



RESEARCH BRIEF – ROI PROJECT

Minnesota Alliance With Youth AmeriCorps Promise Fellows

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Program Description

The goal of the Minnesota Alliance With Youth’s Promise Fellows program is to prevent school dropout through targeted support of middle and high school students in Minnesota. AmeriCorps members work with students at risk of school disengagement and provide support to improve student attendance, engagement, and work completion. Those interventions include outside-of-school support (such as clubs and tutoring), service-learning projects, and assistance with work completion. Each AmeriCorps member works with about 30 students. Sixty-seven AmeriCorps State and National members provided these direct services.

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.

AmeriCorps, the federal agency for national service and volunteerism, provides opportunities for Americans to serve their country domestically, address the nation's most pressing challenges, improve lives and communities, and strengthen civic engagement. Each year, the agency places more than 200,000 AmeriCorps members and AmeriCorps Seniors volunteers in intensive service roles; and empowers millions more to serve as long-term, short-term, or one-time volunteers. Learn more at [AmeriCorps.gov](https://www.americorps.gov).



The ROI analysis estimated the Promise Fellow program's ROI to be between \$0.11 and \$3.60 per funder dollar, depending on how long student participants and AmeriCorps members experience increased earnings as a result of the program. The return on each dollar of federal spending for the program is between \$0.18 and \$6.06.

Overview of Benefits and Costs

To calculate the ROI, the program benefits were identified, quantified, and compared the cost of the program and the forgone benefits (professional and investment opportunity costs) of members and funders. Benefits of the Promise Fellows program include:

- **Additional lifetime earnings for Promise Fellows program students resulting from increased educational attainment as a result of increased attendance.** Parents receive services that strengthen the educational foundation of their preschool-age children. As a result, those children will have higher lifetime earnings.
- **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 students 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 student participants, federal and state governments spend less on these items.

The estimated annual cost for the Promise Fellows program for the program year of September 2022 through August 2023 is \$2,797,278, of which \$1,659,723 is estimated to be funded by the federal government, or roughly 59 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), 15 years (medium-term), or 30 years (long-term).



ROI Calculation	ROI Scenario		
	Short-Term	Medium-Term	Long-Term
Total benefits per federal dollar	\$0.18	\$3.81	\$6.06
Total benefits per funder dollar	\$0.11	\$2.26	\$3.60
Federal government benefits per federal dollar	\$0.04	\$1.32	\$2.27

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 these factors:

- **Increased economic benefits and reduced costs due to increased high school and college graduation for students.** The Promise Fellows program’s work to increase student attendance leads to increased high school graduation and post-secondary enrollment, which in turn increases earnings and reduces government spending on corrections, public assistance, and social insurance.
- **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 postsecondary educational attainment for AmeriCorps members, 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. Benefits accrued by students take place after their graduation from high school, so these results are consistent with the design of the Promise Fellows program.

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@americorps.gov.

About this Brief

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