

## The Social Return on Investment (SROI) in Paamonim's Mentoring Activity

### Researchers:

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There are a number of factors that have contributed to Israel's household costs rising beyond their means during the past few decades, which has caused them to incur debt.

Unstable financial practices have an impact on debt-ridden households as well as on the general public.

Paamonim, which is funded by donations, mentors families in an effort to improve their financial situation.

**We have found that the return on Paamonim's mentoring process is far greater than the original investment.**

**In addition to an immeasurable return, every shekel invested in the mentoring process yields an estimated return of 8.15 NIS.**



each shekel invested



generates 8.15 NIS

We discovered that the typical mentoring procedure took 8.4 months.

The calculation of the return is based on the direct value to the family and to the indirect value to the public. The direct value is measured by growth of the gap between income and expenses over time.

The indirect value is represented by increasing public revenues or reducing public expenses.

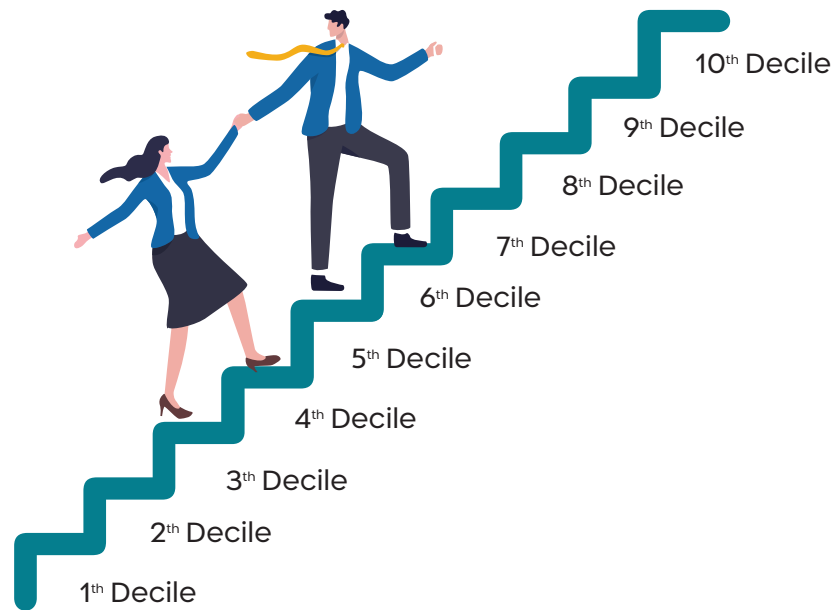
**We distinguished between direct societal value and indirect contribution when determining the societal return in the manner described below:**

**Direct value** includes the financial return that mentored families received as a result of the mentoring, and was calculated as the difference between the family's financial balance at the start and the completion of the mentorship (the balance is the difference between income and expenditure). The return received for the family was 4,812 NIS per month.

**Indirect value** Includes the reduction in public expenditure as a result of the mentoring.

This covers medical costs (including mental health), the rise in taxes due to the increase in income, adjustments to allowance payments, and potential effects on the family's children's future earnings.

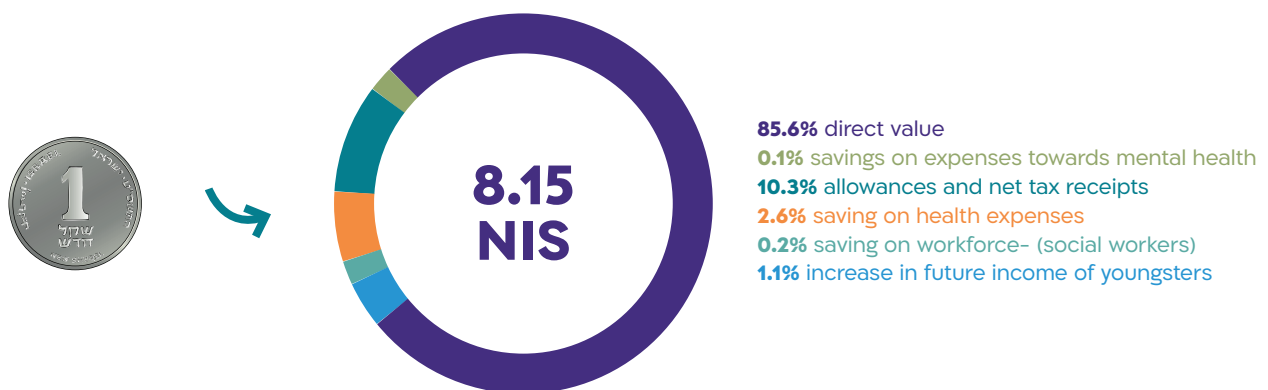
Additionally, we discovered that **the average household in one of the first eight deciles increased by one decile as a result of the mentoring process.** For example, a family that started mentoring with an income level that placed them in the fourth decile, will most likely end the mentoring process in the fifth decile. Families that started the mentoring process in the top two deciles will retain their place at the end of the mentoring process.



142 families started the mentoring process below the poverty line,  
79 completed the process below the poverty line

Most of the return from the mentoring process is direct and constitutes about 85.6% of the total value. The rise in family allowances has a negative impact on a portion of the indirect value. The increase can be attributed to the mentoring process, which involves guiding families to use their rights and determine whether they are eligible for allowances they were previously unaware of.

**According to the annual calculations, every Shekel invested in the mentoring process yields 8.15 NIS, assuming that the investment's impact is long-term.**



> The research was conducted in 2022.

> The calculation is based on a database of 2,912 families who began the mentoring process at Paamonim, between the years 2016- 2021 and was made in relation to the donations received by Paamonim at that time during which the financing was used for the mentoring process.