

KNOWLEDGE IN BRIEF

Findings You Can Use from New Wallace Research

CALCULATING THE COSTS OF HIGH-QUALITY OUT-OF-SCHOOL TIME

Every day, out-of-school time (OST) learning programs provide millions of children and teens a safe haven under the watchful eye of adults. Many also work hard to offer learning and enrichment activities designed to cultivate talents, lift self-confidence, improve social skills, increase school engagement and decrease risky behavior. In recent years, expectations on OST providers to deliver high-quality programs have grown as federal, state and local funding has increased and as many schools have cut back on such “non-core” subjects as art, leaving OST providers to pick up some of that slack.

In short, quality matters more than ever in OST. But building and maintaining programs that feature quality attributes such as well-trained staff, well-crafted curricula, and adequate physical space and equipment costs money – and often involves tough choices and tradeoffs. Until now, the OST field has lacked research-based guidance or tools to calculate those costs and consider the various options in setting and managing budgets.

A new Wallace Foundation-commissioned report, *The Cost of Quality Out-of-School-Time Programs*,¹ helps fill that need by presenting findings from the most detailed research to date of quality OST programming costs. Produced by The Finance Project and Public/Private Ventures, it contains data and scores of charts that detail the range of yearly, hourly and daily costs for providing high-quality after-school and summer programs in different settings and to different age groups. The report explains the key variables that program operators, funders and policymakers should take into account in calculating the full costs of OST – including both out-of-pocket expenses and in-kind contributions such as physical space.

The report examined 111 quality programs in six cities: Charlotte, Denver, Seattle, Chicago, New York and Boston.² Organizations included in the study were diverse in location, content, size and hours of operations.

SUMMARY

Out-of-school time learning programs are increasingly expected to be of high enough quality to produce real benefits for children. But until now there has been little information for program managers, funders or policymakers about the costs of quality programming. This groundbreaking new report fills that gap by providing a data-rich examination of 111 diverse, quality OST programs in six cities. It finds that costs vary widely depending on such factors as program goals, times of operation and the age groups served.

The findings also form the basis of a new online **OST Cost Calculator** that provides a range of possible program costs based on various characteristics. The calculator is available for free on Wallace’s website at www.wallacefoundation.org/cost-of-quality.

They were recommended by well-informed local leaders and further screened to ensure that they had key quality traits: relatively high participation rates, an appropriate number of adults to supervise children, and a minimum two-year history of providing OST programming. The researchers used a cost-of-living index to adjust the dollar figures so they were comparable across cities.

KEY FINDINGS:

1. OST costs vary widely depending on program factors including the number of hours of operation, staff-youth ratios, age groups served, and facilities used – all of which represent significant choices made by program leaders.

2. Programs typically rely on a range of funding sources, including in-kind contributions.

Among the most notable variables affecting costs:

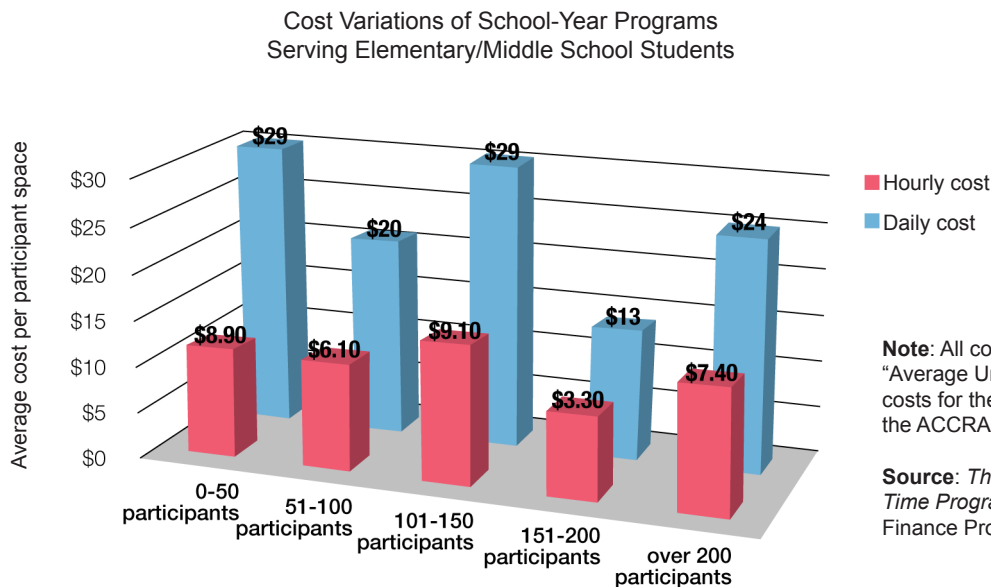
- Operating schedule: For example, summer programs included in the study cost more per day than after-school programs because they were open more hours daily. However, because their fixed expenses were spread over the increased hours, summer programs’ hourly costs were lower.
- Program focus: The study found that “multiple focus” elementary- and middle-school after-school programs, those offering a variety of activities, were less costly than academic or single-activity programs.
- Age of participants: Teen programs tended to be more expensive than those for younger children, in part because program staff for teens were paid significantly more (\$5 to \$10 an hour more) than their counterparts in elementary and middle school programs. At the same time, programs serving multiple age groups had higher average costs than those serving single age groups.
- Geographic location: Variations were found not only because of cost-of-living differences from place to place, but because of differing local policies affecting OST – for example, what a given school district charged OST programs for use of its physical facilities.

