



Advice to Making the Leap

A Pro Bono Economics report

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Making the Leap.

Contents

Executive Summary	2
Context	3
Summary of Making the Leap’s activities in schools	3
An evaluation of how Making the Leap currently gathers data	3
Options for better measuring Making the Leap’s impact	6
Theory evaluation	6
Process evaluation	8
Impact evaluation	10
Economic evaluation	11
Other – further recommendations	12
Appendix A – process evaluation	13
Appendix B – Impact evaluation	14
Appendix C – economic evaluation	17
Appendix D – additional resources for survey questions	19

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Executive Summary

Making the Leap (MTL) is a London-based charity that provides services to children and young people from disadvantaged backgrounds, ages 12-25, to aid their upward social mobility. In particular, it helps them develop non-cognitive skills (e.g. motivation and confidence) and prepare themselves for work.

The aim of this project was to advise MTL on how it could collect data to better demonstrate the impact of the training that it delivers in schools to children aged 12-18. This report considers options for theory evaluation, process evaluation, impact evaluation and economic evaluation, drawing on the guidance set out in Treasury's Magenta Book.

The report proposes several recommendations and ideas, but, in summary, the main ones are:

- MTL should develop a 'logic', or 'theory of change', model to identify the short/medium-term changes ('intermediate outcomes') that it expects to see in children as a result of the training that it delivers in schools.
- Subsequently, it should prioritise those intermediate outcomes and consider how data could be gathered on them. This will likely be by surveying teachers about a month after the end of each training programme. In the immediate term, MTL could simply ask teachers about whether they have observed any changes in the pupils since the end of the programme.
- As MTL is in the process of modifying its teaching programme, it will need to adjust the pupil survey so that the questions capture all of the new main skills that pupils are expected to gain. MTL should have a bespoke survey for each of its two programmes.
- Build a good range of case studies of pupils' experiences.

Context

Summary of Making the Leap's activities in schools

Making the Leap is a London-based charity that provides services to children and young people from disadvantaged backgrounds, ages 12-25, to aid their upward social mobility. In particular, it helps them develop non-cognitive skills (e.g. motivation and confidence) and prepare themselves for work.¹

This report focuses on the training that Making the Leap delivers to children in school, ages 12-18. Specifically, MTL delivers training to schools that have a higher proportion of children from disadvantaged backgrounds (measured as at least 21% of pupils receiving free school meals).

MTL's activities include:

- A training programme for mainstream pupils called "Aspiration Careers Education" (ACE). MTL delivers this training to whole classes of children.²
- A training programme for pupils with performance concerns, called "NEET" (to target those at risk of becoming 'Not in Education, Employment, or Training'). This training is only delivered to pupils that are identified by the schools as having performance concerns.

Each programme comprises 10-11 modules (which are approx. 50 minutes each). In both cases, the schools can pick and mix the modules. On average, a school will ask MTL to run 6 modules.

- Running bespoke and one-off events, such as mock interview and career days.

MTL's current programme aims to help children improve their confidence, attitude, teamwork skills, communication skills and aspiration.

However, MTL plans to modify its programme so as to encourage children to develop the following set of non-cognitive skills:

- **Performance Character Virtues:** Resilience, Determination, & Teamwork
- **Civic Character Virtues:** Service, Citizenship & Volunteering
- **Moral Character Virtues:** Honesty, Trust & Compassion
- **Intellectual Character Virtues:** Curiosity, Critical Thinking, & Open-Mindedness

An evaluation of how Making the Leap currently gathers data

The aim of this project was to advise Making the Leap (MTL) on its collection of data, to help it better measure its impact.

How MTL currently gather data

Data from the pupils:

- At the start of module 1, the children are asked to rate some of their non-cognitive skills on a scale

¹ Non-cognitive skills are defined by The Institute of Education as: "a set of attitudes, behaviours, and strategies that are thought to underpin success in school and at work, such as motivation, perseverance, and self-control. They are usually contrasted with the 'hard skills' of cognitive ability in areas such as literacy and numeracy, which are measured by academic tests." Morrison Gutman L., Schoon I., 'The impact of non-cognitive skills on outcomes for young people – Literature review', Institute of Education, 21 November 2013

² Approx 30 children in one class.

of 1-6. They then do the same thing at the end of the programme.

- At the end of each module, the children evaluate the session on a scale of 1-3. They are also invited to give some comment about what they have learned.

