

SMU Students Measure Monetarily the Social Impact of the Services Provided by WE CARE

By **Valerie Won** - April 16, 2020

Report Post



A new program evaluation conducted by students of [Singapore Management University](#) measures in monetary terms the social benefits and costs of the services and activities provided by WE CARE.

For every dollar invested in WE CARE Community Services (WE CARE), \$9.50 of economic benefit is returned to the community in Singapore. For beneficiaries, this value translates into savings on money spent on drugs and alcohol, medical treatment as well as an improvement in earnings. For the authorities, there are reduced costs on housing for inmates, law enforcement and legal expenses. For society as a whole, there is a reduction in victimization costs.

These were the findings revealed by an independent program evaluation conducted by the Singapore Management University (SMU) and WE CARE, a center for addiction treatment and recovery. Madhav Aney, Associate Professor of Economics (Education) and Swapnil Mishra, Adjunct Teaching Mentor at SMU, and 43 undergraduates developed an internal evaluation of WE CARE's programs and operations to measure quantitatively the value of the services and activities provided by WE CARE, in relation to the money invested in WE CARE.

The program evaluation, which was conducted from July 2018 to May 2019, was part of an Economic Development in Asia module undertaken by SMU undergraduates. The module incorporated the SMU-X learning framework, which addresses real-world issues faced by organizations. By providing such an economic assessment, a first for WE CARE, this program evaluation aimed to place an objective value delivered by the non-profit organization.

“Measuring social impact is complicated. Unlike for-profit firms where profit is simply the difference between revenue and cost, social service agencies often struggle to compute the impact created by their work. Through this program evaluation, SMU students engaged with WE CARE, a leading addiction recovery social service agency in Singapore. Students were asked to quantify the benefit to cost ratio created by WE CARE’s services by examining different dimensions of impact such as client health, income, and government savings on incarceration, etc. Our students gained practical experience applying the concepts they had learned in the classroom to the realities of the social service sector. This creates greater hands-on awareness of social issues among students in a way that we hope encourages them to be more engaged in the future,” said Associate Prof Aney.

Benefits of measuring social impact

SMU undergraduates, under the guidance of Associate Prof Aney and Adjunct Teaching Mentor Mishra, deployed the Social Return on Investment (SROI) methodology which measures social impact by quantifying the tangible as well as intangible benefits of WE CARE’s programs and activities. The benefits accrue to various stakeholders, including WE CARE beneficiaries, the government and the general public at large. For simplicity, only material impact or outcomes were considered.

Since the benefits of sobriety are likely to extend beyond the current year, the annual benefit calculated is extended into future years. The methodology involves multiplying the annual benefits by the probability of a recovering individual remaining sober in each future year. This drop-off schedule accounts for the possibility of clients relapsing in future years – including the first – after achieving an initial 6 months of clean time.

“This program evaluation will allow us to better articulate the value of our services to our stakeholders,” said Executive Director of WE CARE, Tham Yuen Han. “What we do is often intangible and the benefits can only be appreciated over a period of time,” she added.

To ensure that benefits are not overestimated, benefits are considered for a maximum of 5 years only. Furthermore, benefits accrued in future years are discounted accordingly using a suitable discount rate, in this case, the return rates of the Singapore Savings Bond (SSB).

The program evaluation found that WE CARE performs reasonably well with a benefit-cost ratio that ranks above most other comparable organizations working in the same social domain.

The report was refined in 2019 and results were benchmarked against comparable organizations in other parts of the world.