



Laughter Care

Forecast Social Return on Investment (SROI) analysis
August 2022

Acknowledgement

SVA would like to acknowledge the participation of The Humour Foundation's employees, aged care facility staff, and Laughter Care performers who took time to provide thoughtful and thorough input, contributing to the strong evidence base that is critical to this analysis.

Professional Disclosure statement

Social Ventures Australia (SVA) have prepared this report in good faith on the basis of our research and information available to us at the date of publication, without any independent verification. Information has been obtained from sources that we believe to be reliable and up to date, but SVA do not guarantee the accuracy, completeness or currency of the information. The information in the report is general in nature and is not intended to and should not be used or relied upon by readers as the basis for any strategic, business, financial, tax, accounting, legal or regulatory decisions.

This report was prepared by SVA for the use and benefit of our client only and for the purpose for which it was provided. This report must not be disclosed to any third parties or reproduced by third parties without SVA's written consent. SVA does not accept any liability if this report is used for an alternate purpose from which it was intended, nor to any third party in respect of this report.

©Social Ventures Australia Limited, 2022

This report has been prepared by Social Ventures Australia (SVA) Consulting

Social Ventures Australia (SVA) is a not-for-profit organisation that works with innovative partners to invest in social change. We help to create better education and employment outcomes for disadvantaged Australians by bringing the best of business to the social-purpose sector and by working with partners to strategically invest capital and expertise.

SVA Consulting is Australia's leading not-for-profit consultancy. We focus solely on social impact and work with partners to increase their capacity to create positive change. Thanks to more than 10 years of working with not-for-profits, government and funders, we have developed a deep understanding of the sector and 'what works'.

Our team is passionate about what they do and use their diverse experience to work together to solve Australia's most pressing challenges.

This report has been authored by SVA Consulting by Jonathan Finighan, Katya Andreyeva, Megh Mankad and Simon Faivel.

For more information contact us:

consulting@socialventures.com.au

Contents

Laughter Care.....	1
About this report	4
Summary of findings.....	5
Social Return on Investment (SROI)	5
Insights.....	5
Impact snapshot	6
Background	7
The organisation	7
The cause	8
The program	9
Project approach	10
Scope	10
Method	11
Applying the Social Value principles: worked example	12
Data collection	13
Limitations	13
Investment	14
Stakeholder outcomes.....	15
Residents	16
Families.....	18
Facilities and staff	19
Calculating the SROI ratio.....	20
Investment	20
Outcomes.....	20
SROI ratio	23
Insights	24

About this report



The Humour Foundation commissioned Social Ventures Australia (SVA) to estimate the value of the outcomes that the Laughter Care program aims to create over the next three years.

The Social Return on Investment (SROI) methodology was used to complete this analysis. SVA conducted a forecast SROI study, which is a 'forward-looking' study that aims to estimate the future value that could be created through the planned set of activities for the Laughter Care program. The analysis was undertaken to help The Humour Foundation better understand and articulate the value of this program.

SROI is an internationally recognised methodology used to understand, measure and value the impact of a program or organisation. It is a form of cost-benefit analysis that examines the social, economic, cultural and environmental outcomes created and the costs of creating them. The principles of this approach are set out below under '**Method**'.

This SROI analysis is a three-year forecast of the future benefits that could be generated by the program, as a result of The Humour Foundation's investment. For this SROI analysis, SVA consulted with aged care facility staff, Laughter Care performers and The Humour Foundation staff. SVA also analysed data from The Humour Foundation on the planned Laughter Care activities over the three-year period between July 2022 and June 2025 (Financial Years 2023 to 2025), and conducted a literature review to understand the evidence base around humour and clown therapy.

Summary of findings

The SROI methodology illustrated the social and economic benefits that The Humour Foundation can expect to generate in implementing the three-year plan for expanding Laughter Care.

Social Return on Investment (SROI)

The Humour Foundation plans to invest \$4.7m into the Laughter Care program between FY 2023 to FY 2025, which the SROI analysis estimates will deliver an estimated \$19.8m in social and economic value through generating positive outcomes for aged care facility residents, their families, and facility staff. This equates to an SROI ratio of 4.2:1.



Insights

This report identifies four key insights about the factors contributing to the outcomes achieved through Laughter Care:

- 1** **Laughter Care is a high-value program that can help facilities to uphold care, dignity and respect.** Aged care facilities are investing about \$25k per annum in Laughter Care to generate an estimated \$107k in social value for residents, families and staff.
- 2** **Laughter Care is expected to generate significant value for aged care residents as the program expands over the next three years.** Laughter Care performers bring their curiosity, emotional sensitivity and playfulness to help residents form stronger social connections and feel 'seen' as whole people who have lived long and full lives.
- 3** **Where staff learn from Laughter Care performers, this can support and amplify the outcomes achieved by the program in aged care facilities.** This depends on whether staff are able to take advantage of opportunities to learn from Laughter Care performers, and incorporate what they have learned into their care practice.
- 4** **Lower engagement from residents and staff and an increase in program costs would reduce the social return generated.** The three-year plan for Laughter Care sets ambitious targets for scaling the program until June 2025. Achieving these targets and generating the social value forecast in this SROI analysis will depend on Laughter Care realising strong uptake and engagement from staff and residents.