Data from the teachers:

- At the end of the programme, the teachers evaluate the programme on a scale of 1-3 and give comments (typically on the quality of the training).

Data from the schools:

- Making the Leap asks some schools to provide testimonials

Other data collected:

- MTL gathers data on some of its outputs. For example, it calculated that 1234 hours of training were delivered to school children in 2015.
- MTL gathers data on its spending, to make claims like “for every £1 raised, 85p goes to delivering services”

An assessment of MTL’s existing evidence base

I have used Nesta’s Standards of Evidence framework to assess MTL’s existing evidence base, and the degree of confidence with which it can establish that its interventions have an impact.³ The framework consists of a scale from 1 (worst) to 5 (best). Against this, I would classify MTL as a level 1-2.

Figure 1: How MTL scores against NESTA’s Standards of Evidence framework:

NESTA’s expectation	How MTL meets the requirements
<p>Level 1:</p> <p>You can describe what you do and why it matters logically, coherently and convincingly</p>	<p>Positives:</p> <ul style="list-style-type: none"> • MTL draws on research to explain why their work matters: “¼ of the rich/poor gap in GCSE attainment is down to Attitude & Aspirations”...“£88bn is the estimate of the worth of soft skills in Gross Added Value to the UK economy”... • They deliver training that targets the right group of people: schools where at least 21% of pupils receive free school meals (indicator of disadvantage); and bespoke training for children with performance concerns. • MTL have made efforts to better articulate what they do, such as in a strategy document.

³ Puttick R., Ludlow J., [Standards of evidence: an approach that balances the need for evidence with innovation](#), Nesta, October 2013

	<p>Main areas for improvement:</p> <ul style="list-style-type: none"> • See 'Theory evaluation' and some recommendations under 'process evaluation'
<p>Level 2:</p> <p>You capture data that shows positive change, but you cannot confirm you caused this</p>	<p>Positives:</p> <ul style="list-style-type: none"> • MTL runs pre- and post- intervention surveys to show that it achieves positive change. E.g. "89% of participating schoolchildren said that as a result of the training they understood the importance of having the right attitude to work". • It also collects some feedback from schools and teachers. <p>Main areas for improvement:</p> <ul style="list-style-type: none"> • The survey data that MTL currently collects is not fully reliable as pupils are asked to self-report. Though this means that assessment is completed by the person with the best knowledge, the responses may be influenced by the pupils' mood and willingness to answer truthfully. In some instances, the pupils may give the answers that they think MTL is looking for, or may not be self-aware enough to provide accurate answers. • The data is on intangible/subjective factors (non-cognitive skills) which cannot be measured precisely and are hard to describe in terms of value. MTL is also likely to be overestimating its impact because it surveys the pupils immediately after the intervention, when the training is still fresh in their minds. See recommendations under 'impact evaluation' and some recommendations under 'process evaluation'.

Options for better measuring Making the Leap's impact

This section proposes ways for MTL to gather more information on its impacts.

