Project Hope Alliance: Societal Benefits of Ending the Cycle of Homelessness for Orange County Youth

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Project Hope Alliance

Project Hope Alliance's (PHA) mission is to end the cycle of homelessness, one child at a time

Programs are built to identify and address barriers created by homelessness. Continual support for youth is offered through individualized academic and social emotional empowerment from kindergarten until the age of 24.

The organization **prepares youth to graduate high school** and enter college or a career that allows them to become **financially independent**; preventing homelessness as an adult.

Successes to Date

88%
financial and housing stability at 2 years post program entry

84%
graduation rate

698
kids served

489
adults served in 2019

Objective

To estimate the societal value and return on investment (ROI) for Project Hope Alliance over the next 5-10 years.

The societal value for Orange County includes

A **reduction in spending on homelessness** by local governments, social services, healthcare, and law enforcement

An **increase in societal contributions** for productivity such as **earned income** and **paid taxes**

Methods Used to Calculate Value

Edwards Lifesciences analyzed **program records**, supplemented with **published data**, to estimate the **societal value** generated by PHA.

1

Analyzed historic program data to estimate future graduation and enrollment rates

2

Conducted a literature search to develop data-driven model inputs (e.g., cost of homelessness, homeless graduation rate)

3

Built a model to estimate value (savings + productivity) for PHA based on the number of *additional* graduates

4

Estimated return on investment (ROI)

Value Model

PROJECT HOPE ALLIANCE

Annual Savings Formula

$45k avoided homelessness costs by govt/ local entities[1]

+

$30k increased wages[2,3]

=

$75k **Savings Rate** per graduate

Program Cost Formula

Cost Per Student

X

Projected Enrollment

Value Formula

Total Annual Value

84% - 69%

Project Hope Graduation Rate — Homeless Graduation Rate

X No. of ENROLLEES

X **$75k** Savings Rate

Value Summaries

Total Value Summaries

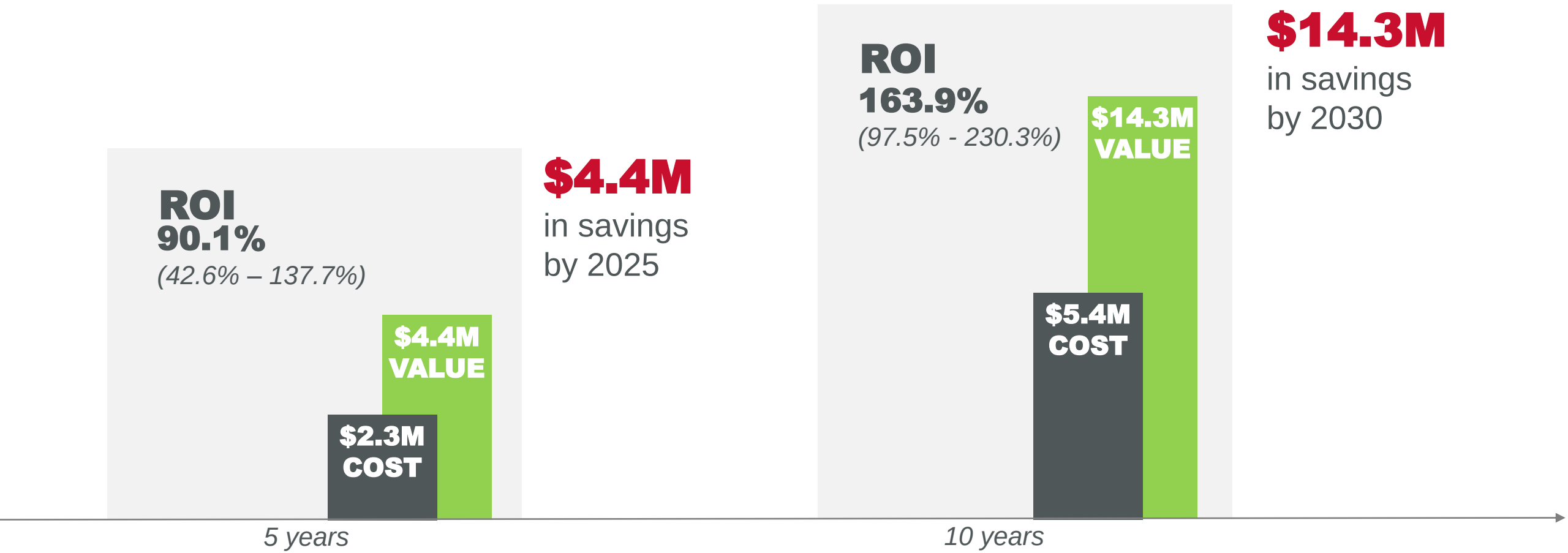
Value at **5 yrs** & Value at **10 yrs**

