth organisations and not independently validated.

The results show that there is likely to be a positive return to society from investing in open access youth provision. But developing a robust estimate of this value using this model will require better data and targeted research.

Recommendations

Unlike typical 'single-use' models, this economic model was designed differently. It is easy to share, modify, and update. Further improvements and use would require the dissemination of the model; identifying a body to curate and promote the development and use of the open-source model; and fostering a group of interested parties to engage in such development.

Specific research that would improve confidence in the model's results would be:

- Research on the per person cost of open access youth provision. This is currently not readily available.
- Better data on how long young people stay involved in open access youth provision.
- The extent to which the effects of youth work on social and emotional skills apply consistently to different groups of young people and are sustained over time.
- Whether the model results are similar if different tools to measure social and emotional skills are used.
- Further secondary or primary research on the effect of improved communication skills on longer-term educational and employment outcomes.

The full paper can be read at <https://www.youthimpact.uk/yif-learning-project>