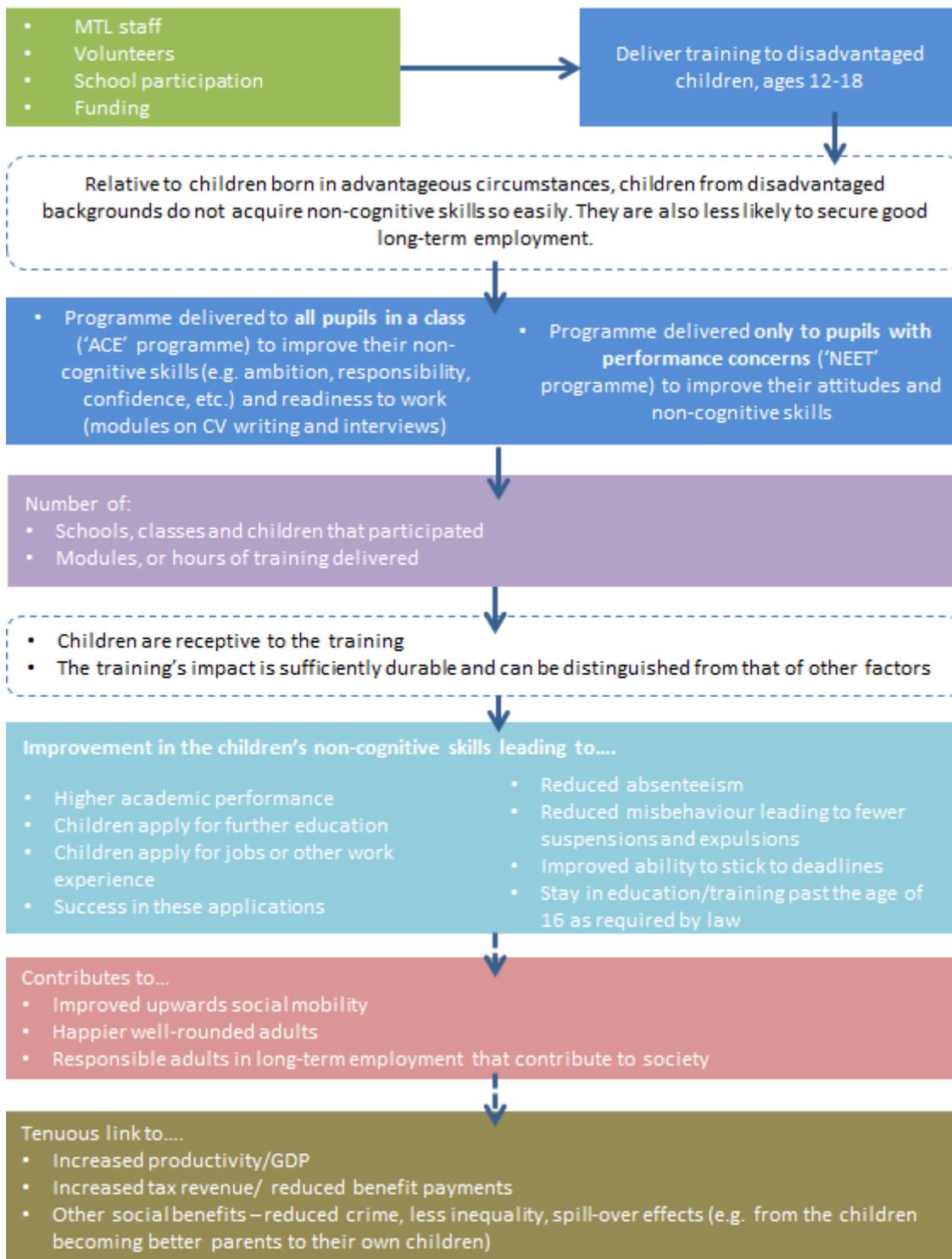
In this section I draw on four evaluation options outlined in the government's "Magenta book" on policy evaluation: theory evaluation, impact evaluation, process evaluation and economic evaluation.⁴ I explain the feasibility of each option in the context of Making the Leap's activities and make some recommendations.

Theory evaluation

A common way of setting out the objectives and intended outcomes of a programme is to develop a 'logic', or 'theory of change', model. In summary, this describes: what you are setting out to achieve and how you plan to achieve it, detailing the different steps/mechanisms along the way. Figure 2 overleaf is a simple logic model for Making the Leap. It links the intended outcomes (both short and long-term) with the inputs, activities, processes and theoretical assumptions.

Figure 2: logic model for Making the Leap

⁴ HM Treasury, [The Magenta book: guidance for evaluation](#), April 2011. The evaluations are not mutually exclusive and should be used in combination.



Legend:

- Inputs
- Activities
- Evidence or assumptions
- Outputs
- Intermediate tangible outcomes
- Long term outcomes / MTL's ultimate goals
- Immeasurable benefits to the economy

Recommendations:

Making the Leap should develop its own logic model/ theory of change, to be clearer about why and how its programmes might help deliver the intended outcomes. In particular, MTL should:

- Think about what short/medium-term change ('intermediate outcomes') may occur before the long-term outcomes are achieved. One way to think about this is: "what could you measure along the way that would indicate that your activities are having an impact on pupils?" Measuring intermediate outcomes is valuable because in the case of MTL it is not possible to directly measure long-term outcomes because they are too distant or affected by too many factors other than MTL's activities. Focusing on evaluating a 'shorter' set of links, between the intervention and intermediate outcomes, is therefore a better option.
- Explore the impact/causal pathways (links between the activities, intermediate outcomes and long-term outcomes) in more depth. MTL could draw on the wider literature to do this – for example, finding evidence that there is a link between improved non-cognitive skills and higher academic performance.

MTL should consider creating a logic model for each one of its programmes (ACE and NEET). The intermediate outcomes will likely be different for both (although there will also be overlap), given that the programmes teach different types of pupil's different things.

