

# RETURN ON INVESTMENT: CAN WE PROVIDE A NEW PERSPECTIVE FOR EDUCATION IMPACT EVALUATIONS?

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AEA ROUNDTABLE  
NOVEMBER 12, 2015

**Hezel**  
ASSOCIATES

# OUR STORY

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- “ Small education evaluation firm
- “ K-12, higher ed, workforce development
- “ TAACCCT grants through USDOL
- “ Value-add options

# BARRIERS

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- “ Difficult to quantify education benefits
- “ Lack of training and capacity of evaluators
- “ Lack of rigor in previous studies
- “ Lack of demand

# BENEFITS

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Cost analysis in an evaluation can inform decision-makers about...

- “ full resource requirements
- “ economic consequences of past decisions
- “ program improvements relative to cost
- “ program impact relative to cost

# THINGS TO CONSIDER

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- “ Audience or beneficiary
- “ Program (services, activities, timeframe)
- “ Comparison to...
  - . effects
  - . an alternative program or intervention
  - . a standard
- “ Available data and ability to estimate

# EXAMPLES

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## Higher education

- “ Community College Degree, Diploma, and Certificate Returns (Jepsen et al., 2014)
  - . Traditional Human Capital Method
  - . Study design choices to reduce complexity
  - . Labor Market returns for men and women

# EXAMPLES, CONTINUED

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- “ Child welfare program (2013)
  - . Ingredient method
  - . Cost per resource
  - . Cost per participant
- “ K-12 education (Yeh, 2009)
  - . Rapid assessment intervention
  - . Determined outcomes
  - . Conducted cost-benefit analysis, comparing costs to:
    - Personal outcomes (increase in earnings)
    - Societal outcomes (less crime, less welfare costs)

# HEZEL ASSOCIATES EXAMPLE

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- “ Retention-Revenue Calculator (Stewart, 2015)
  - . Tool to calculate tuition revenue changes based on different student retention rates
  - . Focused on return, not investment
  - . Available on [www.SkillsCommons.org](http://www.SkillsCommons.org)

# QUESTIONS

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- “ Is this an appropriate role for evaluators?
- “ When is a cost analysis not appropriate?
- “ Can you share examples of how you approached this?  
What have your experiences been like?
  - . What is the reaction of clients? Non-interest, a value-add?
- “ What variables are important to include?
- “ Are there trainings out there for evaluators?

# Attribution

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