



OKAN Issue Brief

Making the Case for Afterschool

ROI: Economic Return on Investment in Afterschool

INTRODUCTION

Return on Investment

In business, Return on Investment (ROI) measures the dollar value of benefits returned. The analysis calculates the value of benefits for every dollar invested. ROI analysis can secure higher returns and leads to more successful business strategies.

Afterschool programs provide a high ROI for Oklahoma by lowering dropout rates, reducing crime, preventing teen pregnancies and preparing students to be high wage-earners in today's workforce.

ROI to Communities Unemployment & Workforce

The Oklahoma Department of Commerce reports that increasing the percentage of Oklahomans with at least a high school degree could:

- Increase annual earned income by \$830 million
- Increase annual revenues by almost \$76 million
- Save over \$12 billion in lifetime health costs
- Save over \$63 million annually in crime-related costs

Afterschool programs enhance academic achievement and connect students with local business and industry through learning partnerships.

Crime Prevention

Violent juvenile crime triples between the hours of 3 p.m. and 8 p.m. Dropouts are 3.5 times more likely than high school graduates to be arrested in their lifetime and currently, 75% of America's state prison inmates are high school dropouts.

Quality afterschool programs are supported by law enforcement because of their effectiveness in reducing gang involvement and juvenile crime.

Health

In 2004, teen childbearing in Oklahoma cost taxpayers (federal, state, and local) at least \$149 million. Costs are related to greater welfare expenditures and lost tax revenue.

Research reveals that youth who do not spend time in quality activities after school are 37% more likely to become teen parents than are youth who spend time in afterschool programs, and that the most common time for youth to have sexual intercourse is the hours between 3 and 6 p.m.

Afterschool programs help prevent teen pregnancy by encouraging good decision-making, providing health education and positive role models in supervised afterschool settings.

Learn More= Earn More: Lifetime Earnings

The present value of graduating from high school instead of dropping out is estimated at \$163,000 in

income and \$98,000 in taxes paid.

High school graduates, on the average, earn \$9,245 more per year than high school dropouts, creating more positive revenue for communities. In Oklahoma, the 2008 class of dropouts will cost \$3.8 billion in lost earnings.

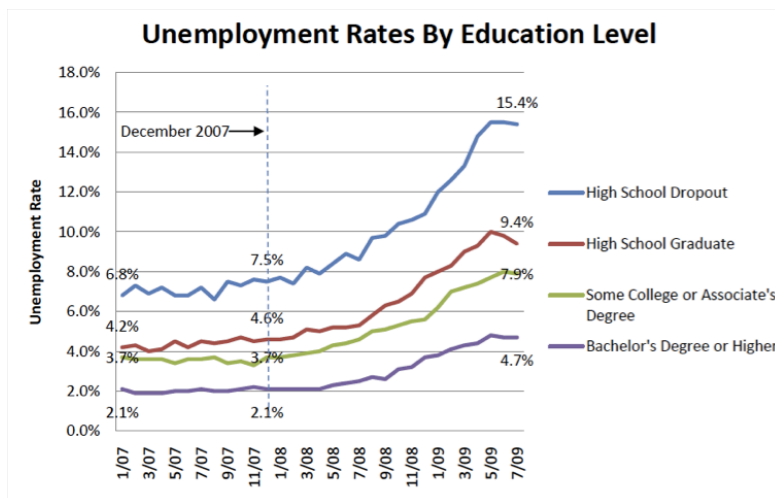
Afterschool programs provide students with hands-on learning activities that motivate and elevate academic achievement, keeping them from dropping out.

Making the Case:

The Bottom Line

For every dollar invested in quality afterschool programs taxpayers save approximately \$3. Additionally, benefits from crime reduction increase the savings to \$8-\$12.

Afterschool is a win-win for kids, for the workforce and for the community.





Why Business Cares about Afterschool

- 77% of mothers of school-age children are employed.
- The gap between work and school schedules amounts to as much as 25 hours per week.
- Child care-related absences cost U.S. companies an estimated \$3 billion annually.

Source: *Corporate Voices for Working Families*

Sources

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Harlow, C. W. (2003, January). *Education and correctional populations*. Bureau of Justice Statistics Special Report, Washington, DC: U.S. Department of Justice.

Levine, Phillip and Zimmerman, David, *Evaluating the Benefits and Costs of After-School Care: Final Report*, The After-School Corporation, June 2003.

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The Afterschool Alliance, *Afterschool and Pregnancy Prevention*, 2002. www.afterschoolalliance.org/issue_briefs/issue_pregnancy_11.pdf.

The Georgetown University Center on Education and the Workforce, *Projections of Jobs and Education Requirements Through 2018*, June 2010. cew.georgetown.edu.

University of Minnesota Extension, Center for Youth Development, *Economic Return of Afterschool Programs*, May 2008.

The resources above are located on the OKAN website at www.okafterschool.org

ONLINE RESOURCES

Alliance for Excellent Education
all4ed.org

Afterschool Alliance
afterschoolalliance.org

National Dropout Prevention Center
dropoutprevention.org

Corporate Voices for Working Families
cvworkingfamilies.org

Oklahoma Department of Commerce
okcommerce.gov

Oklahoma Institute for Child Advocacy
oica.org

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