To make a start, MTL could consider mapping outcomes to the learning goals of each module. By using the programme overviews as building blocks in this way, MTL will soon observe if the programmes lead to the outcomes that it desires, or if there is any disconnect between what MTL delivers in practice and what it hopes to achieve.

Process evaluation

This looks at whether the programme was implemented as intended, what is working more or less well, and why. A process evaluation demonstrates a commitment to improving the programme, making as effective use of funds as possible, and learning from past experiences. However, a process evaluation cannot conclude if the intervention was useful or not - this is the role of an impact evaluation.

MTL has already demonstrated a commitment to continuous improvement by commissioning this advice from Pro Bono Economics. Its recent strategy also shows efforts to address weaknesses and focus on strengths (through SWOT analysis and competitor analysis).

Recommendations

- MTL may wish to consider surveying its staff/volunteers about what they think is working well/less well, and areas for improvement (see Appendix A). This may be particularly useful at this stage given that MTL is in the process of modifying its ACE programme, so there is an opportunity to implement lessons from past experiences.
- MTL should do case studies of pupils' experiences (if it doesn't do so already). In doing this, MTL should deliberately choose the individual cases that will provide the most illuminating and useful information. To get a good range of cases, MTL should select pupils from different age groups,

different schools, and whom undertook different module combinations. Similarly, if MTL hasn't done this already, it should research best practice on testimonials and adopt a structured approach when requesting testimonials.

- MTL should keep a record of the different module combinations that it delivers in schools. This may indicate if some modules, or combinations of modules, are more popular than others. In turn, this may inform how resources should be spent.
- MTL should continue collecting feedback from stakeholders (pupils, teachers and schools) and demonstrate how it uses this to improve its programmes and processes.
- Finally, MTL should consider the questions outlined in Figure 5 below.

Figure 5: Magenta book - types of questions answered by process evaluations

How was the policy delivered?

In what context was the policy delivered?

What did participants and staff feel worked in delivering the policy, why and how?

What did they feel worked less well in delivering the policy, and why?

What, therefore, might act as facilitators and barriers to desired impacts? How can barriers be overcome and facilitators harnessed?

Which particular aspects of the policy seem to have led to an observed outcome (in conjunction with an impact evaluation)?

Was the policy implemented "on the ground" in the way it had been planned? (This could include observation of the "take up" of a service or policy, or "compliance" where the policy includes regulation or legislation. It could also include identification of unintended outcomes.)

How consistently was the policy implemented across multiple sites or did local variations mean that effectiveness was diluted?

Did the policy meet its targets for inputs and outputs? (To establish the need to investigate causes of any difference between expectation and delivery.)

Was the logic model (see Chapter 5) linking policy and outcomes supported in the experience of the people delivering or receiving the policy?

Did recipients and staff understand the intervention?

What was the experience of recipients and staff who received and delivered the intervention? Which aspects were most valued or caused difficulties? Was this different for different groups of people?

What was the nature of interactions between staff and recipients during the roll out?

Who did not engage, or dropped out, and why?

How effective were risk management strategies in anticipating and mitigating risks?

Did the policy meet budgetary expectations when rolled out, or were there unforeseen issues and hidden costs?

How might the policy be refined or improved?

Impact evaluation

This looks at the changes that occurred after the launch of the programme, and considers the extent to which they can be attributed to the programme by using statistical analysis. Whilst arguably this may be the most beneficial type of evaluation to demonstrate the effectiveness of the programme, a strict impact evaluation is not recommended in the case of MTL at this stage. I outline the reasons for this in Appendix B.

Recommendations:

Instead of doing a strict impact analysis, MTL should:

- Prioritise the list of intermediate outcomes in its logic model/theory of change. The NPC's 'four pillar approach' is one method which explains how to approach this.⁵ The driving criteria should be: which outcomes have a stronger causal link with MTL's activities? Therefore, MTL should prioritise the outcomes that have a more direct link to its activities in the theory of change diagram.
- Consider the most appropriate way to collect data on those prioritised outcomes. I suspect that the best way will be for MTL to extract the information from the teachers.⁶ MTL could survey the teachers a month⁷ after the end of the programme asking simple questions about whether they observed any changes since MTL trained their pupils. One question might look like⁸:

Have you observed any changes since Making the Leap taught your pupils?

