



Maximising Impact: Understanding Social Return on Investment

Paris, 2 April 2025

Willem Adema D.Phil.

Senior Economist, Social Policy Division

OECD Directorate for Employment, Labour and Social Affairs



What is social return on investment?

- **Social Return on Investment (SROI)** is a framework that quantifies the value of social, health, environmental, and economic outcomes generated by a policy, programme, or intervention.
- By assigning **numerical/monetary values** to these outcomes, SROI provides a measure of the impact created per unit of investment, enabling stakeholders to assess the effectiveness and efficiency of a policy.
- **Seeing the effect of policies/programmes**, helps policy makers, investors, project managers, advocacy leaders, decide on future initiatives, and achieve positive social change.



Key elements of a social investment frame

- **Identifying Stakeholders:** Who is affected by the policy. Stakeholders can be anyone from the investors themselves to the local community and even society at large.
- **Mapping Outcomes:** What does the policy do, identify the different effects of a policy and give a full picture of these effects.
- **Valuing Outcomes:** assign a value to the identified changes.
- **Overall result:** compare the value of the outcomes to the investment's cost.
- **Communicating Results:** Transparency helps stakeholders understand the impact of their investment or participation.



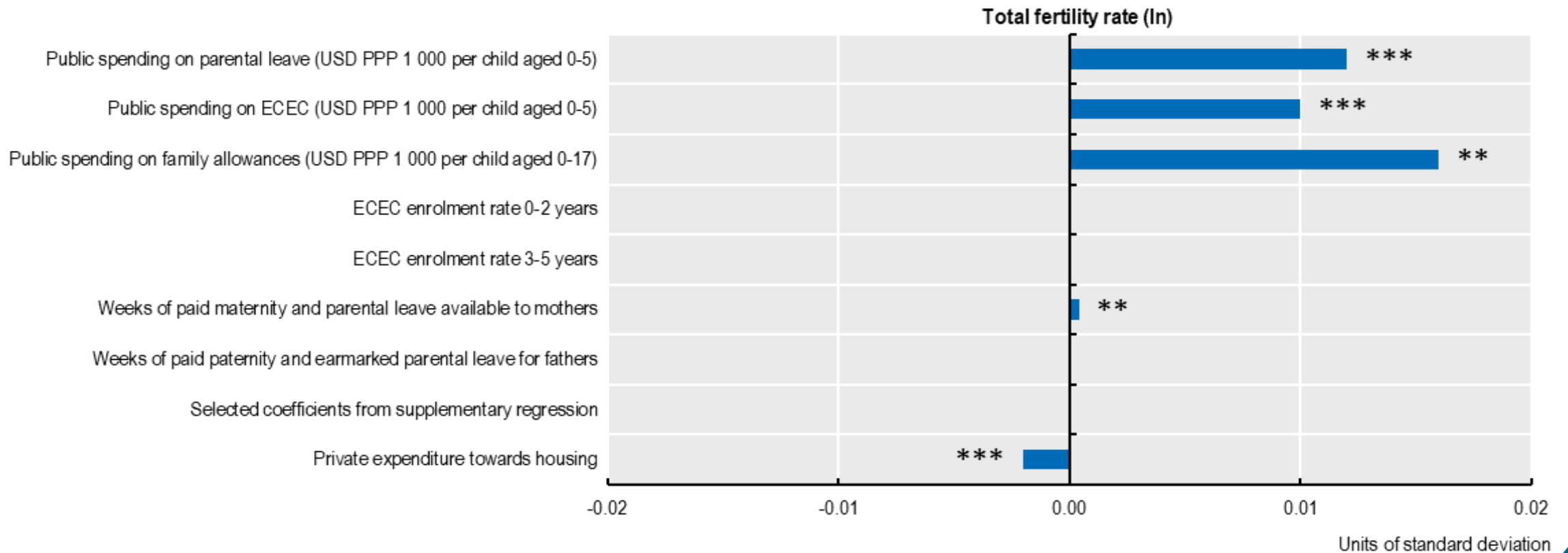
A macro level example: what does Family policy aim to accomplish?

