

Vocational Rehabilitation Services Return on Investment



RETURN ON INVESTMENT

- ◆ 7,943 Vocational Rehabilitation clients were accepted for service in 2003 and tracked through 2011. This is the study group.
- ◆ Average time from opening to closing of case was 23 months.
- ◆ The cohort group earned cumulative wages of \$329 million (average of \$41,179 per client).
- ◆ Total service cost was \$37 million (average of \$4,625 per client).
- ◆ The state's return on investment = \$8.90 per \$1.00
 - ▶ A \$1 investment of VRS services yields \$8.90 in consumer wages. These wages "multiply" in the economy for an additional \$17.80 of economic activity.
 - ▶ \$37 million of VRS services yields \$329 million in wages which "multiplies" into an additional \$654 million of economic activity.
 - ▶ The ratio is the same if there is a reduction in VRS services — Reducing services by \$1 reduces consumer wages by \$8.90 which shrinks additional economic activity by \$17.80.

**ROI =
\$8.90 per
\$1.00**

HOW WE DID IT

- ◆ The cohort group was Vocational Rehabilitation clients who were accepted for service in 2003 — 7,943 clients.
- ◆ The total costs (purchased services, VRS counseling, VRS administration and VRS overhead) and earnings for these 7,943 clients were compiled for the period between January 1, 2003 and December 31, 2011.
- ◆ By December 31, 2011, approximately 99 percent of the clients accepted for service in 2003 had been closed.
- ◆ Used existing program and financial data.
- ◆ Selected 2003 because it would provide a sufficient number of follow-up years to gauge changes in earnings and allow for sufficient time to include all costs of service for a preponderance of the study group.
- ◆ "Costs of Service" include administrative costs, staff costs and costs to purchase client services from Community Rehabilitation Programs.