	Substantially better	Slightly better	No change	Slightly worse	Substantially worse
Level of attendance					
Quality of homework					
Ability to stick to deadlines					
.... [other indicators]					

Please use this space to comment or tell us about any other changes that you have observed:

Responses will depend on the teachers' ability to observe changes in the children and their willingness to report them. The data will therefore still suffer from some of the common biases

⁵ NPC, [NPC's four pillar approach](#), June 2014

⁶ In an ideal scenario, MTL would get before and after data on every pupil directly from the schools' records for intermediate outcomes like academic performance, suspensions/exclusions, attendance etc (assuming that MTL wants to collect data on these outcomes), because this would ensure that the data provided is accurate. However, realistically, schools will not give this data because of privacy concerns (unless the pupils' names are anonymised) and the time burden that providing this data would place on them. One radical solution might be for MTL to request parent consent for each child and obtain this data directly from the National Pupils Database (NPD), but I am not familiar with the application process to the NPD. Similarly, indicators of disadvantage for each child could be obtained from the NPD.

⁷ One month seems to be a good timeframe because it gives the teacher enough time to spot changes, and it will capture the magnitude of the impact more accurately (recall that surveying too soon after the end of the programme would likely overestimate the impact because the training would still be very fresh in the minds of the pupils. Conversely, surveying too long after the end of the programme would make it harder to attribute any changes to the programme given that many other factors will have affected the outcomes by then).

⁸ If MTL is looking to move away from paper surveys, this would be good opportunity to use free online tools like 'Survey monkey'

that occur from using surveys. However, it will help balance out issues that likely arise from how MTL currently surveys pupils (namely, overestimation due to surveying immediately when the programme ends⁹; subjectivity of responses due to pupils being asked to self-assess).

- For each programme that is delivered in a school, keep a record of the module composition of those programmes. Combine this with the information collected from the teachers and the data collected from the pupils to see if certain module combinations are more successful than others. MTL might also want to see if there is a correlation between the number of modules that students undertake and the strength of the impact.
- Continue to use the data currently collected through the pupil surveys to do simple trend (before & after) analysis. MTL should use pivot tables in excel to explore/analyse the data quickly, if it doesn't do so already.
- It would be interesting for MTL to do some "cohort" analysis. By this I mean see if the more disadvantaged pupils in a class benefit more compared with those that are less disadvantaged. However, I am not sure how feasible this is. MTL is unlikely to get data from the schools indicating e.g. which pupils receive free school meals. It might be possible instead to include a question in MTL's survey of pupils about the pupils' level of disadvantage.¹⁰ However this would have to be done in a very sensitive non-direct way, and I have not found suitable examples in the literature.

Economic evaluation

Economic evaluation looks at how the benefits of the programme compare to its costs, to determine if the programme is worth doing or if there is a more cost-effective way of using the resources. In the charity sector, economic evaluation is often thought of as a means of producing a ratio - 'for every £1 spent, charity x creates £y of value'.¹¹

Appendix C explains why a strict economic evaluation is not recommended for MTL at this stage. This is mainly related to the difficulty of translating the estimated benefits/impacts into economic terms.

Recommendations:

MTL should continue collecting cost data, even if an economic evaluation is unrealistic at this stage. MTL should ensure that the data is detailed enough so that it can isolate the specific costs required for the activities that it wants to analyse (at least, costs pertaining to each of the two programmes). MTL may also find it useful to consider the wider costs that are incurred by stakeholders. For instance, it could request feedback from the schools on whether they incur any costs, explicit or implicit, as a result of running MTL's programme (e.g. time to organise it and teachers' time during the modules)¹². Hopefully this will generate positive feedback that the programmes are easy to organise and run.

⁹ I considered if it might be possible for MTL to do a follow-up survey with pupils, but realistically this is unlikely to work.

¹⁰ Stephen McKay et al, [Developing deprivation questions for the family resources survey](#) (working paper), December 2003. See pages 10-13 for example questions, though I do not think that these are particularly suitable in the case of MTL.

¹¹ There are many other types of economic evaluation, as summarised by the New Philanthropy Capital (NPC), [Economic analysis: What is it good for?](#), December 2014 (table 1 page 13).

¹² Page 28 of this [pro bono project for Shine on Saturday](#) talks about the different costs that a school incurs when running a training programme. However a key difference is that Shine on Saturday delivers training outside of normal school hours (on Saturdays).