Impact snapshot

The Social Return on Investment analysis of The Humour Foundation uncovered a range of benefits for different stakeholders. A snapshot of the total value that could be created between July 2022 and June 2025 for each stakeholder group, the number of people reached, and impacts achieved is presented below. A complete view of the valuation of all outcomes can be found below under **Stakeholder outcomes**.

Impacts for residents

\$16m



Total benefit for residents over the three years

6,938



Total number of unique individual residents that Laughter Care performers will interact with over three years

\$8.3m



Total estimated value of residents forming new social connections

Impacts for families

\$2.6m



Total benefit for families over the three years

4,163



Total number of families whose relatives are visited by Laughter Care performers over three years

\$2.2m



Total estimated value of families sharing moments of fun and play with their loved ones in facilities

Impacts for aged care facilities and staff

\$976k



Total benefit for facilities over the three years

925



Total number of staff that Laughter Care performers will interact with over three years

92



Number of facilities that Laughter Care performers will be visiting every week by June 2025

Background

The organisation

The Humour Foundation is an Australian charity dedicated to promoting and delivering the health benefits of humour. It aims to spread 'doses' of fun and laughter to people in need across Australia, improving the quality of life for people in hospitals, health and aged care facilities.

The Humour Foundation is committed to research and evaluation to create real value and impact in the lives of their beneficiaries. The Laughter Care program was the subject of a world first National Health and Medical Research Council funded research project that indicated that the performers reduced agitation symptoms for residents with dementia by the same level as antipsychotic behaviour management medication. The Humour Foundation has also funded a recently completed PhD investigating the impact of the Clown Doctors program in hospitals.



2012

The year that Laughter Care performers first stepped into aged care facilities.



70

The number of professional performers that The Humour Foundation employs across all programs



12,438

The number of aged care facility residents reached by Laughter Care performers in 2019 (prior to the COVID-19 pandemic)

The cause

There is an extensive body of research into the therapeutic benefits of humour therapy to support physical and mental health and wellbeing in many different contexts, including in aged care and dementia care.

An ageing population in Australia facing increasing challenges to their health

Like many Western countries, Australia's population profile is ageing considerably, with the number of Australians aged 85 years and over predicted to triple from about 500,000 in 2018-19 to 1.5m in 2058. Half of all people living in permanent residential care have a diagnosis of one of the forms of dementia and this is likely an underestimate due to rates of undetected dementia.¹

As we age our bodies become more frail, and many older people have multiple physical and mental health problems. All of these challenges mean a significant and growing need to improve supports to ensure that we can live life with care, dignity and respect.

Issues with substandard care and underfunding in the aged care sector

The 2021 Royal Commission into Aged Care Quality and Safety shone a light on the 'aged care crisis' and an aged care sector that is facing significant issues with substandard care, and a highly challenging operating environment. The Royal Commission reported that one in three aged care residents have experienced substandard care, including overuse of chemical or physical restraint, and perceptions of facilities being understaffed or staff being inadequately trained, neglect and abuse. The report identified multiple systemic issues driving substandard care, including inadequate funding, variable provider governance and behaviour, absence of system leadership, and poor access to health care.²

Significant mental health and wellbeing challenges for people living in aged care facilities

People who receive aged care in residential aged care facilities are particularly vulnerable and are worse off than older people living in the community on multiple measures. Research has found almost half of people in residential aged care have a diagnosis of depression (49%), whereas the depression rates for people over 75 living in the community are closer to 10%. One study identified 141 suicide deaths in residential aged care between 2000 and 2013. The Royal Commission reported that "people may develop mental health conditions while accessing aged care or enter aged care with pre-existing conditions. Many people receiving aged care experience a loss of identity. Many of them experience loneliness and disengagement."³ These are the experiences that Laughter Care aims to respond to.

¹ Royal Commission into Aged Care Quality and Safety (2021) *Final Report: Care, Dignity and Respect*, <https://agedcare.royalcommission.gov.au/>

² Ibid.

³ Ibid.

The program

Laughter Care is a program run by The Humour Foundation in residential aged care facilities. Laughter Care performers bring similar skills and tools that The Humour Foundation uses with children in hospitals and clinics across Australia – clowning, connection, play and humour – into aged care facilities where many residents suffer from dementia or social isolation. Laughter Care performers skilfully adapt their approach to the aged care setting and each resident they meet through sharing songs from a bygone era, playfully seeking advice, giving unhurried attention or connecting over costumes, objects and stories reminiscent of a more familiar time. These interactions enhance the wellbeing, dignity and happiness of residents.

