
BENEFITING INDIVIDUALS, SOCIETY AND THE ECONOMY



Tomorrow's People creates a positive social impact

A new report by an independent team of economists has highlighted the value to society created by Tomorrow's People, a national employment charity that for nearly 30 years has been transforming lives through work.

The report, which analyses the achievements of Tomorrow's People in economic terms, was produced by FTI Consulting, working through Pro Bono Economics, a charity that provides economists to help third sector organisations to measure and explain their results. By opening itself up to thorough scrutiny by a leading consultancy, Tomorrow's People is pioneering transparency within its sector.

FTI Consulting analysed the work of Tomorrow's People over five years from 2007-2011.¹

Their report estimates that every £100 invested in Tomorrow's People employment programmes creates value of around £240 for British society.

“ Tomorrow's People programmes often perform better than the Government's flagship welfare to work programme, the New Deal, on performance and sustainability. ”

Report by FTI Consulting, 2011


PRO BONO ECONOMICS

 **FTI**
CONSULTING

Tomorrow's People Chief Executive Baroness Stedman-Scott says:

"We are proud to have had our work evaluated by economists from a leading consultancy. We believe that everyone who has a stake in our work and the results we achieve - the Government, local authorities, our supporters and others - should be able to see analysis and results that have been carried out independently, and understand the basis on which this was done. We hope this is a first step in defining terms and creating measures that others can adopt, ultimately producing transparent reporting across all organisations in our sector."

**The evaluations show
Tomorrow's People has
created value for society
throughout its 27-year
history.**

The report builds on an earlier evaluation of Tomorrow's People completed by Oxford Economic Forecasting (OEF) in 2004². OEF analysed the first 20 years of data and concluded that for every £100 invested by Tomorrow's People, society benefited by £170. The latest analysis shows that during the difficult economic period since the OEF report, Tomorrow's People improved the value it returns to society from £170 to £240 for every £100 invested.

Together, the evaluations show that Tomorrow's People has not only demonstrated its ability to create value for society throughout its 27-year history, but also that this value has increased significantly during a serious economic downturn.

Creating value

Tomorrow's People creates value to society by supporting long-term unemployed people, whose job prospects would otherwise be poor, into sustainable jobs. We have also pioneered early intervention to improve the future prospects of young people who are not in employment, education or training, one of the most economically vulnerable groups in society.

For their report FTI Consulting analysed our two main employment programmes: **Welfare to Work** for unemployed adults and **Working It Out** for young people. Their analysis

confirms that an investment in Tomorrow's People is a positive investment in individuals, society and the economy.

The report reveals that, based on the results of the five years from 2007-2011, the work of Tomorrow's People in reducing unemployment can make a significant contribution to the British economy in the long term. This is achieved through higher tax revenues; reduced benefits payments and the potential to reduce public spending on health and criminal justice services.

The estimates are:

- **over £56.4 million in benefits saved**
- **an additional £10.8 million in tax receipts**
- **potential reductions in government expenditure on health and criminal justice of £12.7 million.**

The FTI Consulting report describes these as conservative estimates, which may underestimate the true economic impact of Tomorrow's People employment programmes. In addition to the economic benefits measured by the study, FTI Consulting highlight other benefits of successfully moving unemployed people into sustainable jobs, including improved life and job satisfaction, reduced social isolation and other social, environmental and community factors that are difficult to define in economic terms.

An investment in Tomorrow's People is a positive investment in individuals, society and the economy

Key figures from the report

During the period covered by the report, Tomorrow's People helped more than **13,000** people achieve jobs or other successful outcomes.

Of those, **6,500** adults and young people moved into full-time employment, education or training.

The cost of getting an adult into work through our Welfare to Work programme was **£4,642**.

The estimated return on this investment was **£234** of benefits to society for every **£100** of costs.

The cost of getting a young person back into education, employment or training through Working It Out was **£5,635**.

While more expensive per person than Welfare to Work, the estimated return from Working It Out was nonetheless proportionately higher, at **£286** of benefits to society for every **£100** of costs.

Taken together, the two programmes produced an average of **£242** of benefits to society for every **£100** of costs.

Crucially, Tomorrow's People helped individuals into sustained employment. Over a third of Welfare to Work clients got a job. Many of our Welfare to Work clients are long-term unemployed and face complex barriers to work including depression, substance

misuse, lack of skills and qualifications or a criminal record. Yet the FTI Consulting report makes clear that, of those who got a job through the Welfare to Work programme, 83% of them were still there after three months, and 71% of them were still in work a year later.

Why measurement matters

This is the latest in a series of consultant reports about the work of Tomorrow's People. Tomorrow's People believes that, by continuing to publish independent measurements of the results we achieve and the overall benefit to society in financial terms, we are stimulating an important debate about the need for transparency in both the welfare to work sector and the voluntary sector.

As this and our previous published reports show, Tomorrow's People is

committed to measuring and evaluating the effectiveness and cost effectiveness of our work so that commissioners, supporters and partners can make decisions based on rigorous analysis.

This latest report highlights the need for commonly agreed assumptions and measurements in the future, so that everyone who has a stake in our results and those of other employment organisations can be confident of comparing like with like.

About Tomorrow's People

At Tomorrow's People we continue to build on a long and successful record of helping people out of long-term unemployment and welfare dependence into sustainable jobs and self-sufficiency. Our programmes support the long-term unemployed and socially disadvantaged,

focusing on the hardest-to-reach individuals who may face multiple barriers to work. **Since Tomorrow's People was founded in 1984 we have helped more than 440,000 people on their journey back to work.**

1 Measuring the Social Impact of the Tomorrow's People Welfare to Work and Working It Out programmes between 2006/07 and 2010/11. Report by FTI Consulting, Inc. (FTI Consulting)
2 Twenty - year Evaluation of Tomorrow's People Trust Limited. Report by Oxford Economic Forecasting, September 2004.