

Economic Evaluation of Adult and Community Education Outcomes



16th June 2008



Adult and Community Education a boost to economy and community in Aotearoa New Zealand

New research by independent analysts PricewaterhouseCoopers shows that over 409,000 people – about 12% of the working age population – attended adult learning programmes last year. That is a higher participation rate than the United States (10.6%), United Kingdom (4.6%) and Australia (3.3%).

The primary objectives of adult and community education are to strengthen social cohesion, strengthen communities, raise foundation skills, encourage lifelong learning, and target learners whose initial learning was unsuccessful.

Most people become adult learners to improve confidence and self-esteem, for enjoyment, or to move towards further study and employment.

Outcomes from participating in adult and community education

The research cannot provide a comprehensive picture of outcomes from all adult and community education, focusing on just 595 learners and seven organisations. However both are representative of the types of providers and learners.

IMPROVED FOUNDATION SKILLS

Improved speaking, reading and writing English, using computers, understanding numbers, and speaking Māori.

CONFIDENCE AND SELF ESTEEM

Over 90 percent of learners reported better self-esteem and confidence; 58 percent improved health;

IMPROVED HOME LIFE AND COMMUNICATION

73 percent reported an improvement in home/family life; 87 percent improved their ability to communicate with others.

MOVING TOWARDS FURTHER STUDY

82 percent of learners intended to progress to further study, either with the same adult and community organisation or elsewhere.

IMPROVED CAREER

60 percent of respondents expected better career prospects as a result of the adult and community education programme they took part in.

IMPROVED MENTAL AND PHYSICAL HEALTH

Over 62 percent believed their health had improved as a result of further education – over 15 percent said they smoked or drank less, and 38 percent said their mental health was better.

COMMUNITY PARTICIPATION

74 percent of participants reported an increase in community participation.

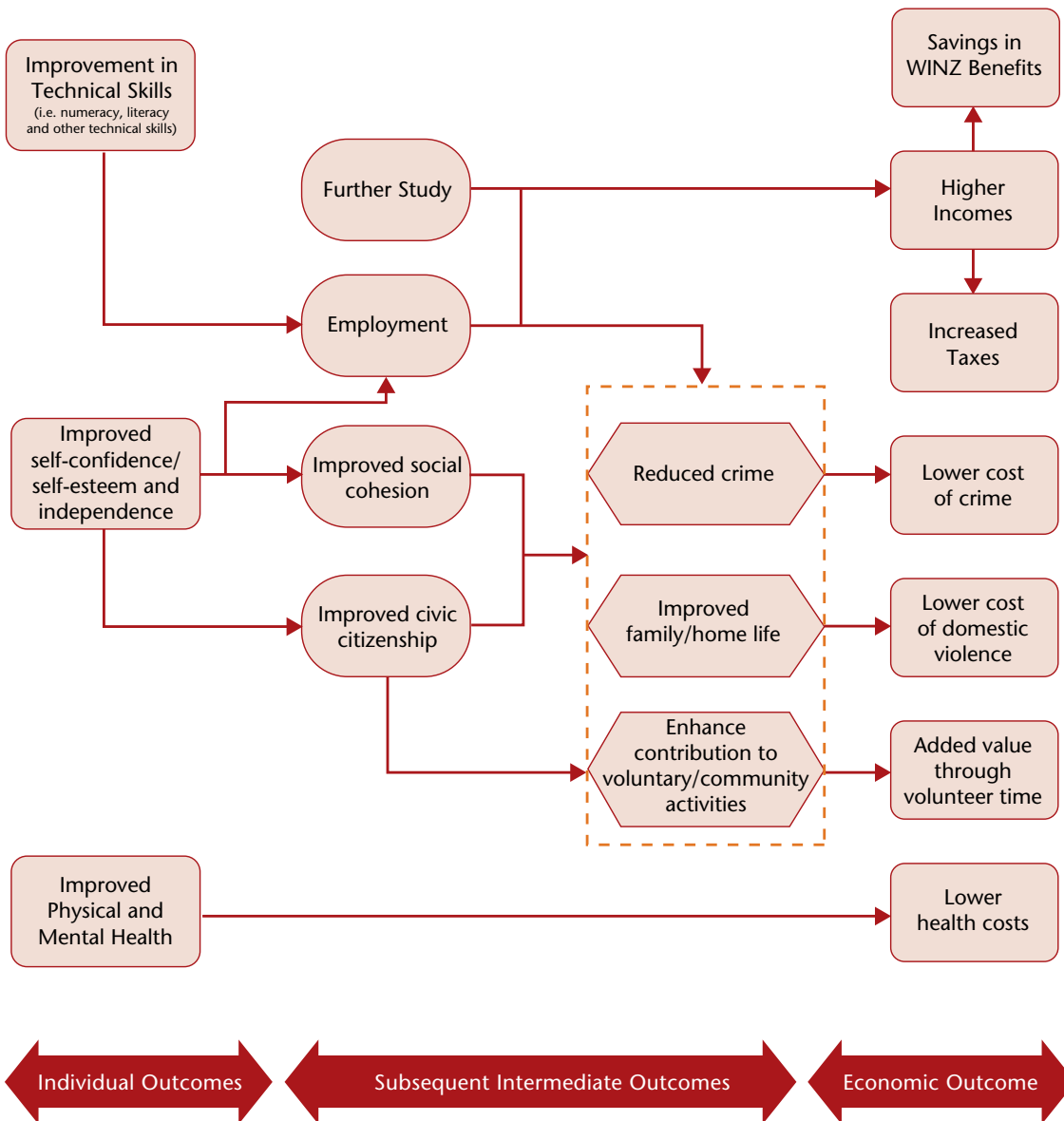
The community services in which participants reported the biggest increase in involvement were other community based educational services, other educational services, and employment services.