- Strengthen family resources, reduce family poverty and enhance child development.
- Enabling people to have children at the time of their choice.
- Promoting choice for parents in reconciling work and family life.
- Enhancing gender equity at work and at home.
- Improve the efficient use of economic resources and mobilise hitherto unused labour supply, strengthen the tax base, and promote economic growth.



Quantifying effects can be difficult: for example, family policy helps to sustain fertility rates

Estimated association between family policies and labour market outcomes with total fertility rates, 2002-2019



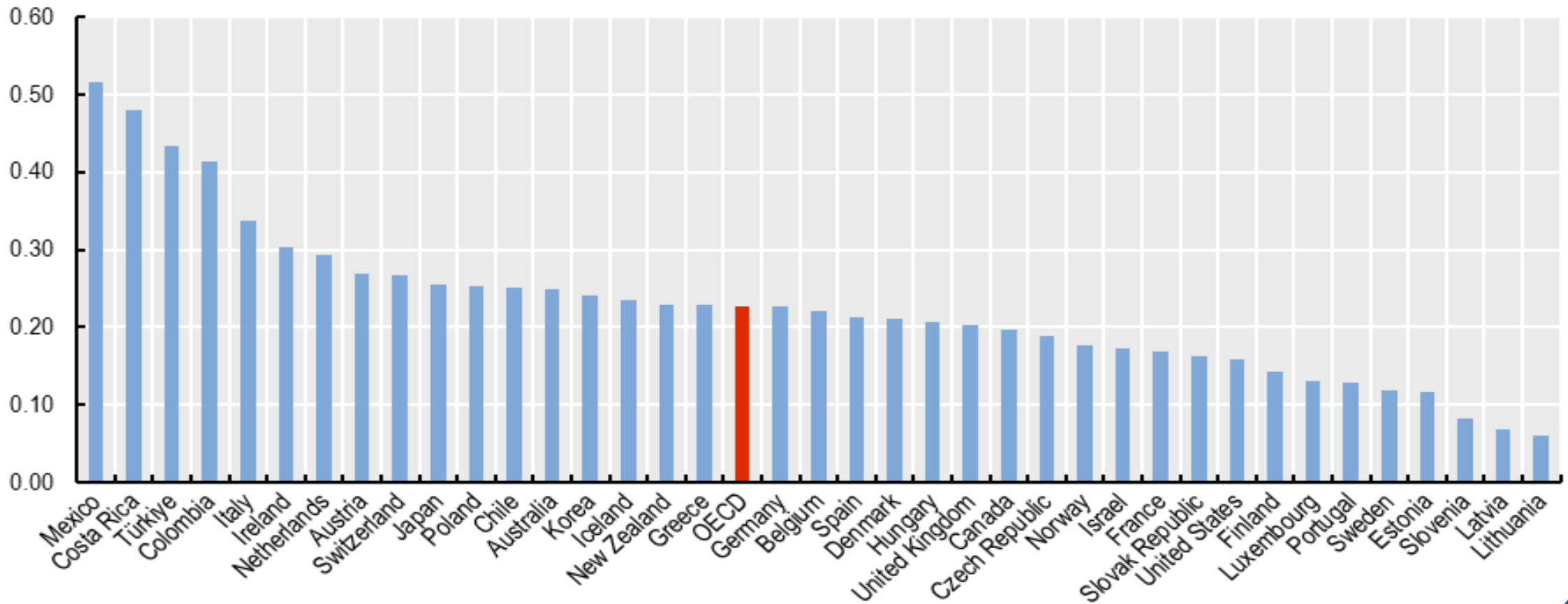
Source: Fluchtmann, J., V. van Veen and W. Adema (2023), "Fertility, employment and family policy: A cross-country panel analysis", OECD Social, Employment and Migration Working Papers, No. 299, OECD Publishing, Paris, <https://doi.org/10.1787/326844f0-en>.

