

# SOCIAL RETURN ON INVESTMENT (SROI)

## Our Social Impact

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**\$1,250,094**

CONTRIBUTIONS TO SOCIETY

Income Taxes Paid, Social Security, Sales Tax Dollars Spent <sup>1</sup>

**+ \$4,965,388**

ANNUALIZED SAVINGS TO SOCIETY

Temporary Assistance for Needy Families, Food Stamps, Unemployment, Health Care, Substance Abuse Treatment, Housing, Recidivism and Rearrest for Prison and Jail, Medicaid <sup>2</sup>

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**\$6,215,482**

TOTAL ONE-YEAR SOCIAL IMPACT

## Determining SROI

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PRESENT VALUE OF  
SOCIAL INVESTMENTS  
(Over Five Years)\*

**\$25,283,740**

CARA'S ONE-YEAR  
PROGRAM COST

÷ **\$4,235,008**

SOCIAL RETURN  
ON INVESTMENT

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= **597.0%**



312.798.3300

237 S. DESPLAINES  
CHICAGO, IL 60661

[CARACHICAGO.ORG](http://CARACHICAGO.ORG)

\* 'Present Value' = 'Total One-Year Social Impact' x 5; then discounted based on 30-year treasury bond data, plus an additional 5% to acknowledge the risk inherent in this work.

## 1 Contributions to Society include payments made by our employed students in fiscal year 2014:

- \$872,065 in federal and state taxes, based on 2014 tax rates;
- \$270,340 in Social Security taxes, based on 2014 tax rates;
- \$107,689 in sales tax: Assumes spending average of 27% of total income earned and sales tax of 9.25% in the City of Chicago in 2014. Bureau of Labor Statistics. "Quintiles of income before taxes: Average annual expenditures means, shares, standard errors, and coefficients of variation, Consumer Expenditure Survey, 2014."

## 2 Savings to Society include:

- \$64,728 in Temporary Assistance for Needy Families (TANF);
- \$439,704 in Food Stamps;
- \$127,464 in Unemployment;
- \$769,111 in Medicaid costs for employed Cara students: American Academy of Pediatrics. "Medicaid Facts: Illinois, March 2015." Medicaid costs based on data from 2011, adjusted for inflation using Bureau of Labor Statistics online calculator (<http://data.bls.gov/cgi-bin/cpicalc.pl>);
- \$80,121 in Substance Abuse Treatment: Nationally, approximately 50% of people with substance abuse history relapse, while 0% of employed Cara students in 2014 were dismissed due to a relapse; National Institute on Drug Abuse. "Drugs, Brains, and Behavior: The Science of Addiction."; Bruni, M., Office of Alcoholism and Substance Abuse. (2002). "The Effectiveness of Substance Abuse Treatment among Welfare Clients: Results of the Illinois TANF Treatment Outcomes Project." Average treatment in 2001 (averaging a high of \$3,195 and low of \$230), adjusted for inflation;
- \$327,543 in Homeless Shelters: The Lewin Group, prepared for The Partnership to End Long-Term Homelessness (2004). "Costs of Serving Homeless Individuals in Nine Cities." Monthly averages based on daily rate x 30 days, adjusted for inflation;
- \$825,158 in Transitional Housing: Ibid;
- \$330,708 in Recidivism and Rearrest for Prison and Jail: Bureau of Justice Statistics Special Report (2014), NCJ 244205. "Recidivism of Prisoners Released in 30 States in 2005: Patterns from 2005 to 2010"; Cook County Department of Corrections. "Associated Population Costs"; Vera Institute of Justice, Center on Sentencing and Corrections. (2012). "The Price of Prisons: Illinois." Based on 2010 data; Cost per inmate, per month or year, adjusted for inflation;
- \$1,900,892 in Rearrest and Victim Impact Costs: Roman, J. & Chalfin, A. The Urban Institute. (2006). "Does it Pay to Invest in Reentry Programs for Jail Inmates?"; The Federal Bureau of Investigation. "Crime in the United States: Property Crime, 2014." Rearrest costs based on percent of employed Cara students not rearrested but expected to, according to BJS two-year rearrest rates;
- \$99,958 in Medicaid costs for children of employed Cara students: American Academy of Pediatrics. "Medicaid Facts: Illinois, March 2015." Medicaid costs based on data from 2011, adjusted for inflation.