While Laughter Care performers spend most of their time with the residents of aged care facilities, they also connect and play with residents’ family members and facility staff. Laughter Care performers are specially trained professional artists who combine interpersonal and communication skills with improvisational performances (e.g. mime, music, movement, dance, poetry, juggling, magic and storytelling) to facilitate play, validation and engagement in a nurturing and supportive environment. The work they do in facilities is intended to support existing staff who are there when performers are not. By entering and affirming their world, Laughter Care performers help residents maintain positive interactions during a time in their life often characterised by immense loss for both them and their families.

The program operates in many aged care facilities around Australia, and The Humour Foundation has strong growth targets in place to expand Laughter Care to all states and territories by June 2025.

The focus of this report was on the work of Laughter Care performers in aged care facilities across Australia. Many residents experience multiple health challenge, social isolation and/or dementia.

Three-year plan	FY2023	FY2024	FY2025	Total
Total number of facilities visited every week	34	53	89	176
Total performers required	29	34	55	118
Estimated number of unique individual residents reached	1,388	2,100	3,450	6,938
Estimated number of unique families reached <i>Number of families who visit their relatives, not necessarily at the same time as performers</i>	833	1,260	2,070	4,163
Estimated number of unique staff reached <i>Number of staff who work more closely with performers on their rounds or training – excludes incidental interactions</i>	185	280	460	925

Table 1: Laughter Care target reach for FY2023-2025

Project approach

Scope

This study forecast the investment in the Laughter Care program over between July 2022 and June 2025, and the potential outcomes that could result from this investment. The Humour Foundation currently operates its Laughter Care program across aged care facilities in various parts of the country, with the view of expanding this to all states and territories by FY25. This study uses these growth forecasts of The Humour Foundation as the basis to predict how much value will be created in these three years.



Method

Social Return on Investment (SROI) analysis is an internationally recognised approach that provides a framework to understand, measure and value the impact of a program or organisation. It is a form of cost-benefit analysis that examines the social, economic and environmental outcomes created by the activities of the program and the costs of creating them.

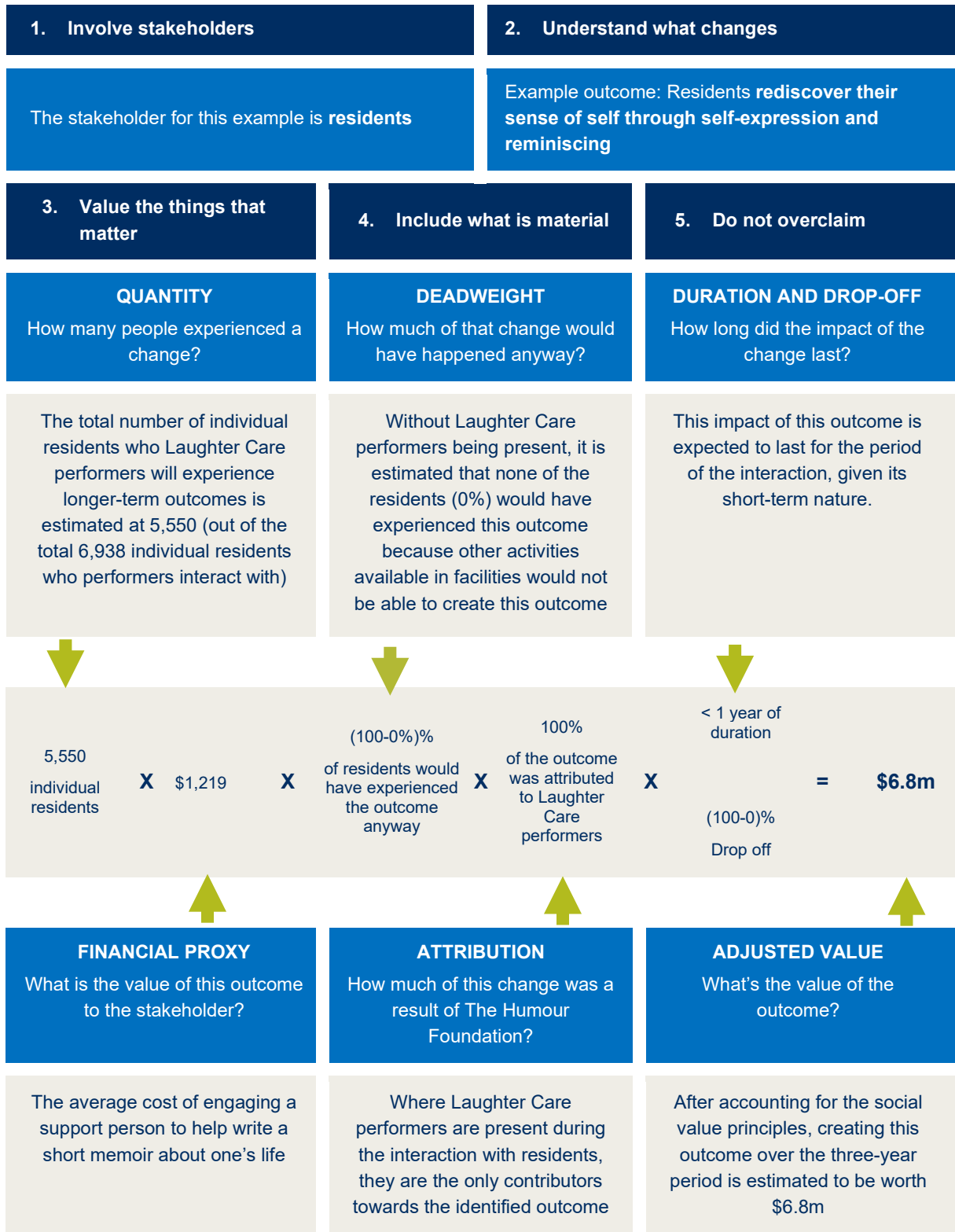
Social value is the value that people place on the changes that they experience in their lives. The Principles of Social Value provide the basic building blocks for anyone who wants to make decisions that take this wider definition of value into account.