Restricted Use - À usage restreint



There is a lot to gain from closing gender employment gaps by 2060

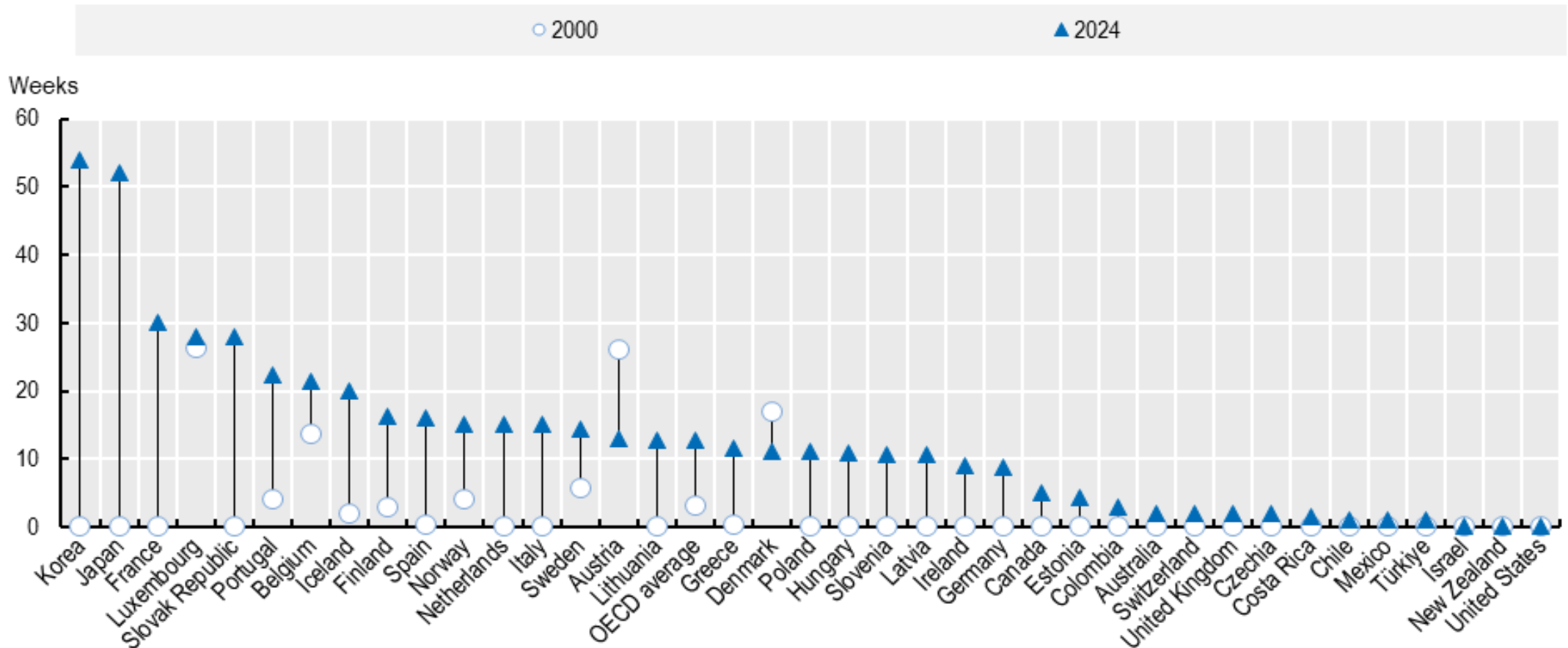
Difference relative to the baseline in projected average annual rate of growth in potential GDP per capita over the period 2022-2060, closure of gender in employment and working hours, percentage points





Where have we seen the most policy movement in the past decade? Paid leave provisions for fathers

Length of paid paternity leave and paid parental leave reserved for fathers, 2000 and 2024