MORE TOLERANCE AND UNDERSTANDING

The study showed learners became more accepting and understanding of other cultures, beliefs and ways of life.



Table 6-1: Key relationships between individual outcomes and their economic benefits



The New Zealand outcomes are consistent with both OECD and Australian research. Identifying outcomes is the first step towards estimating their value.

Adult and community education responds to individual and community learning needs and is provided in both formal and informal settings. The basic principle is that of taking learning to the learner. Courses and workshops are held for example in community halls, community groups, church buildings, and homes as well as at schools, rural education centres, polytechnics, universities and wānanga.

PARTICIPANTS

Many more women than men take part in adult and community education (82 percent). About 50 percent were Pakeha/European, 30 percent Māori, and 12 percent Asian, 5 percent Pacifica and a further 4 percent from a variety of other cultural backgrounds. The average age of the learners surveyed is 46 and reflects the high participation of older people in adult education.

Most courses are less than five hours per week, and over 40 percent are 6-10 weeks in duration.



Economic benefits are between \$4.8 and \$6.3 billion annually

When compared to other community-based activities, adult and community education is likely to have one of the highest added values in economic terms, as it is largely focused on improving people's productive lives through learning. Additionally, the benefits of enhanced learning are likely to have implications in all areas of an individual's life, whether as employees, parents or members of the community.

The report estimates the economic benefit of the adult and community education sector is between \$4.8 and \$6.3 billion annually. This is a return on investment of \$54 - \$72 for each dollar of funding.

Each dollar of government funding generates a return of \$16 - \$22, but this is further leveraged through community contributions to the sector, including unpaid volunteer labour. The table below summarises the estimated value and net economic benefit (NEB) per dollar.

	Gross Economic Benefit \$million	Funding \$million	Net Economic Benefit \$million	NEB: Per Dollar Return
Non-Government	\$3,759 - \$4,903	\$22	\$3,737 - \$4,880	\$167 - \$219
Government	\$1,142 - \$1,526	\$66	\$1,076 - \$1,460	\$16 - \$22
Total	\$4,902 - \$6,429	\$88	\$4,813 - \$6,341	\$54 - \$72

A key economic benefit of adult and community education is increased income for adult learners because of subsequent involvement in paid or higher paid employment. Benefits were also realised through savings in government welfare benefits, savings in crime and health, value added through enhanced community participation and increased taxes.¹

Just over half the \$88.4 m funding flowing to adult and community education comes from the Tertiary Education Commission (\$45.5m). The remaining funding comes from other government agencies (\$20.5million), including the Ministry of Education and Ministry of Social Development; and community and philanthropic sources (\$22.3million), including lottery grants, public donations and fund raising.

WHERE IS THE GREATEST VALUE?

The greatest value comes from investment in those parts of ACE provision that contribute the most to improved social and economic outcomes.

