

# Changing the World, One Person at a Time

## EXECUTIVE SUMMARY

In the new global economic reality, non-profit and non-governmental organizations are seeking more efficient and effective ways of helping people who need their support. Dollars are shrinking and needs are rising. Being responsive to these trends, IMPACT commissioned the first independent study to determine the cost-effectiveness of the various service models being implemented by its current project partners.

In total, six countries and eight service models were examined. The target countries included the Dominican Republic, Kenya, Latvia, Romania, Russia and Tanzania. Each country provided one or more of the service models identified for this study, which included three residential service models (group homes, host homes and in-home supports) and five day service models (vocational training centers, supported employment, small business support, educational support and neighborhood centers).

A research team developed a data collection survey that was then completed by each country's project partner using a small group structure to ensure consistency in responses and minimize bias. The survey included quantitative and qualitative information sections. The quantitative section requested information on the total cost per service model and total number of people served per service model. The qualitative section requested perceived ratings of statements about each service model based on their alignment to four main categories (community-based, individualized, competence-oriented and inclusive).

Table 1 outlines the rank order of the eight service models based on the total annual cost per person. Qualitative Hallmarks (QH) Ratings and the Cost-Effectiveness Rating (i.e., Cost Per QH % Point) are also shown.

**Table 1: Rank Order of Service Models by Cost Per Person**

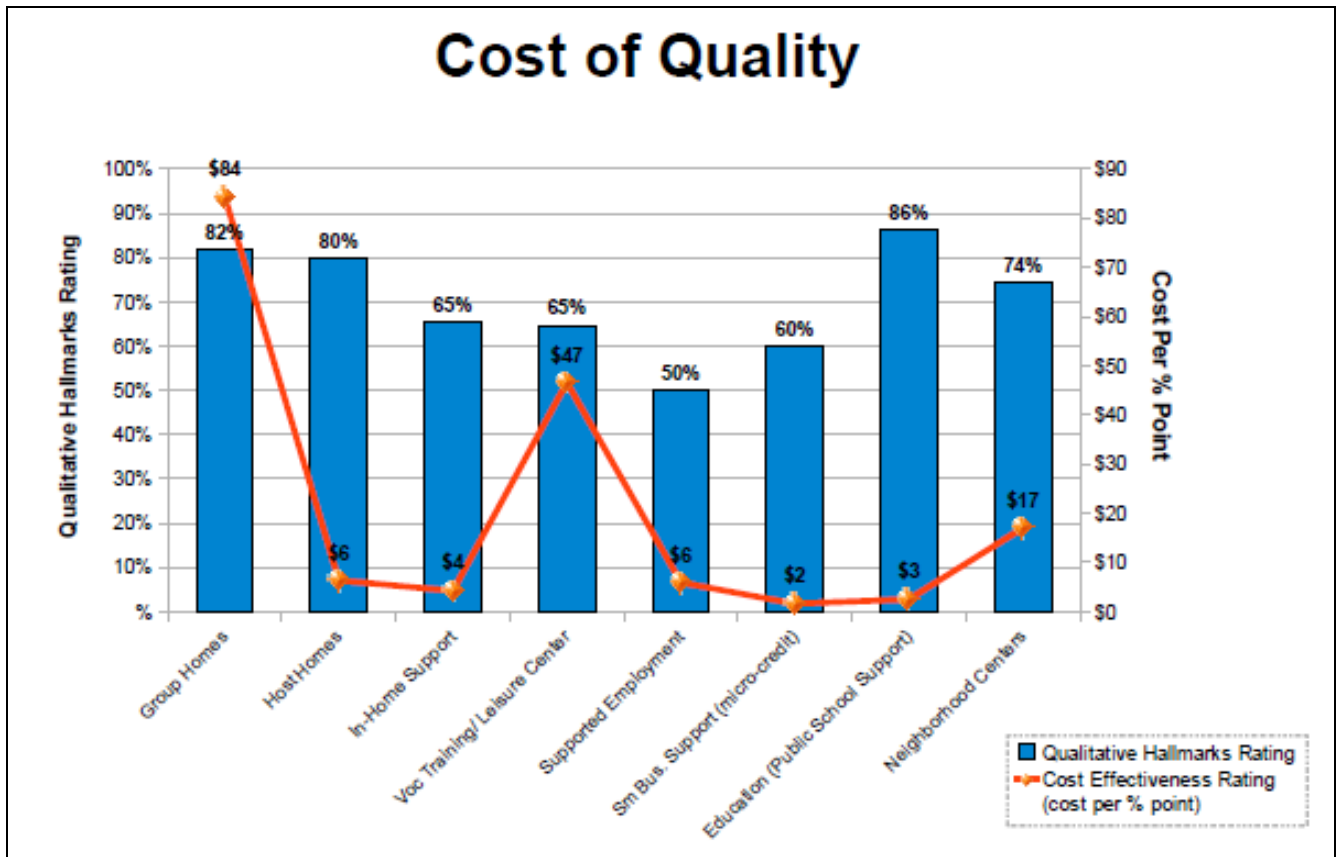
| Rank | Service Model               | Cost Per Person <sup>1</sup> | # of Persons | Average QH Rating | Cost Per QH % Point | Match Highest Rating | Additional Cost PP | % Difference |
|------|-----------------------------|------------------------------|--------------|-------------------|---------------------|----------------------|--------------------|--------------|
| 1    | Small Business Supports     | \$98                         | 81           | 55%               | \$2                 | 82%                  | \$48               | 49%          |
| 2    | Educational Supports        | \$218                        | 180          | 76%               | \$3                 | 82%                  | \$18               | 8%           |
| 3    | In-Home Supports            | \$277                        | 202          | 63%               | \$4                 | 82%                  | \$81               | 29%          |
| 4    | Supported Employment        | \$295                        | 29           | 50%               | \$6                 | 82%                  | \$188              | 64%          |
| 5    | Host Homes                  | \$508                        | 6            | 80%               | \$6                 | 82%                  | \$12               | 2%           |
| 6    | Neighborhood Centers        | \$1,268                      | 146          | 72%               | \$18                | 82%                  | \$178              | 14%          |
| 7    | Vocational Training Centers | \$3,015                      | 82           | 71%               | \$42                | 82%                  | \$462              | 15%          |
| 8    | Group Homes                 | \$6,880                      | 49           | 82%               | \$84                | 82%                  | \$0                | 0%           |