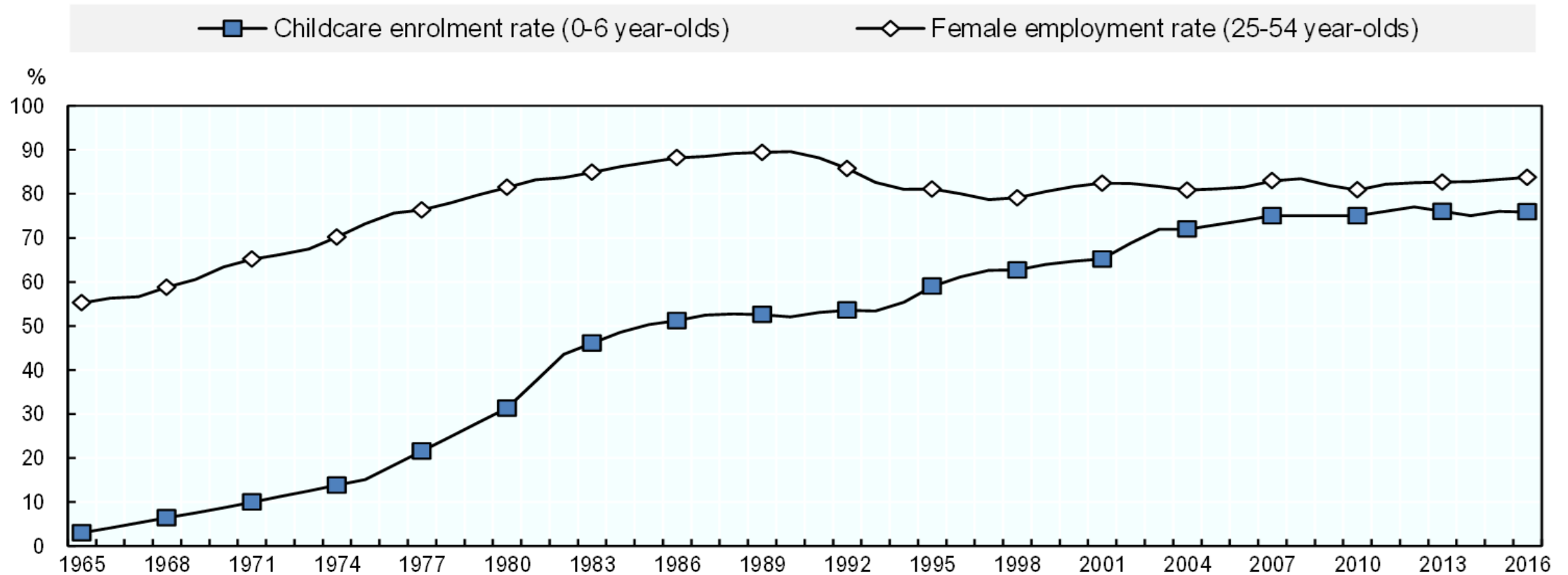


Sources: OECD Family Database Indicator PF2.1 and Indicator PF2.5



Early Childhood Education and Care (ECEC) in Sweden developed alongside increasing female employment

Childcare enrolment rate, 0-6 year-olds, and female employment rates, 25-54 year-olds, Sweden, 1965-2016

