



## RESEARCH BRIEF – ROI PROJECT

# Colorado Home Instruction for Parent of Preschool Youngsters (HIPPY) Program

[AmeriCorps.gov](https://www.AmeriCorps.gov)

### Program Description

Parent Possible is a Colorado-based organization that equips parents with the tools they need for success in their children’s education and lives. Parent Possible has administered Home Instruction for Parents of Preschool Youngsters (HIPPY) since 1989. HIPPY is a home visitation program model with a curriculum to promote children’s development prior to kindergarten. In Parent Possible’s implementation of HIPPY, AmeriCorps members work with parents’ one-on-one with weekly visits. At home visits, parents roleplay the activities from the curriculum, which foster the development of early literacy, social/emotional skills, and other cognitive and physical skills in their children.

### Return on Investment Analysis

To better understand the impact of the program in relation to costs, AmeriCorps commissioned a return on investment (ROI) analysis by ICF, an independent research firm. ROI analyses of national service programs estimate the monetary value of benefits that a program generates per dollar invested.

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The ROI analysis of total benefits per funder dollar estimated the HIPPY program's ROI to be between \$0.12 and \$6.77, depending on how long AmeriCorps members experience increased earnings as a result of the program. Total benefits per federal dollar are higher, between \$0.21 and \$12.32.

## Overview of Benefits and Costs

To calculate the ROI, the program benefits were identified, quantified, and compared to the program's costs. Benefits of HIPPY include:

- **Additional lifetime earnings resulting from improved education and employment outcomes.** Parents receive services that strengthen the educational foundation of their preschool-age children. As a result, those children will have higher lifetime earnings.
- **Reduced education expenditures for government.** Federal, state, and local governments spend less on education because fewer HIPPY preschooler participants are later held back in 9<sup>th</sup> grade.
- **Additional earnings by AmeriCorps members.** Serving in AmeriCorps leads to increased wages and reduced unemployment post-national service through skill acquisition, as well as increased educational attainment post-service.
- **Living allowances, stipends, and education awards.** AmeriCorps members receive living allowances and stipends during their national service and receive a Segal AmeriCorps Education Award after successful completion.
- **Increased tax revenue for government.** Federal, state, and local governments receive more income tax revenue from increased AmeriCorps member earnings post-service and from the increased earnings of children who benefit from the program once they enter the workforce. State and local governments also realize additional sales tax revenue related to those earnings. Federal and state governments also realize tax revenue from the taxable living allowances, stipends, and education awards provided to AmeriCorps members.
- **Reduced lifetime spending on corrections, public assistance, and social insurance.** Because of the increase in secondary and postsecondary educational attainment for AmeriCorps members and preschooler participants, federal and state governments spend less on these items.

The estimated annual cost for Parent Possible's HIPPY program is \$2,670,146, of which \$1,467,015 is estimated to be funded by the federal government, or roughly 53 percent.

## ROI Results

The table below shows the ROI results. Each row represents a different ROI calculation depending on which benefits are considered (all benefits or only benefits to the federal government) and which funding is considered (federal funding only or all funding). The ROI estimates are presented as dollars returned for every \$1.00 of investment. The analysis used three different scenarios to estimate benefits under different assumptions. Specifically, the study assumed that increased earnings for AmeriCorps members attributable to their service last for one year (short-term scenario), 15 years (medium-term), or 30 years (long-term).



| ROI Calculation                                | ROI Scenario |             |           |
|--|--------------|-------------|-----------|
|  | Short-Term   | Medium-Term | Long-Term |
| Total benefits per federal dollar              | \$0.21       | \$7.13      | \$12.32   |
| Total benefits per funder dollar               | \$0.12       | \$3.92      | \$6.77    |
| Federal government benefits per federal dollar | \$0.04       | \$1.92      | \$4.01    |

The program produces strong returns for the medium- and long-term scenarios for all ROI calculations. The magnitude of the positive ROI estimates in the medium- and long-term scenarios are driven by the following factors:

- **Income gains by children whose parents participate in HIPPY.** Children enjoy increased earnings during their working years due to their increased educational attainment.
- **Additional earnings by AmeriCorps members.** Serving in AmeriCorps leads to increased wages and reduced unemployment post-national service through skill acquisition, as well as increased educational attainment post-service.
- **Reduced lifetime spending on corrections, public assistance, and social insurance.** Because of the increase in secondary and postsecondary educational attainment for AmeriCorps members and children whose parents participate in HIPPY, federal and state governments spend less on these items.

In the short-term scenario—which only includes benefits for 1-year post-program—the ROI results indicate that there is a short-term loss under all three ROI calculations. An ROI that is below \$1.00 in the first-year post-program is common in programs where there is an initial one-time investment made and benefits accrue in the following years. This is because it can require several years of benefits to recoup the initial investment and generate positive returns.

**About the Office of Research and Evaluation**

The [AmeriCorps Office of Research and Evaluation](#) assists AmeriCorps and its partners in collecting, analyzing, and disseminating data and insights about AmeriCorps programs and civic life in America.

For more information, please contact [evaluation@cns.gov](mailto:evaluation@cns.gov).

**About this Brief**

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