

Baseline Social Return on Investment (SROI) Analysis

About The Pyjama Foundation®

The Pyjama Foundation was established in September 2004 to transform the futures of children in care, by making a practical, positive difference to their lives.

The Pyjama Foundation's Mission

To improve the literacy and educational outcomes of children living care

Research reviewed by The Pyjama Foundation's Founder, Bronwyn Sheehan, found that literacy skills – crucially important for life in our society – were lacking amongst foster children, and that any improvement made in literacy skills creates a lifelong positive impact. It also found numeracy skill levels to be very poor.

The foundation is currently operating in Brisbane (head office), Gold Coast, Sunshine Coast, Ipswich, Toowoomba, Bundaberg and Cairns.

The Pyjama Foundation has experienced sustained growth since 2004, and is embarking on a further and more concentrated stage of growth with the imminent expansion of services into New South Wales.

About the Love of Learning® program

Since 2005, the foundation has been alleviating some of the pressure on foster carers in a practical way - through the volunteer-implemented, literacy-based The Pyjama Foundation Love of Learning® program. Trained mentors are matched with a child who they visit each week, to spend one-on-one time focussing specifically on improving the children's literacy skills.

Through word-of-mouth and local press coverage, the rate of volunteer recruitment has increased considerably since that first training session. To date, over 1700 volunteers have been recruited, and more than 1700 children have been referred to the program.

The long term aims of the Love of Learning® program for the children include that they will be motivated and supported to finish school; that they will have equitable access to educational, health and life opportunities; that they will have career goals and pathways; and that they will not become homeless. The Pyjama Foundation is breaking the cycle of disadvantage frequently experienced by these at-risk children.

What is SROI?

Social Return on Investment (SROI) is an internationally recognised methodology that measures the value created for stakeholders. SROI is a framework for identifying, measuring and accounting for the value an activity creates from the perspective of each stakeholder.



Measuring our Impact

In order to assess the value that was created by the Love of Learning program, The Pyjama Foundation worked with Social Ventures Australia (SVA) Consulting, a leading SROI practitioner in Australia.

The primary objective of this SROI analysis was to understand and value the impact the Love of Learning program has had on the various stakeholders benefitting from its activities.

The analysis is a baseline SROI analysis which uses the 2011 financial year investment into the Love of Learning® program.

Fast Facts

Social Return on Investment:

- 1. For every \$1 of cash or time invested in The Pyjama Foundation program, **\$1.73** is created in value
 - Investment: \$1,719,000 (incl. valuation of in kind support by Pyjama Angels)
 - Value created: \$2,977,000
- 2. For every \$1 of cash invested in The Pyjama Foundation program, **\$4.86** is created in value
 - Investment: \$612,414
 - Value created: \$2,977,000

Stakeholder Outcomes

The SROI analysis first identifies the major stakeholders who will experience change from their engagement with the Love of Learning program and then aims to understand what these changes are, i.e. the outcomes, for each group. The outcomes for each major stakeholder group include:

 Children in foster care, who have increased their trust in people, their enjoyment of reading and learning, and subsequently have been more engaged at school.

"I feel extra happy in my heart when she comes. She is always kind to me and we are always happy. I always have lots of fun reading. I like reading a lot!"

Program Participant (Aged 7 Years), 2011

- Foster carers, who increased their own wellbeing due to improvements in how they read and play with their children. They also increased the amount of quality time they spent with their other children.
- Queensland Government, who experience a reduction in the amount of time spent by Child Safety Officers providing additional support to children.
- Pyjama Angels, who volunteered their time to read and play with children in foster care and were able to influence the positive changes experienced by these children.

"I helped to give the family advice on what books they should have in the household."

Pyjama Angel, April 2011

 Funders, who benefit from seeing positive changes to children in foster care due to the activities of The Pyjama Foundation.



Highlights

- 80% of value is created for children in foster care.
 The main driver of value creation is that foster
 children are able to develop trust in people, first
 their Pyjama Angel and then their foster parent.
 This is a significant change for these young
 people as they have not had many positive role
 models that have led to trusted relationships
 before.
- The Pyjama Angels time is a critical contribution to the Love of Learning Program, as 64% of the valuation of all inputs (cash and time) is from the Pyjama Angels. This demonstrates the critical importance of the Pyjama Angels' input into the analysis.
- The SROI ratio for the cash investment in The Pyjama Foundation is 4.86:1. This demonstrates to cash investors in The Pyjama Foundation that significant value is created from their investment.

Considerations

- It is important to note that the SROI ratios should not be compared between organisations without having a clear understanding of both organisations' strategies, programs logic or theories of change, geographic locations, stages of development and what the organisations are looking to achieve. A judgement about whether a return is good or bad can only be made when using comparable data.
- The Pyjama Foundation is using pre-testing tools such as the Early Literacy Skills Assessment and the Burt Word Reading Test to measure improvements in literacy rates amongst foster children. Results of these assessments were not available prior to the period of analysis (FY11).
- The valuation of time was a major variable in the SROI analysis. This related to both inputs and outcomes. A conservative approach to this method of valuation was applied throughout the analysis thereby ensuring there was no overclaiming.

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