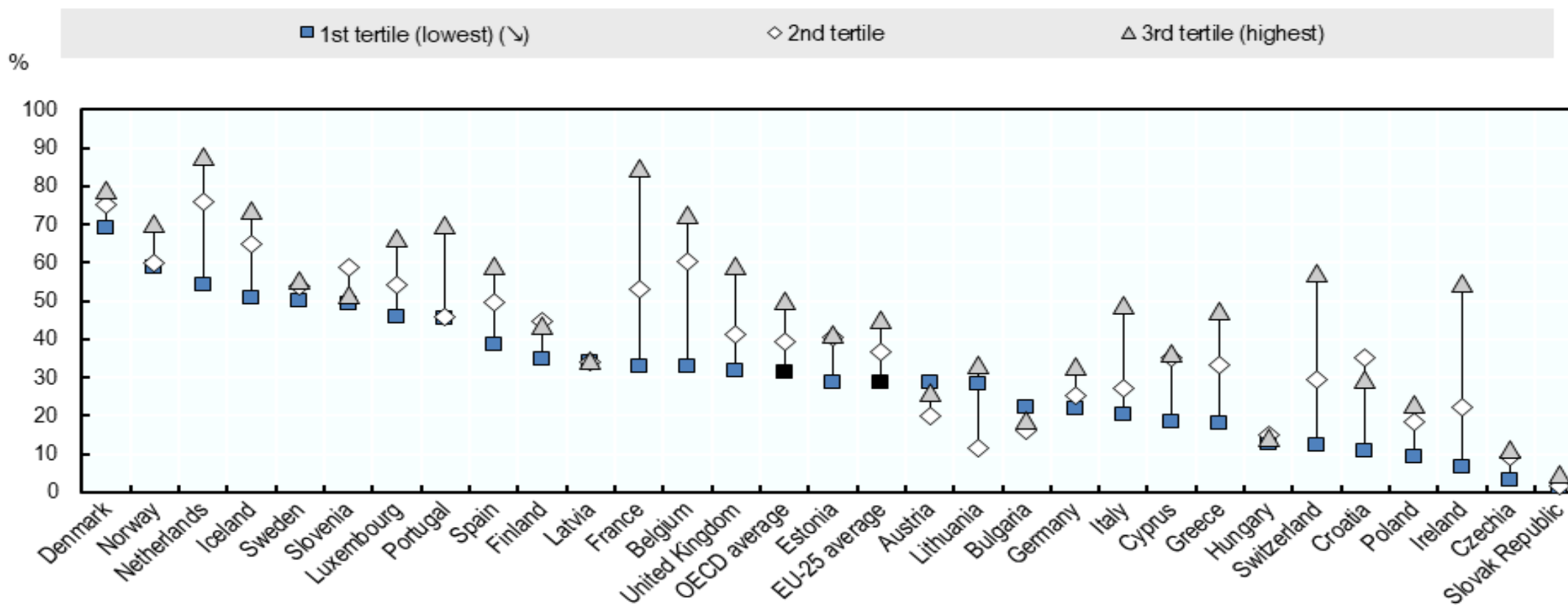


Sources: Source: For the female employment rate: OECD Employment Database; for the childcare enrolment rate: data provided by the Swedish authorities for 1965-2002, and NOSOSCO Database and NOSOSCO (2017), Social Protection in the Nordic Countries 2015/2016, Nordic Social Statistical Committee, for 2003-2016



But participation in ECEC is often lowest among the kids who stand to gain the most

Participation rates in ECEC, 0- to 2-year-olds, by equivalised disposable income tertile, 2022 or latest available



Sources: OECD Family Database Indicator PF3.2



The Impact of ECEC programmes: individual and societal gains

- Lessons from the “Abecedarian project” - ECEC from infancy through age 5 with “playful interaction: language priority, conversational reading, caregiving, learning games.
- “RCT Experimental group/ control group - all “at risk” kids.
- Participants had higher academic achievements, higher earnings, better health, fewer teenage parents, reduced criminal activity.
- For every dollar spent, overall return was \$3 to \$4 due to higher incomes, reduced demand on government-services, reduced health care costs : long-lasting benefits.