1	 Involve stakeholders	Stakeholders should inform what gets measured and how this is measured and valued.
2	 Understand what changes	Articulate how change is created and evaluate this through evidence gathered, recognising positive and negative changes as well as those that are intended and unintended.
3	 Value things that matter	Use financial proxies so the value of the outcomes can be recognised.
4	 Only include what is material	Determine what information and evidence must be included in the accounts to give a true and fair picture, such that stakeholders can draw reasonable conclusions about impact.
5	 Do not overclaim	Organisations should only claim the value that they are responsible for creating.
6	 Be transparent	Demonstrate the basis on which the analysis may be considered accurate and honest and show that it will be reported to and discussed with stakeholders.
7	 Verify the results	Ensure appropriate independent verification of the analysis.
8	 Be responsive	Pursue optimum Social Value based on decision making that is timely and supported by appropriate accounting and reporting.

The outcome of the SROI analysis is a story about the value of change created, relative to the investment. The SROI ratio is a shorthand for all of the value created for all of the stakeholders compared to the investment.

Applying the Social Value principles: worked example

This is a worked example of how the first five Social Value principles were applied to one outcome identified through the SROI analysis.



Data collection

The data collected in this study consisted of three components:

1. Targeted interviews with identified key stakeholders
2. Desktop research and analysis of documents shared by The Humour Foundation
3. Forecasts of future activities

Targeted interviews

Interviews were conducted with The Humour Foundation staff (including Laughter Care performers and the Artistic Director), and with clinical staff (one staff member in each clinic). These interviews were important in validating the outcomes that were selected to be valued in the impact map.

Desktop research

Desktop research was conducted, particularly to inform financial proxies and other assumptions including deadweight and attribution. This research included an analysis of documents provided by The Humour Foundation, including studies into the benefits of similar interventions overseas, and other relevant materials.

Forecasts of future activities

The Humour Foundation provided data on the planned activities and expansion of the Laughter Care program between July 2022 and June 2025, including annual reach targets for the number of aged care facilities and total interactions with residents and facility staff, and annual budgets. This data was analysed to estimate the total investment in the program, and how many residents, families and staff the Laughter Care performers would interact with to create outcomes.

Limitations

Limitation 1: Restrictions on primary data collection

The study had scope to conduct interviews with managers at two aged care facilities. This is a small sample. In addition, in the context of aged care, it is naturally difficult to obtain input directly from residents, as there are a range of challenges they may face in providing information. No residents (or their families) were directly engaged with in this study, and there was a reliance on input from Laughter Care performers and facilities' staff to provide insights on the experience of residents.

Limitation 2: Limited ability to collect data on stated preferences to inform financial proxies

The majority of financial proxies used the 'revealed preference' technique, which looks at the market price of a similar service, program or activity that the stakeholder could have done to achieve a similar change. Ideally, it would have been preferable to use the 'stated preferences' technique too, where stakeholders state what they are prepared to pay for outcomes.

Limitation 3: Given it is a forecast, the assumption is that Laughter Care will be implemented as per the three-year plan for the program

A forecast SROI makes assumptions about future activity and how this will lead to outcomes. This forecast is based on details provided by The Humour Foundation about the budget and planned activity for the three years between July 2022 and June 2025. These plans have been informed partly by how the program model has been implemented to date. The forecast SROI therefore assumes that this three-year plan will be implemented as intended, to create the outcomes that have been identified, measured and valued in the analysis.

Investment

The investment included in an SROI analysis is a valuation of all of the inputs required to achieve the outcomes that will be described, measured and valued. Both monetary (cash) and non-monetary (in-kind) contributions are to be considered.

