

# fact sheet

## Literacy Program Economic Benefits

When a child is accepted into the Exodus Foundation Literacy Tutorial Centre program, it is the commencement of a major change in their lives. Instead of the frustration and disappointment associated with difficulty in reading, they will be able to read confidently and be able to participate in school activities in a way that would have been difficult to contemplate before they commenced the course. But that is only the beginning.

The economic benefits to both the student and society are substantial. The Public Benefit (to government) per student (over their working life) is \$386,000. Given the cost per student is only \$14,000 that results in a Public Benefit to cost ratio of 29:1. The Public Internal Rate of Return is 14%.

### Leaving School Early

The impact on students and society of leaving school early is substantial. Unemployment data indicates that seven years after leaving school in year 9 young men 21% rate of unemployment. For women it is even worse at 59% unemployment. By comparison, only 7% of all year 12 leavers are unemployed after seven years. Our Literacy program is designed to ensure students can complete year 12.

### The Economic Impact Of Our Literacy Program

Since 1996 1,438 students have participated in The Exodus Foundation Literacy Tutorial Centre program which based on the MULTILIT Program (Making Up Lost Time In Literacy) developed in conjunction with the Macquarie University Special Education Centre. A further 185 students have participated in the MINILIT Program (Meeting Initial Needs in Literacy).

The intake policy is to accept only students with a reading age at least 2 years behind their chronological age.

A Business Council of Australia study suggests that the resultant economic benefits over the lifetime of the students of our Literacy program will be \$430,000 per individual or \$555-million in total, with 93% of these benefits in NSW and 7% in the Northern Territory.

To date, the NSW Government has invested \$400,000 for its share of these benefits. The Northern Territory Government has made no financial contribution for its share. The Commonwealth Government has invested \$2-million in the program. However most of the investment has come from private donations to The Exodus Foundation.

	Total
<b>Public Costs</b>	
School education	-\$171,122,000
Our Literacy program	-\$20,132,000
Unemployment benefits	-\$65,431,000
<b>Public Benefits</b>	
Taxation revenue	\$653,714,000
<b>Nett Public Benefits</b>	<b>\$397,029,000</b>
<b>Private Benefits</b>	
Personal income	\$2,971,429,000
<b>Total Nett Benefits</b>	<b>\$3,368,458,000</b>

Summary; Financial Cost/Benefit of The Exodus Foundation Literacy Tutorial Centre program

### Analysis Results

Analysis shows that:

- the cost of The Exodus Foundation Literacy Tutorial Centre program since 1996 has been approximately \$20-million; and
- would result in a reduction in employment benefit payments of an estimated \$187-million;
- while enabling each participant to earn an additional \$1.2-million during their working lives;
- with a consequential contribution to the Income Tax base of about \$387-million.

Overall, the Commonwealth and State Governments are better off by approximately \$555-million as a result of investment in The Exodus Foundation Literacy Tutorial Centre program. This is a conservative analysis which has not considered the impacts on health, life expectancy, crime, the justice system, productivity or other social benefits.

The Exodus Foundation Literacy Tutorial Centre program is a win for the students, a win for governments and a win for society.

#### Analysis by:

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#### With input from:

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#### Rev. Bill Crews

Rev. Bill Crews first became involved in helping Sydney's poor in 1969. In 1989 he created The Exodus Foundation at the Ashfield Uniting Church where he was the ordained minister.

Rev. Crews has since been awarded an Order of Australia (AM), and he has also been included in the National Trust's 100 "National Living Treasures" list. His *Sunday Night Crews* radio programme is broadcast in Sydney and Melbourne.

#### The Exodus Foundation

The Exodus Foundation educates struggling children, feeds the homeless, supplies food parcels for needy families and provides medical care and welfare to the poorest in our community.