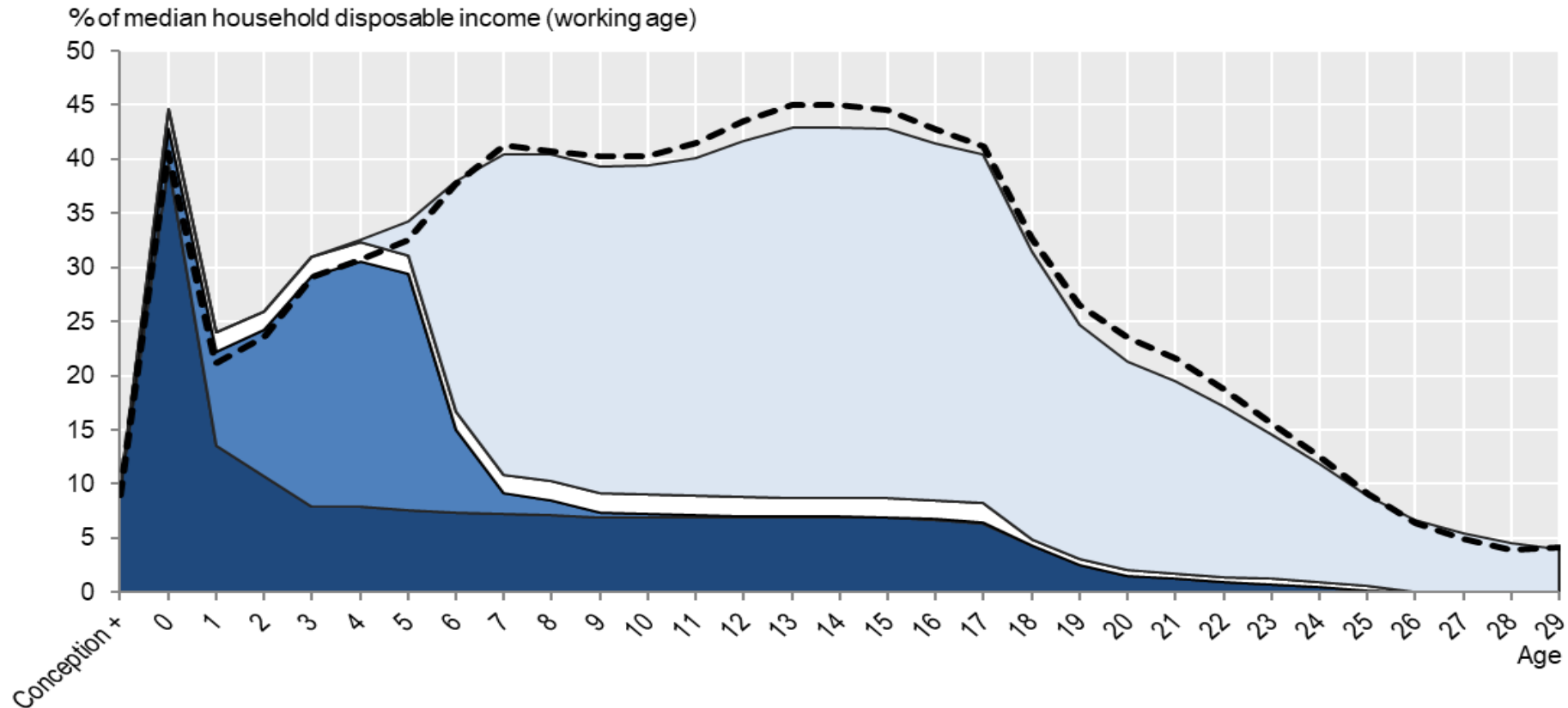


A continuum of family support throughout childhood

Public spending on family benefits and education by age, OECD average, 2019

OECD average, 2019

Cash benefits and tax breaks Childcare Other benefits in kind+ALMP Education Total 2013