Laughter Care is provided on a fee-for-service basis – participating aged care facilities pay \$500 every week for Laughter Care performers to visit on a weekly basis, so each facility invests approximately \$25,000 on an annual basis. Fees paid by aged care facilities cover most program delivery costs (such as fees to performers) as well as overheads and other program costs. This means that, for the purposes of the SROI analysis, it is aged care facilities that make the investment into Laughter Care that generates outcomes.

Based on The Humour Foundation’s three-year plan, the total investment that aged care facilities will make in Laughter Care between July 2022 and June 2025 is estimated at \$4.7m. The Humour Foundation aims to increase philanthropic funding for Laughter Care over the course of the three-year period to complement income from the fee-for-service model. This means that over time philanthropic funders will account for a bigger share of investment in the program, and will likely decrease the amount paid by aged care providers.

Total forecast investment

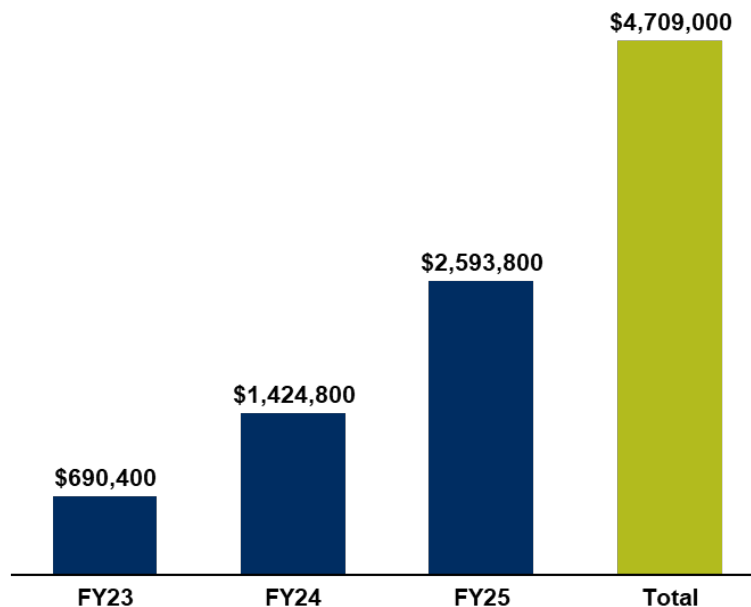


Figure 1: Total investment in Laughter Care made by aged care facilities

Stakeholder outcomes

This forecast SROI focused on the outcomes that Laughter Care is expected to create for three stakeholder groups: residents, their families, and facilities and staff.



Residents

Laughter Care performers give most of their time, energy and presence to residents whenever they visit an aged care facility. They spend time with residents one-on-one and in groups. Based on the three-year plan for Laughter Care, The Humour Foundation aims for Laughter Care performers to complete 110,000 interactions by June 2025, with about 7,000 unique individual residents.

The short-term outcome for residents is that they experience improved mood through moments of joy and play with Laughter Care performers. These moments with performers lead to two subsequent outcomes for residents that were included in the SROI analysis: they form new social connections that break down social isolation, and rediscover their sense of self through self-expression and reminiscing about the past.



Families

Residents' families also benefit from the Laughter Care program, particularly when family members are visiting their loved ones at the same time as the Laughter Care performers. They experience shared moments of fun and play with their loved ones, which can be a welcome and healing experience in an aged care facility. Seeing their loved one having a positive experience can help them feel more relaxed about them living in an aged care facility.



Facilities and staff

Aged care facilities and staff are also impacted by the Laughter Care program. Staff can learn from Laughter Care performers about the relational 'soft skills' that are part of excellent care practice, if this is prioritised by facilities managers. And Laughter Care performers also have a positive impact on the overall atmosphere and energy of an aged care facility and turn it into a more enjoyable workplace.

Residents

\$1.2m

Outcome 1: Residents experience improved mood through moments of joy and play

Laughter Care performers bring joy, play and laughter into aged care facilities

Many aged care residents can experience loneliness, poor mental and physical health, and illnesses such as dementia. As noted above, the Royal Commission into Aged Care Quality and Safety has found that people living in aged care facilities have much higher rates of poor mental and poor physical health, and many aged care residents have experienced substandard care. In this context, joy, play and laughter are vital for health and wellbeing, and visits from the Laughter Care performers are welcomed with anticipation.

“Moments worth living – we’re always looking for these moments when you’re happy to be alive. Some people don’t know why they are alive anymore.”

Performer

\$8.3m

Outcome 2: Residents form new social connections with performers, other residents and staff

Performers break down the social isolation experienced by many aged care residents

Research suggests that about 40% of aged care residents do not receive any visits from family members. And many residents may spend a large part of their day in their own room rather than in communal spaces where they can connect with others. Laughter Care performers break through this social isolation. They play games, have conversations, share songs, role play, and form relationships. They also create opportunities for residents to connect with other residents through group games, performances and play. They even help residents connect with facility staff in new ways – for example, by inviting staff into games or sharing a song or dance.

