



# How Do I Show Return on Investment?

Category	Formula
1. <b>Public Assistance Savings</b>	Multiply the # of students removed from public assistance by the average annual TANF benefit.  Example: 100 students X \$13,000 = \$1,300,000
2. <b>Unemployed Students Who Find Jobs</b>	Multiply the # of students who obtained a job times the hourly minimum wage times 40 hours/week times 52 weeks.  Example: 100 students X \$5.35 X 40 X 52 = \$1,112,800
3. <b>Employed Students Who Get Job Promotions or Better Jobs</b>	Multiply the # of students times \$.25/hour times 40 hours/week X 52 weeks.  Example: 100 students X .25 X 40 X 52 = \$52,000
4. <b>GED/High School Completion Increase in Earnings</b>	Multiply the # of GED/HS graduates by \$9,000 (increased earnings for graduates, US Bureau of Labor Statistics)  Example: 100 graduates X \$9,000 = \$900,000
5. <b>Increased Tax Revenue</b>	Add the totals from #2, #3, and #4 and then multiply by 20%.  Example: (\$1,112,800 + \$52,000 + \$900,000) X .20 = \$412,960

## Return on Investment (ROI)

Total of #1 through #5 (increased earnings and tax savings to the state) minus total Adult Education budget = ROI!

### EXAMPLE

$$\begin{array}{rclcl}
 \$3,777,760 & -- & \$1,500,000 & = & \$2,277,760 \\
 \text{Dollars Saved or Earned} & & \text{Adult Ed Budget} & & \text{Return on Investment}
 \end{array}$$