Value Range **±25%**

ROI Summaries

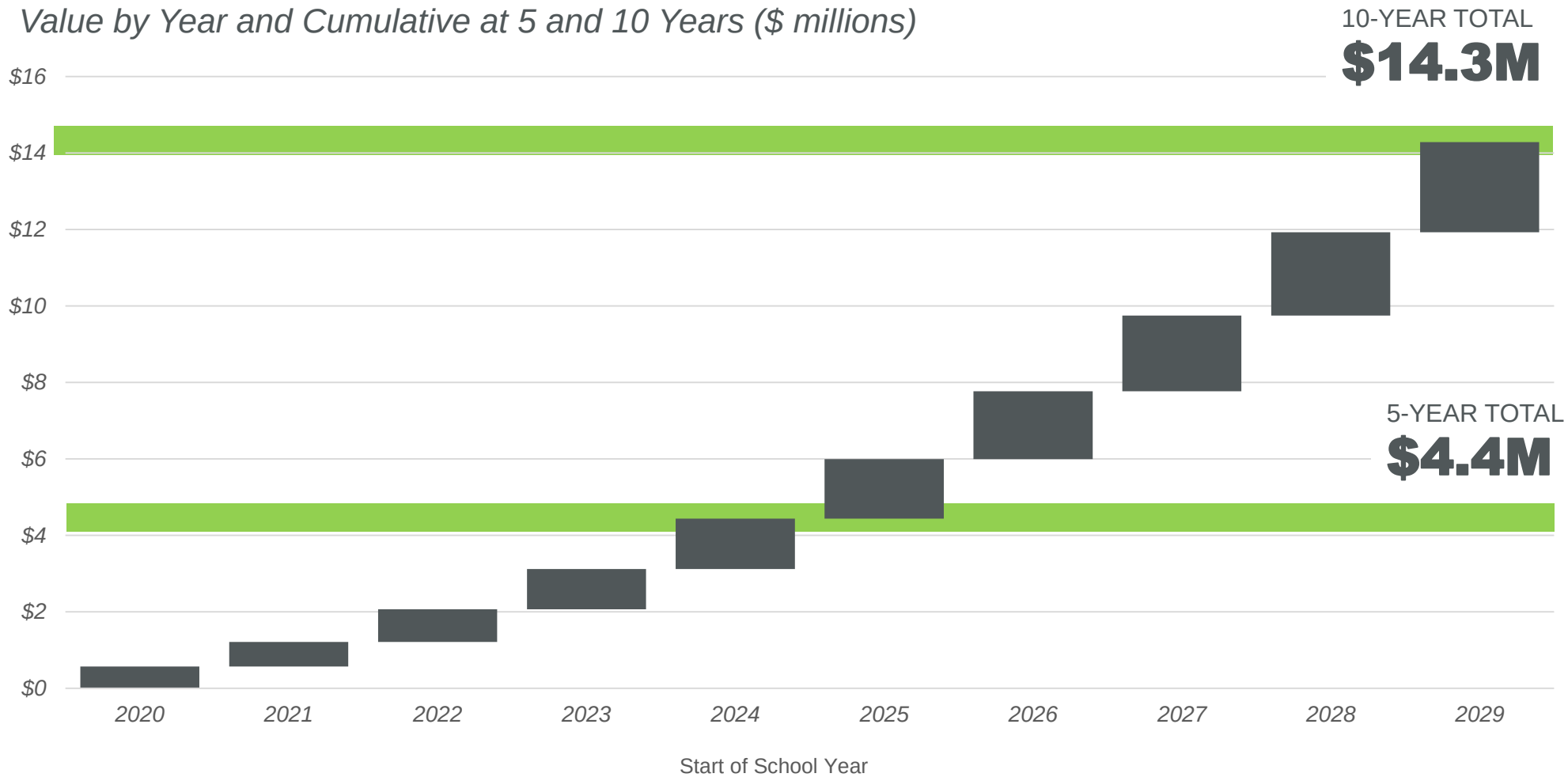
ROI at **5 yrs** & ROI at **10 yrs**

Project Hope Alliance could save Orange County $14.3M by 2030



Note: Range of value estimates at ± 25%

Project Hope Alliance demonstrates increasing economic value to Orange County



Key Takeaways

1. Project Hope Alliance **changes the lives** of homeless youth in Orange County and contributes to the **economic strength and vitality** of the community.

2. The graduation rate for PHA youth is 84%, a **15% increase** compared to homeless youth in California.

3. As compared to drop-outs, **graduating youth contribute an additional $75,000 per year** to society.

4. Every $100 in program spend **generates $264 in value** for our community**.**

5. Project Hope Alliance will generate approximately **$14.3 million in societal value over the next 10 years**.

References

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9. *Enrollments and Exits by School Year Report* for high school students (n=98) supplied by PHA via e-mail on February 20, 2020.
10. Enrollment projection starting in year 2021/2022 provided by e-mail correspondence with Tiffany Mitchell on February 23, 2020.
11. Per e-mail correspondence with Tiffany Mitchell on 2/23/2020, 46% of high school students exiting the program (18 of 39 exits, or 18% of 98 total participants) left within the first year of enrollment
12. Program cost per enrollee supplied via e-mail correspondence with Tiffany Mitchell on March 23, 2020

About Us

Shannon Murphy, MA, is a biostatistician with over 20 years of experience in health economics and outcomes research with a focus on program evaluation. Prior to joining Edwards as a Distinguished Biostatistician, she held similar research roles at Johns Hopkins HealthCare, The Urban Institute, and the San Diego Association of Governments. Shannon received her MA from the University of Maryland, College Park and her BS from the University of California, San Diego. Her academic and professional expertise includes research design, real world data analysis, statistical modeling, longitudinal data analysis, and propensity scores methods.