Many aged care facilities bring in other types of performers and lifestyle activities for residents, but many of these are entertainers such as singers or musicians or exercise classes, which do not facilitate social connections to the same degree as Laughter Care performers.

“I called one resident Easter Island George because he wouldn’t move a muscle or say anything every time I spent time in his room visiting him a bit each week.

Then one day I went into his room and he wasn’t there, he was out in the common room with the other residents waiting for me to arrive and run the group activity.” **Performer**

Outcome 3: Residents rediscover their sense of self through self-expression and reminiscing

\$6.8m

Through playing and sharing stories from their life, Laughter Care performers help residents to rediscover their sense of self

Growing older can involve a lot of loss, including the loss of old friends, health and mobility, the loss of identity, memories and even the loss of home and familiar surroundings if moving into an aged care facility. Aged care support staff don't necessarily know about all the things that you have done and seen, who you loved, your wins and failures – many staff don't have the time to pause, have a conversation and ask lots of questions about your life. Laughter Care performers do – they sit down with residents and with great curiosity ask about their life, ask for advice, listen to their stories. They find out about each residents' favourite songs, foods, dances, expertise, hobbies, travel destinations – things that bring joy – and revel in them each visit. They create powerful moments of joy in partnership with residents, and help residents with dementia feel met and understood and safe by stepping safely into their world.

“People have conversations with clowns that they wouldn't have with health professionals or their family – because clowns don't cry, they're safe... clowns help them open up and access a part of their mind to help them relive their past.” Researcher



Families

\$2.2m

Outcome 4: Families experience shared moments of fun and play with their relatives during the Laughter Care performers' visits

Families also get involved in the fun and play created by Laughter Care performers

Moving older parents or relatives into aged care can be a very difficult decision for families. Visiting loved ones in aged care can also be emotionally challenging particularly if their health or wellbeing has declined, or they are finding the transition to aged care difficult. Laughter Care performers create opportunities for families to connect with their loved one through shared moments of fun and play when they visit the facilities while Laughter Care performers are there. This can help families to relate with their loved ones in new ways. Laughter Care performers help families to find joy in interacting with their loved ones when they may be struggling to connect with the person who they feel is no longer their mother, father or other relative. In other cases, with Laughter Care performers families can experience the re-emergence of the mother, father or other relative who they remember. Some residents have been reported to start speaking for the first time in six months after a few visits from a Laughter Care performer. This can be heartening and joyful for families and their relationship with their loved one in aged care.

Without visits from Laughter Care performers, some families might be able to recreate these shared moments of fun and play by going on a family outing together, however this may be a poor substitute for having a Laughter Care performer who can facilitate the process and involve everyone.

\$324k

Outcome 5: Families experience increased trust in facilities & reduced anxiety in facilities

Seeing their relatives having a positive experience helps families feel more relaxed about them living in aged care

The 2021 Royal Commission into Aged Care Quality and Safety and surrounding media coverage shone a light on the 'aged care crisis'.⁴ The impact of COVID-19 on aged care facilities in Australia and internationally has also heightened concerns about standards of care. Many families may therefore be anxious about whether they will be happy and cared for in aged care facilities. Laughter Care performers can help families feel greater trust in facilities and less anxious about their loved one's wellbeing when they see them enjoying themselves, forming social connections with the performers and other residents, and rediscovering their sense of self.

"Laughter Care performers bring some happiness and joy for families. When some families visit, their relative may not be very well – the performer can provide emotional support. He can handle conversation with any type of person. Other entertainers like singers and dancers don't do individual visits" **Facilities Manager**

⁴ Australian Government, 'Royal Commission into Aged Care Quality and Safety', <https://agedcare.royalcommission.gov.au/>

Facilities and staff

\$346k

Outcome 6: Staff gain confidence and practical skills in providing excellent care to residents

Laughter Care performers can impart some of their techniques to staff

Laughter Care performers are experts in using some of the 'soft skills' that underpin excellent care – emotional sensitivity, empathy, curiosity, careful listening, and being adaptable to whatever situation arises. Some aged care facility staff can learn these skills from Laughter Care performers. By learning from, playing with and watching Laughter Care performers, some staff can learn and incorporate new skills into how they interact with residents in their day-to-day tasks. However only some staff will do this if they are interested in learning from the performers and are observant. Staff are also more likely to learn these skills if they take part in the short training workshops that Laughter Care performers typically run for staff once a year in each aged care facility, or if they accompany Laughter Care performers on their rounds.

An alternative means for aged care facilities to build these soft skills in their staff would be to invest in sending staff to undertake a short practical training course to build new skills in person-centred care.

