

TURN aROUND COURIERS

SROI Report Card: Six Year Review: October 2002 – September 30 2008

TurnAround Couriers: Social Mission Overview

Goals

- Hire couriers and office administrative staff from disadvantaged youth population
- Provide transitional work experience to enable youth to develop employability skills, a resume and a support network
- Enable youth to access the mainstream job market
- Enable youth to stabilize life situation, begin a career path and leave the shelter system



Methods

- Recruit youth from youth shelters and youth serving agencies across Toronto
- Provide a real job, not a job training experience
- Establish a supportive management environment
- Assist youth with planning and making next steps regarding housing and employment



Success Metrics

- Youth are able to get out of shelter system and into independent housing
- Youth meet or exceed job expectations
- TurnAround helps youth secure next job and establish a career path
- Youth are able to get off and stay off government financial assistance

Enterprise: **TurnAround Couriers**

Location: **Toronto ON**

Date of Inception: **October 2002**

Financial Performance

Total Sales Revenue over 6 years	\$1,187,694
Total Grants and Subsidies:	\$0
Total Sales Revenue and Grants (over 6 years):	\$1,187,694
Additional Social Support Infrastructure:	\$0
Total Operating Profit (Loss) (over 6 years)	(\$81,618)
Investment required:	\$100,000
Total Investment required (over 6 year period):	\$181,618

Social Return On Investment

Average Change in Societal Contribution over 6 years (Target Employees):	\$7,451
Average Number of Target Employees (over 6 years):	7
Total Number of Target Employees in Sample Group (over 6 years):	58
Total Cost Savings to Society over 6 Years	\$432,158
Shelter Cost Savings over 6 Years	\$162,066
Government Income Support Cost Savings over 6 Years:	\$153,768
Employment Services Cost Savings over 6 Years:	\$134,597
6 Year SROI:	2.38 or 238%

Overview of Business

- Grew sales from \$53,000 in year 1 to \$354,405 in year 6
- Broke even by end of year 3
- Well established courier provider in downtown core to several prestigious firms such as RBC
- Poised to become largest bike courier firm in Toronto measured by number of bikers

Sustainable Livelihood Outcomes (sample group) and Cost Savings to Society

- 90% of target population recruited from shelters able to get out of shelter system and secure independent housing within 6 months of employment representing approximately **\$162,066** in shelter cost savings over 6 year period
- 79% of target population who relied on income support through social assistance at time of hire were able to get off and stay off representing approximately **\$153,768** in government income support cost savings over 6 year period

Overview of Target Population (sample group)

- 58 youth recruited from youth shelters and employment service agencies across Toronto worked at Turnaround Couriers for 3 months or more
- 35% of all target hires recruited directly from shelters
- Majority target hires are male
- Average age: 21.5
- 96% unemployed at time of hire
- 51% receiving social assistance at time of hire
- 53% did not complete high school

Employment Outcomes (sample group)

- Increased target/non target staff ratio from 75% to 83% over 6 year period
- Grew average number target employees from 4.5 in year 1 to 10 in year 6
- Grew target hire annual wage/salary pay out from \$93,500 in year 1 to 210,547 in year 6
- Average annual income of target employees by year 6 – \$21,000
- 64% target employees worked for 6 months or more
- After working at TurnAround Couriers target hires able to secure next employment in larger courier firms, office administration and window cleaning industries