The report found that programs generally turn to three to five different funding sources, both public and private. The research also breaks new ground by including non-cash contributions common to OST programs, such as donated equipment, rent-free space, and volunteer administrative help. Close to 90 percent of the programs studied received such in-kind contributions, and those account for about 20 percent of the resources these programs receive on average.

Only one-fifth of the programs serving elementary middle-school students – and only 11 percent of those serving teens – charged fees to parents. But for programs that did charge such fees, those revenues represented a sizeable source of financing, covering on average 28 percent of expenses for teen programs and 54 percent for elementary and middle school programs.

3. Larger programs are not necessarily less expensive per available participant space.

Expanding program size to include more children can produce economies of scale, but only up to a point. After reaching certain size thresholds, quality programs typically hire more administrative staff, thereby ratcheting up costs. For example, at \$20 per day per available space, elementary and middle-school after-school programs with 51 to 100 students cost less than smaller programs. But programs of 101 to 150 cost about \$29 daily for each available space. (see chart)



Note: All costs have been converted to 2005 “Average Urban Dollars” – an estimation of costs for the typical US city – derived from the ACCRA Cost-of-Living Index.

Source: *The Cost of Quality Out-of-School-Time Programs*, Public/Private Ventures, The Finance Project

IMPLICATIONS FOR POLICY AND PRACTICE

Especially at a time of fiscal austerity, minimizing expenses is clearly one desirable outcome of having sound data about OST costs. But because the ultimate goal of OST programming is to serve children well and provide them with the benefits of participation, the report's authors stress that "it is also important to ensure that the impact of programs is not compromised in the process." By offering research-based information about the costs of a range of options in different programmatic settings, the report gives providers, funders and policymakers a realistic basis for decisions about developing or expanding programs and funding them.

Specifically, the researchers concluded that data and findings in this new report can help OST managers, policymakers and funders:

- Assess the costs of OST programs by providing benchmarks for understanding the range of costs for a wide variety of high-quality programs;
- Customize programming to suit local needs, preferences and conditions;
- More accurately estimate funding needed to expand quality programs to serve more children, when combined with information about the needs and wishes of families;
- Help assess more accurately their return on OST investments. By comparing per-enrollee costs to hoped-for benefits for children, the researchers write, "decisionmakers can

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determine how they might achieve the highest return on their OST investments."

- Clarify thinking and planning about how to coordinate public and private funding, including in-kind contributions. ■

¹ Jean Baldwin Grossman, Christianne Lind, Cheryl Hayes, Jennifer McMaken and Andrew Gersick, *The Cost of Quality Out-of-School-Time Programs*, Public/Private Ventures and The Finance Project, commissioned by The Wallace Foundation, 2009

² Chicago, Boston and New York are among five cities that have received funding as part of The Wallace Foundation's out-of-school time learning initiative. The other two are Providence and Washington, D.C.

RELATED KNOWLEDGE

The following publications may be downloaded for free at The Wallace Foundation's online Knowledge Center at www.wallacefoundation.org:

A Place to Grow and Learn: A Citywide Approach to Building and Sustaining Out-of-School Time Learning Opportunities, The Wallace Foundation, 2008.

Administrative Management Capacity in Out-of-School Time Organizations: An Exploratory Study, Financial Management Associates, 2008.

Making Out-of-School-Time Matter: Evidence for an Action Agenda, RAND Corporation, 2005.

All Work and No Play: Listening to What Kids and Parents Really Want from Out-of-School Time, Public Agenda, 2004.

Multiple Choices After School: Findings from the Extended-Service Schools Initiative, Public/Private Ventures and MDRC, 2002.

THE RESEARCH TEAMS

Public/Private Ventures is a national leader in creating and strengthening programs that improve lives in low-income communities through innovation, research and action. P/PV is a 501 (c) (3) nonprofit, nonpartisan organization with offices in Philadelphia, New York City and Oakland. For more information, visit www.ppv.org.

The Finance Project is an independent nonprofit research, consulting, technical assistance and training firm for public and private sector leaders nationwide. It specializes in helping leaders plan and implement financing and sustainability strategies for initiatives that benefit children, families and communities. To learn more, visit www.financeproject.org.

ABOUT THE WALLACE FOUNDATION

The mission of The Wallace Foundation is to enable institutions to expand learning and enrichment opportunities for all people. It does this by supporting and sharing effective ideas and practices. To achieve its mission, the Foundation has three objectives:

- Strengthen education leadership to improve student achievement,
- Improve out-of-school time learning opportunities, and
- Build appreciation and demand for the arts.

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