"[Learning from Laughter Care performers] depends on the staff – some staff are good observers. I have learned from Freddy and how he engages with residents. Some residents don't like to talk much, but Freddy has the key, he knows how to gently get into a conversation with anyone... the staff are a little bit more confident" **Facilities Manager**

\$629k

Outcome 7: Staff work in a better, more enjoyable workplace

Laughter Care performers have a positive impact on the atmosphere of an aged care facility

Residents and families aren't the only ones who enjoy Laughter Care performers' visits – the play, joy and laughter that Laughter Care performers bring into aged care facilities also has a positive impact for staff. When residents are having fun, feeling more connected and less anxious as a result of Laughter Care, staff are less likely to have a stressful day. And when Laughter Care performers visit they also play and interact with staff while walking through offices, corridors, meeting rooms and elevators. These incidental interactions also contribute to changing the atmosphere of an aged care facility into one that feels lighter, more welcoming and easeful. These are characteristics that can be very supportive of wellbeing and resilience in stressful workplaces.

An alternative investment that many aged care providers make to improve the atmosphere or environment of an aged care facility is to invest in improving and maintaining gardens and grounds where both staff and residents spend a lot of time.

"The biggest change is a more happy workplace. Freddy doesn't just focus on residents, but also the staff – small conversations here and there, he says hello to hairdressers, family, visitors. He creates a happier environment. Imagine if you're going to a facility and someone has a nice conversation with you, you're feeling good in that place – Freddy does that." **Facilities Manager**

Calculating the SROI ratio

Investment

Total planned investment in delivering Laughter Care between July 2022 and June 2025 is **\$4.7m**, based on The Humour Foundation’s plan. As noted above, this investment is primarily made by aged care facilities – Laughter Care will primarily be delivered on a fee-for-service basis, and according to the three-year plan each facility will pay approximately \$25k a year for a Laughter Care performer to visit every week. This means that aged care facilities will be investing \$4.7m in total over the three-year period to generate the outcomes for all stakeholders. As noted above, The Humour Foundation aims to increase philanthropic funding for Laughter Care over the course of the three-year period to complement the fee-for-service model. This will likely decrease the amount paid by aged care providers.

Outcomes

The total value of the outcomes that could be generated through implementing the three-year plan for Laughter Care is estimated at **\$19.8m**. The table below presents the total estimated value that could be generated for each outcome and each stakeholder group.

Stakeholders	Outcomes	Value per outcome	Value per stakeholder	% of total value
Residents	1.1 Residents experience improved mood through moments of fun and play	\$1,164,612	\$16,255,062	82%
	1.2 Residents form new social connections with performers, other residents and staff	\$8,325,000		
	1.3 Residents rediscover their sense of self through self-expression and reminiscing	\$6,765,450		
Families	2.1 Families experience shared moments of fun and play with their relatives during the Laughter Care performers’ visits	\$2,229,911	\$2,553,961	13%
	2.2 Families experience increased trust in facilities and reduced anxiety	\$324,051		
Facilities and staff	3.1 Staff gain confidence and practical skills in providing excellent care to residents	\$346,875	\$975,875	5%
	3.2 Staff work in a better, more enjoyable workplace	\$629,000		
		\$19,784,898	\$19,784,898	100%
		Total investment	\$4,709,000	
		Ratio	4.2:1	

Table 2: Value of outcomes that will be generated by Laughter Care

Each aged care facility generates an average \$107k per year in social value for their residents, families and staff, in return for their annual investment of \$25k. While the SROI analysis finds that facilities and staff directly benefit from only 5% of the total social value created by the program, the value that they create for their residents and families is of great interest – because facilities are looking for meaningful opportunities to improve and support residents’ experience, wellbeing and dignity, and address concerns about standards in the wider sector.

Unit	Total value	Total investment	SROI
Whole program <i>Three-year period</i>	\$19,784,898	\$4,709,000	4.2:1
Per facility <i>Annual</i>	\$106,945	\$25,454	

Table 3: Value of outcomes and investment for the whole program and per facility

This value assumes that the three-year plan will be implemented exactly as described. Deviations from this plan may affect the number and value of outcomes achieved. Two scenarios were modelled to understand how changes to the three-year plan may affect the value generated.

Scenario 1: Reduced interactions

In Scenario 1, Laughter Care performers do not reach as many residents, families or staff as planned in their visits to facilities, leading to a lower total number of interactions with all three stakeholder groups. This could occur for a number of reasons, including uptake or interest among residents and staff, staff not accompanying performers on their rounds, staff not attending training workshops, or inadequate training for performers affecting the number of ‘impactful’ interactions.

This scenario is modelled by assuming that total interactions with all three stakeholder groups (residents, families and staff) is reduced by 30%, but the total investment remains the same – because facilities are spending the same amount, but the program is operating less efficiently. The impact of this scenario is that the total estimated value generated by Laughter Care reduces to \$14m, meaning a SROI ratio of 3.0:1.

