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Starting point and outcome objectives of Children SIB II

Already before the coronavirus pandemic, Finnish society was burdened by a wide range of preventable problems and diseases and they show no sign of abating as the pandemic persists. According to cautious estimates, the costs arising from the harmful effects, problems and diseases, many of which could be prevented, total between EUR 15 and 20 billion each year. The potential for human and economic benefits that could be achieved with proactive and preventive measures is huge.

For example, before the coronavirus pandemic, the cost incurred by municipalities from children and young people placed outside the home was estimated at nearly EUR 1.5 billion, and the preventable costs arising from type 2 diabetes were roughly the same.

How could impact investing contribute to the prevention of harmful outcomes?

The key task of The Centre of Expertise for Impact Investing is to help public-sector actors in (social) outcomes contracting (to achieve results), especially from the perspective of proactive and preventive work. This means in practice that the public sector defines the outcomes (result) it wants, and not the manner in which those should be achieved, and will only pay for verifiable outcomes (results). One alternative is to use the SIB model (performance-based funding agreement).

The Children SIB project, focusing on promoting the wellbeing of children, young people and families, was launched in five municipalities at the start of 2019. The Children SIB II project will be launched in four municipalities in early 2021.

It is hoped that the municipalities will continue to use the successful practices created in SIB I and SIB II after the projects. The economic benefits accrued by the municipalities have also been taken into account in the cost-benefit analyses produced for the projects. The local situation is a key consideration in the planning of the services provided as part of the SIB projects, and the aim is to avoid overlaps and to fill service gaps.

In Jyväskylä, the aim is to ensure that young people move to upper secondary level and successfully complete upper secondary education

The aim of the SIB project in Jyväskylä is to reduce the number of young people not in employment, education or training by increasing the proportion of those successfully completing upper secondary education. The training guarantee is one of the instruments introduced to reduce the number of school dropouts in Finland, but legislation is ineffective if the causes behind the phenomenon are not addressed. There are many reasons why young people have problems with their school performance but in the SIB project launched in Jyväskylä, the focus is on two groups: 1) 6th to 9th graders in basic education; and 2) young people in danger of dropping out of upper secondary education.

At upper secondary level, the focus is on factors behind learning difficulties, such as attention deficit problems and mild developmental disorders. Many of the problems are detected too late, which will negatively impact school performance and make it more difficult to pursue further studies. In SIB, young people are provided with correctly timed support for finishing school, and successful completion of upper secondary education is one of the performance indicators used by the municipality as the payment criteria.

The upper secondary level qualification and the fact that it opens doors to working life help to prevent social exclusion. In addition to the qualification, pay is also used as a performance indicator, and its purpose is to ensure that the young persons will also enter the labour market. From the perspective of the municipality, pay is a reliable performance indicator because every euro paid as wages and salaries generates tax revenue for the municipality, and the sums that do not need to be paid as labour market subsidies and social assistance can be directly estimated on the basis of wages and salaries.

In basic education, the aim is to make children better prepared to move into upper secondary level, which in the long term will reduce the need for support measures at upper secondary level and prompt fewer young people to drop out from school and become socially excluded. A register-based study was carried out in Jyväskylä in support of the SIB planning. The resulting forecast model predicting the likelihood of young people dropping out of upper secondary level was based on figures from upper-grade comprehensive schools. According to the model estimated on the basis of data on schools in Jyväskylä, average grades, unauthorised and unreported absences, mental health diagnoses, and substitute care are the main factors prompting young people to drop out of school. Weak or falling average grades are an indicator comparable to a thermometer, on the basis of which the underlying reasons should be examined. Absences are also an important predictive factor from the seventh grade onwards and it seems that they are also on the increase nationwide.

SIB supplements the other services provided in Jyväskylä, focusing on such matters as cooperation between home and school. The aim is to reduce unauthorised absences and the need for child welfare, which will lead to better school performance in basic education and beyond. Thus, unauthorised absences, average grades and the number of new substitute care clients between 7th and 9th grades are also used as performance indicators.

In the Tampere SIB, the aim is to achieve more equality in education

In Tampere, the aim is to narrow the gap between the education levels of young people reaching adulthood in substitute care and other young people, and in this way promote equality in education. The SIB project in Tampere was based on the 1987 cohort data, which indicated that less than half of all young people reaching adulthood in substitute care have successfully completed upper secondary education.

Post-basic education qualification and pay have also been set as performance indicators in Tampere. The outcomes are no longer monitored when the person in question reaches the age of 25 (monitoring in SIB starts between the age of 15 and 17). The number of tertiary-level qualifications among young people reaching adulthood in substitute care was also substantially lower than in other groups and for this reason, it was also selected as a performance indicator. The impact on low education levels remains even though individuals in substitute care have substantially lower average grades than individuals that have not spent any time in substitute care.

In Tampere, all young people taking part in the project are substitute care clients and for this reason, subsegments with different qualification profiles were identified within this group. Average grade of the basic education certificate (under or above seven), mental health diagnoses and crime were the factors anticipating whether or not the post-basic education would be successfully completed. Crime was a particularly important factor among men. As in other contexts, it was noted that the accumulation of risks reduced the likelihood that the individual would successfully complete upper secondary education and enter the labour market. The completion rate among young persons without risk factors was almost as high as among those without a history of substitute care. All these individuals were placed in families. Only 15% of the young persons with all risk factors were able to successfully complete upper secondary education. These two extremes accounted for about 30% of the total and the rest fell between them. The segments on the basis of

which the bonus is determined are also based on these background factors anticipating qualifications. This helps to focus the resources so that each young person taking part in the project can be provided with the same starting point for their path towards education and working life.

The register-based data does not always show all essential factors and to support SIB planning in Tampere, interviews were not only conducted with researchers and school and social welfare personnel but also with experts by experience. They revealed a number of factors that are considered self-evident for young people living at home but that work less than perfectly if they are not offered by the support networks of the young people themselves. For example, you can acquire working life skills in a summer job but it is difficult to get these skills if you do not have a support network. Likewise, it is difficult to learn life management skills, boost your self-confidence, feel optimistic or think about basic health matters if you live in a child welfare institution.

Boosting wellbeing of families with children in Karkkila and Vihti

The aim in Karkkila and Vihti and in the area of the Karviainen basic security joint municipal authority was to boost the wellbeing of families in need of support by providing them with correctly timed and client-tailored services. Unlike other similar SIB projects, this project already starts at maternity and child health clinics. This helps to ensure that any risk factors can be tackled early on and they will not affect the lives of the children. The challenges faced by families during pregnancy and early childhood increase the risks in the lives of children, while problematic relations with parents in early childhood, poverty and lack of family cohesion expose children to depression, behavioural disorders and underperformance at a later age. The coronavirus pandemic has further aggravated the situation in many families.

In Karkkila and Vihti, the families for the project were selected on the basis of visits to maternity and child health clinics so that any problems can be tackled early on. In Karkkila and Vihti, SIB provides client-oriented services helping families to deal with the risks described above so that the need for child welfare can be reduced. Mothers with no education or work experience are at a particularly high risk of poverty and most of the unemployed in the age group 25 and over belong to this group. Higher employment rates among this group would enhance wellbeing in families and help families to improve their finances. At the same time, it would also reduce local and central government benefit expenditure and boost tax revenue. In addition to the above measures, long-term needs are also a consideration in this SIB project: mothers are provided with an opportunity to continue on the educational path after comprehensive school and to enter working life. As in other subprojects, successful completion of upper secondary education and pay are used as performance indicators.