Other – further recommendations

MTL plans to modify its current programme so as to encourage children to develop the following set of non-cognitive skills:

- **Performance Character Virtues:** Resilience, Determination, & Teamwork
- **Civic Character Virtues:** Service, Citizenship & Volunteering
- **Moral Character Virtues:** Honesty, Trust & Compassion
- **Intellectual Character Virtues:** Curiosity, Critical Thinking, & Open-Mindedness

Consequently, it will need to adjust the pupil survey so that the questions capture all of these new main skills that pupils are expected to gain. Appendix D provides web links to possible additional survey questions, and the survey should, as a general rule, not exceed two sides of A4.

In addition, as I understand it, MTL currently only has one survey for pupils, that it uses for both ACE and NEET programmes. MTL should develop a bespoke survey for each programme as there are differences between their content. For example, the way the ACE programme is currently structured places more emphasis on work skills compared to the NEET programme which places more emphasis on pupils' behaviours.¹³

¹³ MTL's current survey includes some good questions e.g. "How confident would you feel giving a presentation to your class" This is an effective way to measure a pupil's level of confidence because it prompts them to think about a specific scenario that is relevant to them. Also, MTL is more likely to have an impact on a pupil's level of confidence in such a school-related scenario, rather than their level of confidence generally.

Appendix A – process evaluation

As explained in the section on process evaluation, MTL may wish to consider surveying its staff/volunteers to help understand whether the programme was implemented as intended, what is working more or less well, and why. Reflecting on past experience may be particularly useful at this stage given that MTL is in the process of modifying its ACE programme.

A possible survey template:

Consider different aspects of the programme (examples below), and what the strengths are, weaknesses, and steps/ideas for improvement. It may be useful for a number of staff/volunteers to independently fill in this table, and then for one person to collate the information and identify common themes and suggestions.¹⁴

	Strengths	Weaknesses	Steps required for improvement
Structure of the programme			
Content of the programme, recognising that MTL already intends to change this			
Delivery of the programme			
Collection of feedback			
Engagement with schools			
Monitoring of impact			

¹⁴ This template and some other suggestions in this report were taken from Ahmed Al-Kahja's pro bono economics report for The Centre for Investigative Journalism, May 2017.

Appendix B – Impact evaluation

This appendix explains why an impact evaluation is not recommended for Making the Leap.

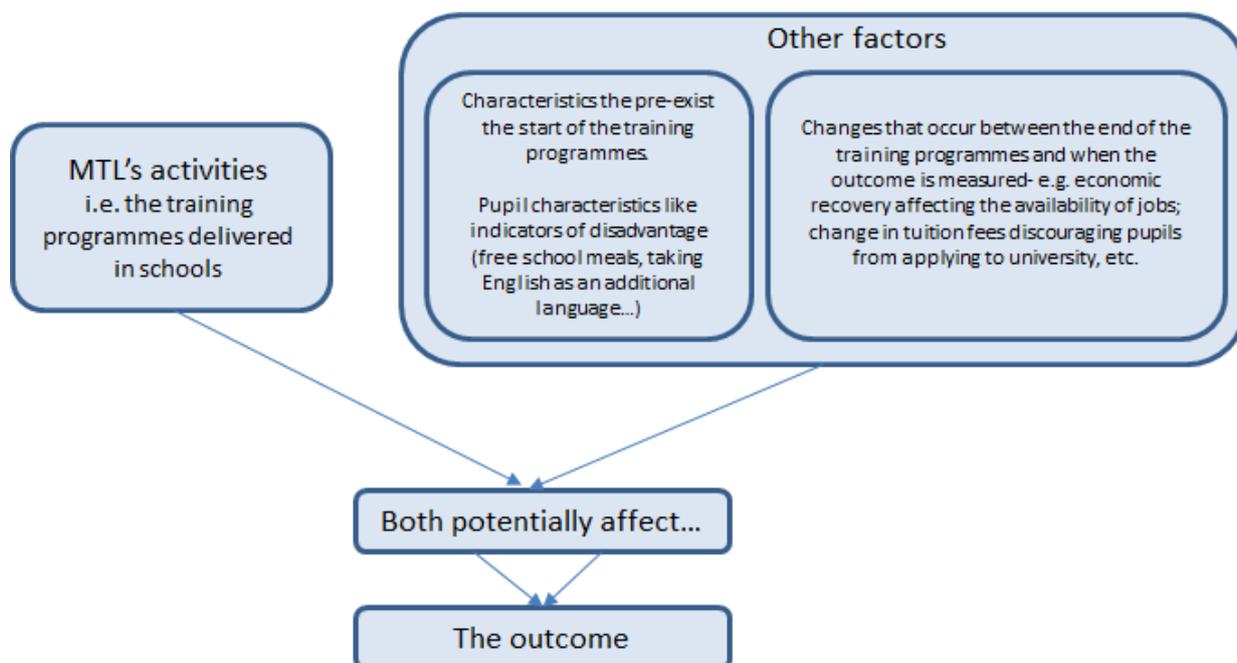
In no particular order:

It is difficult to find a comparison group

A good impact evaluation would recognise that the outcomes are likely affected by a range of factors, not just MTL’s activities. To test the extent to which any changes in the outcomes are down to MTL’s activities, one would need to estimate what would have happened in the absence of MTL’s activities. This is called the “counterfactual”. As the government’s Magenta book explains, “establishing the counterfactual is not easy, since by definition it cannot be observed – it is what would have happened if the [activity] had not gone ahead.”

Figure 3 illustrates how factors other than MTL’s activities are likely to affect the same outcomes. A strong evaluation would successfully isolate the effect of MTL’s activities from all of these other factors.

Figure 3: Examples of factors other than MTL’s activities affecting the outcome



The importance of controlling for these other factors depends on how many there are and how likely they are to affect the outcome. If the links between MTL’s activities and the outcomes measured are complex (as would be shown in the logic/theory of change model), then estimating a counterfactual is important.

Counterfactuals are estimated through obtaining what are called ‘comparison’ or ‘control’ groups. The control group is a group of individuals with similar characteristics to those in the “target group” (those receiving the intervention) but whom do not receive the intervention.¹⁵ The impact of the intervention

¹⁵ For clarity, the “target group” is the group of individuals that receive the intervention (i.e. the pupils that MTL delivers training to). The “control group” is a group of individuals with similar characteristics to those in the target group but whom do not receive the intervention.

is then measured by observing the difference between the before-and-after outcomes for the treatment and control groups.

Figure 4: possible control groups, ranked by order of preference/feasibility

Control group	Preference ranking (in a best-case scenario)	Considerations	Preference ranking after considerations
<p>A class of pupils in same year in the same school that does not receive the training.</p> <p>This is a suitable control group assuming that the children are randomly allocated to classes so, on balance, they exhibit the same characteristics.</p>	1	MTL delivers training to all classes in a school year, so this is not possible	N/A – not possible
<p>A class of pupils in the same year but in a different school that does not receive the training.</p> <p>The class would be selected from a school with similar characteristics (e.g. London-based, similar levels of disadvantage¹⁶)</p>	2	<p>There may be school characteristics that we cannot control for, limiting comparability. The comparison would then be between “apples and pears”, and it will not be possible to tell whether differences in observed outcomes between the control and treatment groups are due to MTL’s activities or something else.</p> <p>Also, realistically, MTL will not be able to obtain data from schools that it does not work with.</p>	3 – not recommended
<p>Obtain data from the National Pupils Database (NPD) to generate an appropriate “benchmark”. This would involve selecting pupils from similar types of schools and with other similar characteristics. This data could then be used to determine an average expected</p>	3	<p>Data extracts from the NPD are available to bodies and organisations which are conducting research and analysis. However, I am not familiar with the application process for obtaining this data.</p> <p>Same issues as above, and crucially, the NPD only contains</p>	2

¹⁶ Indicators of disadvantage might include: whether the pupil receives free school meals (FSM), takes English as an additional language, has special educational needs or performance concerns. FSM is likely to be the main measure used given that MTL already uses FSM data as a way to target schools in more disadvantaged areas.

outcome for each type of pupil, against which to compare the treatment group.		data on some outcomes, which may not even be the outcomes that MTL wants to collect data on.	
Explore if there is any publically available data on some of the outcomes and if this can be used as a benchmark.	4	Unlikely to find data broken down by the characteristics needed – e.g. by indicators of level of pupil’s disadvantage. Thus the quality of the analysis would suffer.	1

The scale of the impact is likely to be small

The scale of MTL’s impact is likely to be too small to make an impact evaluation worthwhile. As the Magenta book explains, “impact evaluation is only worth attempting...where the impact is large enough to stand out from [the impact of other factors]. Small schemes...that may still be good value for money and entirely worthwhile on the basis that ‘every little helps’ cannot then have their impact evaluated, because the ability... to detect the “little” from the midst of many competing drivers is too limited”.

In addition, in the case of MTL, there is likely a fadeout effect (as the interventions are short and not repeated over time), causing the impact to weaken over time.

