

Leading UK employment charity Tomorrow's People shows that every £100 spent creates value of around £240

- **An estimated £56.4 million in benefits saved**
- **Additional £10.8 million in tax receipts created**
- **Potential reductions in government expenditure on health and criminal justice of around £12.7 million**

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 getting long-term unemployed back to work.

Launched today at the Bank of England, the report analyses the achievements of Tomorrow's People in economic terms, and 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.*

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

The report builds on an earlier evaluation of Tomorrow's People completed by Oxford Economic Forecasting (OEF) in 2004. OEF analysed the first 20 years of data and concluded that for every £100 invested by Tomorrow's People, society benefited by £160. The latest analysis shows that despite the difficult economic period since the OEF report, Tomorrow's People has improved the value it returns to society from £160 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.

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

"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 that has 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."

Creating value

For their report FTI Consulting analysed the charity's 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 authors of the report, FTI Consulting, describe 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 highlights 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.

Author of the report Pratik Dattani of FTI Consulting comments:

"This report highlights the need for more consistent methods of measuring the impact of charities across the sector. Currently the quality of data gathered and evaluation methods vary widely between charities which makes meaningful comparisons across the third sector difficult. The introduction of the Work Programme and increasing popularity of social impact bonds, coupled with a reduction in Government spending, means that there is a pressing need to create a clear and consistent way of benchmarking charities to help individuals, organisations and the Government when deciding where to channel funds. We believe this report is an important first step in creating a robust methodology which can be rolled out across the sector."

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 £4,600.

- 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 £5,600.
- 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 Tomorrow's People 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.

Andy Haldane Executive Director for Financial Stability at the Bank of England comments:

"We are delighted that, through collaboration with FTI consulting, we could assist Tomorrow's People in demonstrating the effectiveness of the work it does. This report will contribute significantly to a conversation about how players in the welfare-to-work sector, and the third sector more broadly, can measure and demonstrate their impact."

Ends

Notes to editors

* 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')

** Twenty- year Evaluation of Tomorrow's People Trust Limited. Report by Oxford Economic Forecasting, September 2004.

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.

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With more than 3,700 employees located in 22 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring. The company generated \$1.4 billion in revenues during fiscal year 2010. More information can be found at www.fticonsulting.com.



About Pro Bono Economics

Pro Bono Economics was founded in 2009 to broker economists to work pro bono in the charitable sector. PBE economists help on short and medium term-assignments, typically addressing questions around measurement, results and impact. The aim is to benefit individual charities, help the sector develop best practise and to create a culture of pro bono work in the economics profession.

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