Social Return on Investment (SROI) Analysis

Lighthouse Foundation

Giving homeless kids a future

Key Findings

- The SROI analysis confirmed that the Lighthouse Foundation's (LHF) intensive support model leads to a holistic transformation of young people's lives
- The changes experienced by young people at LHF are sustainable and result in permanent exit from homelessness for 8 out of 10 young people that complete the program
- The investment into LHF generates significant social returns for all stakeholders, including young people and the government. An investment of $14m into LHF over a 5 year period (2007-11) created $170m of present value, resulting in an SROI ratio of 12:1.

About Lighthouse Foundation

Homelessness is a significant social and economic issue for Australia with over 105,000 people each night without access to safe, secure or adequate housing. Young people aged 12 to 18 are the largest group of people experiencing homelessness (20%) and the highest users of specialist homelessness services.

Lighthouse Foundation Vision
Ending Youth Homelessness Together

The Lighthouse Foundation (LHF), established in 1991, is a not for profit organisation dedicated to helping homeless young people become active members of society. It does this by assisting them to develop the confidence and skills to take control and responsibility for their own lives. At LHF, homeless young people, usually aged 15 – 22 years who have experienced traumatic backgrounds, receive intensive support and care 24 hours a day, 7 days a week. They live in safe homes where they are given the opportunity to heal, form meaningful relationships and rebuild their lives.

LHF delivers four programs that are grounded in internally developed integrated theurapütic model of care, the Therapeutic Family Model of Care™ (TFMC). The Live-in Care Program is LHF's core program and is delivered in nine locations across Victoria. The programs are based on two carers providing 24/7 holistic care to four young people with complex needs living in a family-like environment.

In the last 5 years, approximately 100 young people have been through LHF's Live-in program and as at December 2011, 28 young people were living in LHF homes.

"… I really have to stress family. I never saw it as an organisation but as a family. I still keep in touch with many of the past carers and residents from Lighthouse …"
Outreach young person, Nov 2011

What is SROI?

Social Return on Investment (SROI) is an internationally recognised methodology that measures the value created for stakeholders. SROI is a framework for identifying, measuring and accounting for the value an activity creates from the perspective of each stakeholder.

"…We try to provide a safe environment for young people to fail in and then help them to rebound from this failure in a way that makes them stronger and more resilient …"
Primary carer, November 2011

Measuring our Impact

LHF engaged Social Ventures Australia (SVA) Consulting to undertake a baseline SROI analysis of its programs. The primary objective of this SROI analysis was to understand and value the impact that LHF has on the various stakeholders involved in the activity. The analysis was completed by accredited SROI practitioners. Funding for this project was kindly provided by Complete Office Supplies and the M & J Rockman Foundation.

The SROI analysis is based on 5 years of investment between 2007 and 2011.

"…I really feel like my life is finally starting. I am very excited and a bit scared about what the future brings. Carers keep telling me about all the stuff that I can do and be and I am starting to feel that I can get there, that these things are possible for me… "
Young person in care, November 2011

Stakeholder Outcomes

The SROI analysis first identifies the major stakeholders who experience change from LHF and then aims to understand what these changes are, i.e. the outcomes, for each group. The outcomes for each major stakeholder group include:

1. **Young people in care** who have been able to fulfil their basic needs by finding a safe place where they could stay for an extended period of time without having to worry about where to go next. They have also embarked on a whole of life transformation by developing their own individual well-being, from inside out, as well as being able to establish healthy relationships with others in the outside world
2. **Outreach young people** who lived in care at LHF during the period and then transitioned to independent living. They have gained all the benefits associated with living in care (as described above), plus they now have a connection to the LHF family and feel a part of the wider community as they continue to increase their resilience to what the world may bring
3. **Carers (Primary & Secondary)** who spent intensive time with young people in care, and as a result, further developed their emotional intelligence and grew as professionals in the field of care services and youth work
4. **Government (State & Federal)** who benefit from a decreased burden on the system associated with chronic homelessness that these young people were likely to endure. They will also experience reduced welfare costs and increased tax revenue.

Calculating Value

The SROI ratio has been calculated as follows:

Present value of benefits[1]	$169.5m
Present value of investments	$14.1m
SROI Ratio	12:1

[1] Discount rate of 4.25% applied

Insights

- ***The intensive support model leads to a holistic transformation of young people's lives.*** This analysis suggests that success of transition to independent living increases as young people are able to not only satisfy their basic needs but also work to develop internal resilience, connect to the world around them, and form and keep healthy relationships
- ***The changes experienced by young people are sustainable and result in permanent exit from homelessness for 8 out of 10 young people that complete the program.*** The changes experienced by young people serve as a catalyst for long term positive change in their lives. Therapeutic work with young people in care equips young people with the skills and tools necessary to exit homelessness. Importantly, support and connection continues after a young person leaves the care of LHF, if and when required
- ***Investment into LHF generates significant social returns for all stakeholders.*** For every dollar invested into LHF programs, more than $12 in social value is created. Investment is justified even if LHF were successful with only one in ten young people (SROI ratio = 1.90:1)
- ***The Government is a large beneficiary of the work done by LHF*** which decreases the future burden of chronic homelessness and creates direct benefit to Treasury in the form of decreased welfare and increased taxes.

Considerations

- LHF had not systematically tracked the progress of young people who had left the Live-in Care Program, therefore this analysis required making a number of judgements for the outcomes achieved
- It is critical to note that the SROI ratios should not be compared between organisations without having a clear understanding of both organisations' strategy, program logic or theory of change, geographic location, stage of development and what the organisations are looking to achieve. A judgement about whether a return is good or bad can only be made when using comparable data.

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