



## RESEARCH BRIEF – ROI PROJECT

# YouthBuild AmeriCorps

[AmeriCorps.gov](http://AmeriCorps.gov)

### **Program Description**

YouthBuild USA (YouthBuild) is a national youth leadership program designed to improve education and employment outcomes for youth aged 16 to 24 who are neither in school nor employed (referred to as opportunity youth). The goal of the program is to help these youth attain high school diplomas or equivalency credentials, obtain occupational skills and experience, develop leadership skills, and deepen their commitment to service in their communities.

YouthBuild has received AmeriCorps funding since 1994 and—for a subset of YouthBuild programs—program participants are, themselves, AmeriCorps members. YouthBuild AmeriCorps programs enroll over 2,500 opportunity youth as AmeriCorps State and National members annually across 65 U.S.-based programs. They directly participate in the YouthBuild program and, as AmeriCorps members, earn a Segal AmeriCorps Education Award upon successful completion. In this way, these AmeriCorps State and National members are both service providers and program participants.

**AmeriCorps, the federal agency for volunteerism and national service, 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 invests more than \$800 million in grants for local nonprofit, community, tribal, and state organizations; places more than 250,000 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](http://AmeriCorps.gov).**



## Return on Investment Analysis

To better understand the impact of YouthBuild AmeriCorps in relation to the program's 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 for per dollar invested. The ROI analysis estimated YouthBuild AmeriCorps's ROI to be between -\$0.40 and \$9.58 per funder dollar, depending on how long YouthBuild AmeriCorps participants experience increased earnings from serving and participating in YouthBuild AmeriCorps. The return on each dollar of federal support for the program is higher, between -\$0.72 and \$17.97. These results are driven by favorable employment and education outcomes for YouthBuild AmeriCorps participants in the years following their service.

## Overview of Benefits and Costs

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

- **Additional earnings from increased employment for YouthBuild AmeriCorps participants.** YouthBuild AmeriCorps participants benefit from the completion of a high school diploma or equivalency, as part of their national service, which also leads to improved employment outcomes.
- **Additional lifetime earnings from increased educational attainment as a result of education awards for YouthBuild AmeriCorps Participants.** All YouthBuild AmeriCorps participants that complete the program receive education awards after program exit. ROI analysis estimated the expected increased lifetime earnings of YouthBuild AmeriCorps participants attributable to the use of education awards to pay for additional post-secondary schooling.
- **Increased tax revenue for government.** The government receives more income tax revenue from increased YouthBuild AmeriCorps participant earnings post-service, as well as additional sales tax revenue related to those earnings. Government also realizes tax revenue from the taxable education awards provided to AmeriCorps members.
- **Reduced lifetime spending on corrections, public assistance, and social insurance.** Because of the increase in secondary and post-secondary educational attainment for YouthBuild AmeriCorps participants, government spends less on these items.

Funding for the YouthBuild AmeriCorps program totaled \$19,572,480 and came from the following sources:

- AmeriCorps State & National Grant - \$8,068,367
- Expected Education Awards - \$2,576,958
- Match Federal Funding - \$66,839
- Match State & Local Government Funding - \$4,661,442
- Match Private Funding - \$4,198,874



## ROI Results

The table below shows the ROI results for YouthBuild AmeriCorps. 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 including contributions and non-federal grant, other contributions, and program fees ). The ROIs 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 attributable to the programs 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	-\$0.72	\$10.05	\$17.97
Total Benefits per Funder Dollar	-\$0.40	\$5.39	\$9.58
Federal Government Benefits per Federal Dollar	-\$0.06	\$1.87	\$3.37

In the short-term scenario—where benefits for only one year post-program are included—the ROI results are negative, indicating that costs outweigh the benefits after the initial year. A negative ROI 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 often requires several years of benefits to recoup the initial investment and generate positive returns, as indicated in the results for the medium- and long-term scenarios. During the program, AmeriCorps members gain the experience, skills, and knowledge that result in future benefits, such as improved employment and wages, which can be sustained throughout their working years.

The magnitude of the positive ROI estimates in the medium- and long-term scenarios are driven by the following factors:

- **YouthBuild AmeriCorps participants’ strong secondary education and employment outcomes.** Therefore, the completion of secondary credentials through the YouthBuild AmeriCorps program plays a crucial part in driving YouthBuild AmeriCorps participants’ employment gains. The completion of a high school diploma or equivalent not only leads to increased employment but also additional earnings. This analysis calculated that YouthBuild AmeriCorps participants who were unemployed pre-service but employed post-service experienced a \$26,000 increase in per-person pre-tax annual earnings.
- **Medium- and long-term accumulation of benefits.** In the short-term, the three ROI calculations are negative because only one year of post-program employment and earnings gains are counted while the entire program cost is considered. Additionally, the short-term scenario does not include any lifetime benefits in terms of reduced spending on corrections, public assistance, and social insurance or increased tax revenue. As these benefits accumulate over time, the analysis shows positive returns. This is indicated by the ROI results in the medium- and long-term scenarios (15 and 30 years post-program, respectively).

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