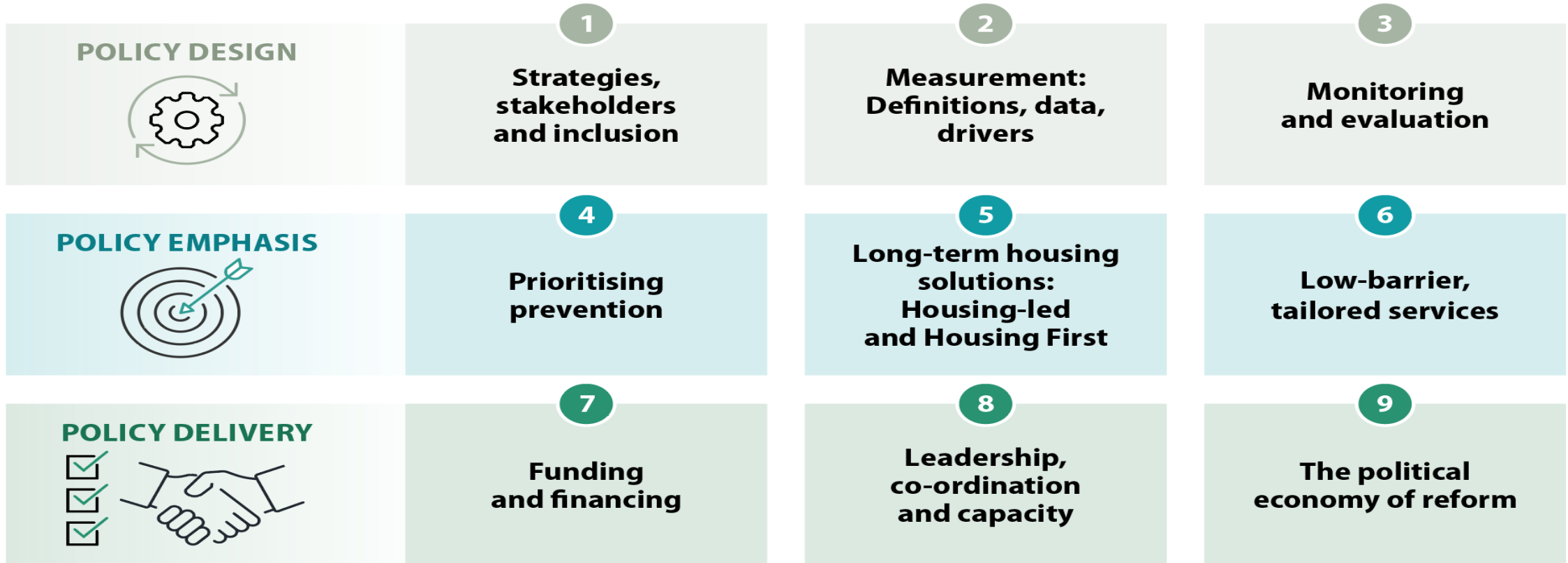




Improving public policies to address homelessness

OECD Toolkit to Combat Homelessness

Nine building blocks to guide policy making





Housing First policies for people experiencing homelessness

- Housing first: Tailored intensive support for people with high service needs. Evidence shows that HF generates high housing retention and savings on public services:
 - France “Un chez-soi d’abord”; RCT showed reduced in-patient, cost savings mental illness, housing stability, scaled up from 350 units in 2017 to 2570 in 2022
 - Denver Supportive housing: RCT almost \$1.5 return on \$1 invested because of reduced demand on public (health services)
 - Project 010: cost EUR 20K pp, Better working methods and less reliance on sheltered housing savings EUR 40K pp



How can social impact measurement help?

- **Set goals: Social purpose organisations** should look at how their activities, outputs, outcomes and impact fit together. Using measurable outcomes and collecting data proves the impact of a policy/ programme and enhances the organization's accountability.
 - **Demonstrate value for money**
 - **Use collected data to improve (programme) performance**
 - **Attract (additional) funding**
 - **Effective communication is key**



Thank you

Dare to Share: Germany's Experience Promoting Equal Partnership in Families



Joining Forces for Gender Equality
WHAT IS HOLDING US BACK?



Email

Willem.Adema@oecd.org

Follow us on X/Twitter

[@OECD_Social](https://twitter.com/OECD_Social)

Visit our website

<http://oe.cd/ahd>
<http://oe.cd/fdb>
<http://oe.cd/gender>

Exploring Norway's Fertility, Work, and Family Policy Trends



Rejuvenating Korea: Policies for a Changing Society



Society at a Glance 2024
OECD SOCIAL INDICATORS



OECD Toolkit to Combat Homelessness



Society at a Glance: Asia/Pacific 2025
A Spotlight on Fertility Trends