Definitions and Methodology

<p>Total Investment Required Over 6 Year Period</p> <ul style="list-style-type: none"> Represents all cash injections in the business + annual operational losses - annual net profit over 6 year period 	<p>\$100,000 (total cash injection)+ (81,618) (cumulative operating losses – net profit) = \$181,618</p>
<p>Average Change in Societal Contribution Over 6 years (per Target Employee) Difference between the societal cost before hire (shelter, income assistance, employment services) vrs the societal benefit (taxes paid, eliminating need for government income and services) after hire</p>	<p>Y1 and Y2 \$9,242 + Y3\$10,000 + Y4\$7,874+ Y5 \$9,391 + Y6 \$8,198 /6 years = \$7,451</p>
<p>Total Cost Savings to Society Over 6 Years (actual)</p> <ul style="list-style-type: none"> Dollars saved over 6 year period by employing target group and eliminating or lessening government financial assistance 	<p>Average Change (Per Target Hire)in Societal Contribution over 6 years (\$7,451) X Total Number of Target Employees worked at Turn Around Couriers for two months or more (58) = \$432,158 (after 2007 we only included those who worked 3 months or more)</p>
<p>Total Shelter Cost Savings Over 6 years (actual)</p> <ul style="list-style-type: none"> Shelter cost savings generated by number of target hires able to exit shelter system and move into independent housing 	<p>Annual Shelter Cost Savings over 6 Year Period</p> <p>\$7,261 (first 2 years) + \$52,279 + \$36,305 + \$36,741 + \$29,480 = \$ 162,066</p>
<p>Total Government Income Support Cost Savings Over 6 Years (actual)</p> <ul style="list-style-type: none"> Social assistance income support cost savings generated by number of target hires able to exit or significantly lessen need for government income support 	<p>Annual Government Income Support Savings over 6 Year Period</p> <p>\$48,100 (first 2 years)+ \$19,788 + \$20,100 + \$37,396 + \$28,384 = \$ 153,768</p>
<p>Total Agency Employment Services Cost Savings Over 6 Years (actual)</p> <ul style="list-style-type: none"> Employment services cost savings generated by number of target hires securing employment and not needing services 	<p>Annual Employment Service Cost Savings over 6 Year Period</p> <p>Y1 + Y2 \$27,260 + Y3 \$16,356 + Y4 \$19,328 + Y5 \$34,038 + Y6 \$37,615 = \$134,597</p>
<p>6 Year SROI</p>	<p>Total Cost Savings to Society Over 6 Years / Total Investment Required Over 6 Year Period \$432,158 /\$181,618 = 2.38 or 238%</p>

Data Gathering Process

- The target hire group was drawn from youth that worked at TurnAround Couriers for two months (years 2002 – 2006) and three months (years 2007 -) or more over 6 year period
- Target hires complete surveys, exit sheets and participate in telephone and/or face to face interviews to obtain socio-economic and sustainable livelihood data
- Only these target hires are considered for cost savings and SROI calculations

Definitions and Methodology cont.

Social Cost Related Data Sources for SROI Calculations:

Shelter Costs :

- Target hires recruited from shelters were assigned a shelter cost at hire based on the average stay for a youth in a Toronto shelter (4.5 months/137 days) x the average per diem cost (\$53) a Toronto youth shelter will receive per youth from the City of Toronto Housing and Shelter Services
 - $53 \times 137 \text{ days} = \7261
 - For SROI reports 2005 and onwards an additional 3% is added every year to this base cost to account for inflation
- This is a conservative estimate because we are only assuming a one time cost savings for youth recruited directly from shelters and are not accounting for those youth avoiding shelter services by securing employment and being able to pay for independent housing

Ontario Government Income Support Costs (Ontario Works Program):

- Target hires recruited who reported receiving government income support prior to being hired at TurnAround Couriers were assigned the associated annual income assistance rate based on their demographic and household makeup. This annualized government income is used as a baseline, before hire cost for the duration of a youth's employment at TurnAround Couriers. These rates are publically available on the government of Ontario website and the Income Security Advocacy Centre website <http://www.incomesecurity.org/resources.html>

Employment and Related Training Service Costs:

- Youth community service agencies that TurnAround Couriers recruits from were canvassed in 2005 to determine the annual baseline cost of delivering employment services and training to disadvantaged youth. Cost estimates were based on annual per head budget estimates given by 4 Toronto -based youth service agencies and an average was taken to account for this baseline cost:
 - $\$3097 + \$1019 + \$3000 + \$3786 / 4 = \$2726$
 - For SROI reports 2005 and onwards an additional 3% is added every year to this base cost to account for inflation