Considerable added value comes from the involvement of volunteers and gifts. If ACE providers had to fund the resources given voluntarily, the return is likely to be much reduced.

The involvement of volunteers and sponsors from the local community leads to greater awareness of the ACE programme by potential adult learners from the relevant social demographics because sponsors and volunteers understand what motivates adult learners.

¹ From enhanced skills combined with increased opportunities.



Five Case Studies

Aranui Community Learning Centre, Christchurch

– provides day and evening short courses, some of which carry qualifications. For learners of all ages; courses aim at community cohesion, life-long learning, basic skills and networking.

Frankton/Dinsdale Rauawaawa Charitable Trust, Hamilton – provides services including health, social, education and financial for over 200 kaumatua (aged 55 and over). Aims to enhance kaumatua quality of life and wellbeing; based on principles of tikanga and Te Tiriti o Waitangi.

Te Aroha Noa Community Services, Highbury, Palmerston North – situated in a lower socio-economic multi-ethnic community; provides a range of services to support young whanau/families.

Wairarapa REAP, Masterton – education-focused services for all ages including early childhood, school age and those who have left school. Programmes generally developmental in nature.

Waitakere City Workers’ Educational Association (WEA) – provides accessible and affordable adult and community education within West Auckland. Aims to provide courses and workshops; information and support; community strengthening.

Case study, Jane (Aranui) – *Jane had been brought up in foster homes, with little love and nurturing. She moved from school to school and did not achieve well. Now married and with her own children, she wants to make a better life for them. Despite a lack of support from her husband, she decides to attend a literacy/numeracy course*

at ACLC. Her reading level improves from that of a six-year-old to that of a sixteen-year-old and her confidence lifts in various ways. She wants to do more courses.

Case study, Hana (Frankton/Disdale Rauawaawa) – *After her out-going and sociable husband dies, Hana (Ngati Apa/Scottish) has become seriously isolated. Her family are back home in Taranaki and she knows few people in Hamilton. A district nurse encourages her to enrol with the Trust, initially for a waiata class. Enjoying that, she enrolls in te reo and performing arts. She experiences increased confidence, purpose, improved health, weight loss and greater mobility.*

TYPES OF ADULT LEARNERS

In its analysis of these five case study providers, the researchers identified five distinct learner categories:

- **Breaking Barrier Learners** – who have barriers to fuller participation in society
- **Community Learners** – interested in participating and contributing more to communities
- **Foundation Learners** – seeking skills in reading, writing, language or numeracy
- **Lifelong Learners** – expanding their skills, knowledge and networks
- **Targeted Learners** – persuaded to give it a go despite a negative perception of learning environments

Table 4-1: ACE Priorities and Learner Categories

ACE Priority	Learner name	Learner’s Prime Driver
Strengthening Social Cohesion	Breaking Barrier Learners	To be able to overcome their barrier to participate more fully in their community or wider society as an individual
Strengthening Communities by Meeting Community Learning Needs	Community Learners	To be able to participate effectively and contribute as an individual in a community group



ACE Priority	Learner name	Learner's Prime Driver
Raising Foundation Skills	Foundation Learners	To be able to read or write, speak, listen effectively in English or Māori; or gain numerical skills
Encouraging Lifelong Learning	Lifelong Learners	To continually be expanding skills, attributes, knowledge, interests or social networks
Targeting Learners whose Initial Learning was Unsuccessful	Targeted Learners	To be persuaded to 'give learning a go' despite negative perception about learning environments

CONCLUSION

With at least 409,000 participants each year, the estimated economic benefit attributable to adult and community education is between \$4.8 billion and \$6.3 billion annually.

This is mostly due to increases in net earnings due to **higher paid employment, further education and wage growth**. While these are based on the **expectations of learners**, research shows that predictions can be relied upon to some extent. It is also due to **savings in unemployment benefits and increases in taxes**.

By focusing on **individual and community learning needs**, and involving those people with the greatest need, the **added value** provided by second-chance education is substantial.

“When compared to other community activities, ADULT AND COMMUNITY EDUCATION is likely to have one of the highest added values in economic terms, as it is largely focused on improving people’s productive lives through learning.

The benefits of enhanced learning, however, are likely to have implications in all areas of an individual’s life, whether as employees, parents or members of the community.”

The research concludes that the adult and community education sector makes a **significant contribution** to the **education sector and the wider community**.