Joanna Van Houten, PhD, is an Epidemiologist with a passion for big data analytics. She applies this expertise in her role as Manager in Global Health Economics and Reimbursement at Edwards Lifesciences. She received her PhD from Boston University where her dissertation focused on smoking cessation interventions for Boston public housing residents. Prior to Edwards, she worked in healthcare data consulting across a wide range of therapeutic areas including diabetes, cardiology and chronic pain,

Christin Thompson, PhD, received her doctorate in Health Economics from the University of Southern California. She is a passionate health economics and outcomes research professional with experience in the medical technology, biotechnology, and pharmaceutical industries. Prior to working in the industry, she supported academic projects at the USC Schaeffer Center, including NIH research grant applications. Her expertise includes economic modelling, research design, econometric analyses, survey data analyses, claims data analyses, literature review, and quality of life research.

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Appendix: Inputs

Savings Rates

$45,000/year in avoided homelessness costs by governmental and local entities (1)

$30,000/year in increased wages (2,3)

Total = **$75,000** per graduate per year, discounted at a rate of 3% annually (4,5)

Graduation Rates

Actual graduation rate: reported by PHA by year for school years 2015/2016 – 2018/2019 (6)

Projected graduation for PHA participants: 84% based on weighted average across last 4 years (6,7)

Expected graduation rate without PHA: 69% based on report of 2018 graduation rate for homeless youth (8)

Program Enrollment

Current: distribution by grade level from 7th – 12th grade based on program records (9)

Future enrollment: +23 in 2020/2021 (historic average), +35/year in all subsequent years (10), based on the current grade level distribution

Future disenrollment: based on historic average annual disenrollment rate (6,9)

Program benefit applied to participants with at least 1 year of participation **(82% of total)** (11)

Program Cost

Program cost per enrollee supplied by PHA (12)