Also seen in Table 1, Group Homes and Host Homes rated themselves the highest in Qualitative Hallmarks at 82% and 80%, respectively. Conversely, Supported Employment and Small Business Supports rated lowest at 50% and 55%, respectively. It is important to note that various factors may influence these outcomes, such as longevity of program, cultural norms, external funding sources and interpretation of qualitative hallmarks.

1 Costs are listed in USD and were adjusted using the purchasing power parity ratio for statistical comparison.

So what does this data tell us about the cost of quality for the eight service models studied in this research? When we overlay the cost per Qualitative Hallmarks percentage point with the QH rating per service model we see some clear distinctions. For example, six of the service models showed a large difference between the cost per percentage point and the QH Rating. This type of comparison of the “cost of quality” can help inform decision-makers determine the most appropriate service model when considering replication.

**Figure 1: Qualitative Hallmarks Comparison to Cost-Effectiveness Rating**



Overall, the Cost-Effectiveness Analysis of both quantitative and qualitative data indicated that of the Residential Service Models, the results were inconclusive and will require a value judgment between Group Homes and Host Homes, with In-Home Supports being the least likely strategy to adopt. Of the Day Service Models, Small Business Supports and Education Support were the recommended strategies to adopt. Various factors will also need to be considered when making value judgments, such as cultural norms, economic conditions, government and local support and infrastructure of project partners.