Lack of enough good quality data on measurable outcomes

The preceding sections of this report explain why it will be difficult for MTL to collect good quality data on measurable outcomes. It is mainly because non-cognitive skills are intangible and that MTL will likely have to rely on surveys to obtain any data on intermediate outcomes that are more tangible.

Furthermore, MTL may not be able to collect enough data to carry out a robust impact analysis (especially for its smaller NEET programme). The guidance in the Magenta book suggests that MTL would need a very large amount of data because the counterfactual is poor and the scale of impact relative to other factors impacting the outcome is probably small (pages 109-110).

Any attempt to carry-out an impact evaluation would require MTL to pool data across all of its interventions. However, this presents the challenge that, because schools can select different combinations of modules, the interventions are not consistent. One would need to recognise this limitation as part of the analysis.

Appendix C – economic evaluation

A strict economic evaluation is not recommended for MTL at this stage. To explain why, this appendix starts by explaining what it takes to carry out such an evaluation.

Economic evaluations involve translating the estimated benefits/impacts into economic terms. The Cabinet Office provides detailed guidance¹⁷, but, in summary, the different steps are:

- Developing outcome indicators and collecting data on those indicators. In the case of MTL, these would be the “intermediate outcomes” from the logic model plus a wide range of other data, including on softer and more diffuse outcomes. The aim would be to capture all of the possible benefits arising from MTL’s activities.
- Establishing how long the outcomes last. The timescale used is generally the number of years you expect the benefit to endure.
- Putting a value on the outcome. This is done by applying financial proxies to each non-economic measure. For example, the financial value of avoiding reoffending for an offender’s lifetime could be estimated as the wages lost during time spent in prison or carrying out community service. Financial proxies can also represent the cost of alternative means through which a similar outcome could be achieved. For example, the cost of annual gym membership could be used as a financial proxy for people reporting that they feel healthier.¹⁸
- Establishing impact
 - Account for “deadweight”. This is “a measure of the amount of outcome that would have happened even if the activity had not taken place.”
 - Account for attribution. “Attribution is an assessment of how much of the outcome was caused by the contribution of other organisations or people.”
 - Account for “Drop-off”, to account for the fact that the impact may decrease over time. This is therefore only calculated for outcomes that last more than one year. [Remember that the longer the duration, the more likely it is that the outcome will be affected by other factors].
- Forecast forward for the applicable time period and then calculate the Net Present Value using the discount rate proposed by Treasury.
- Compare the present value of these benefits to the present value of the costs

Following the New Philanthropy Capital’s guidance¹⁹, a pure economic evaluation is not advisable for MTL because:

- It is uncertain that MTL will have a good estimate of its outcomes in non-monetary terms, given the challenges outlined in the other sections of this report. As the NPC says, “If you are unsure about what [the impact of a programme] is, its monetary value will be equally uncertain”, causing the

¹⁷ Cabinet Office, [A guide to Social Return on Investment](#), which includes a full worked example from page 102.

¹⁸ Examples from New Philanthropy Capital (NPC), [Economic analysis: What is it good for?](#), December 2014, and Realise Futures, [SROI Evaluative Analysis: Realise Futures Social Businesses](#), (see from p55 for more examples)

¹⁹ New Philanthropy Capital (NPC), [Economic analysis: What is it good for?](#), December 2014

economic evaluation to be unreliable.

- It is relatively easy to put a monetary value on a hard outcome, and much harder to put a monetary value on a softer outcome. Many of MTL's outcomes are soft, given that they attempt to measure improvements in non-cognitive skills.
- The monetary value of MTL's impact may not be relevant. Much of MTL's work is not motivated by economic value - promoting upwards social mobility is about improving equity and equality. This is a valuable cause even if an economic evaluation were to show that MTL's work is not "value for money" in the purest sense.
- Like impact evaluations, economic evaluations are time consuming and expensive. If financial proxies are hard to find, MTL would have to invest a lot of time in carrying-out its own research and collecting additional data.
- In the case of MTL, the "attribution" rate is likely to be low and the "drop-off" rate high, which means that the impact is expected to be small. Like for an impact evaluation, the implication of this is that doing an economic evaluation would not be worthwhile.

Appendix D – additional resources for survey questions

NPC, [The Journey to Employment \(JET\) framework](#), April 2014. From p 35.

Welsh European Funding Office, [A practical guide to measuring soft outcomes and distance travelled](#), June 2003. Pages 51-53; 75-80

CORC, [Strengths and difficulties questionnaire](#). There are different questionnaires depending on the age of the child.