Scenario 2: Rising costs

In Scenario 2, the costs of delivering Laughter Care rise significantly and are much greater than the program costs planned for over the three-year period. This could occur for a number of reasons including inflation, or continued economic pressures due to the long-term impact of COVID-19 and other events on labour markets and the broader economy.

This scenario is modelled by assuming that the total investment required to achieve the same outcomes increases by 20%, but outcomes remain the same. This increase the total investment expected to \$5.7m, meaning a SROI ration of 3.5:1.

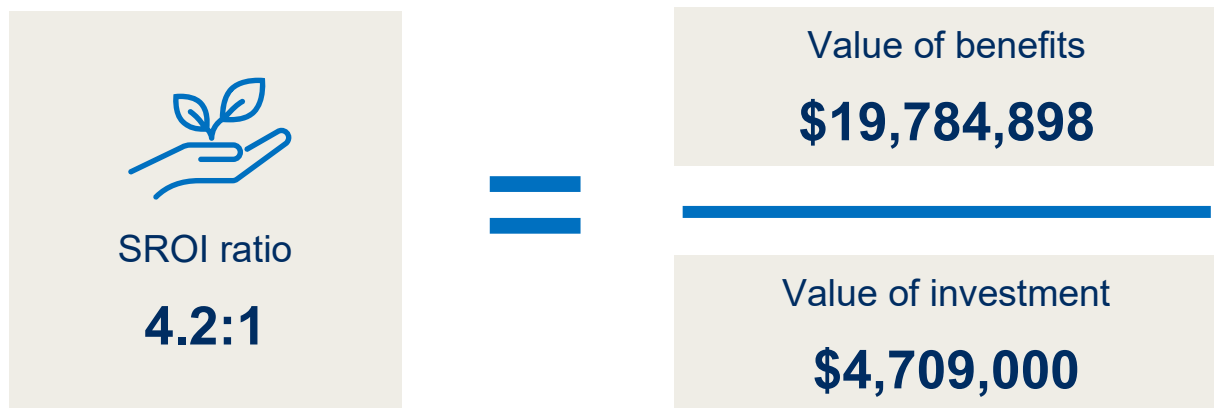
Scenario	Description	Total investment	Total value generated	SROI
0. Three-year plan	Laughter Care is implemented as per the three-year plan (July 2022 to June 2025)	\$4,709,000	\$19,784,898	4.2:1
1. Reduced interactions	Program activities are less 'efficient' than expected in the three-year plan, leading to a 30% reduction in total interactions with stakeholders	\$4,709,000	\$14,038,129	3.0:1
2. Rising costs	Program costs rise sharply, increasing total investment by 20%	\$5,650,800	\$19,784,898	3.5:1

Table 4: Value of investment and outcomes and SROI ratio for three scenarios

The three-year plan for expanding Laughter Care is ambitious and makes key assumptions about the reach that the program will achieve. Modelling these scenarios indicates that maintaining engagement and buy-in to Laughter Care facilities, staff and residents will be essential to achieve the estimated social value that has been forecast through this SROI analysis. It also demonstrates that rising costs in the midst of an uncertain economic outlook could also reduce social value generation. Nevertheless, even in these scenarios, the high value nature of Laughter Care means that it can still continue to generate a positive social return on the investment.

SROI ratio

Based on the planned investment and operations of Laughter Care across FY23 – FY25, The Humour Foundation should expect to generate an estimated social return of **4.2:1**



That is, for every **\$1** invested in The Humour Foundation's Laughter Care program, **\$4.20** of social and economic value will be created.

Notes:

- The total value of benefits and investment and the SROI ratio rest on assumptions made in the three-year plan and budget for Laughter Care provided by The Humour Foundation. Deviations from this plan may have an impact on these figures
- See results of scenario modelling above for analysis of how different assumptions can affect these values and the SROI ratio

Insights

A number of insights can be gained from the forecast SROI analysis.

1 Laughter Care is a high-value program that can help facilities to uphold care, dignity and respect

Facilities pay \$500 a week to have a Laughter Care performer visit every week for a few hours. During their visit performers connect and interact with everyone they meet across different units and wards. Over time they build deeper relationships with residents and staff in ways that create opportunities for people to experience joyful comments, reduce social isolation and positively affect the atmosphere of an aged care facility.

Aged care facilities investing in this program create valuable outcomes for themselves and staff, but also their residents and families. The average annual investment made by each facility of \$25k is estimated to generate about \$107k in social value for residents, their families, and the staff who work hard to care for residents every day. This is a high-value 'intervention' for facilities who are operating in a sector that is looking for ways to uphold 'care, dignity and respect' – to borrow from the title of the Royal Commission report into Aged Care Quality and Safety – while balancing tight budgets.

2 Laughter Care is expected to generate significant value for aged care residents as the program expands over the next three years

Most of the value that Laughter Care is expected to create over the next three years will be for aged care residents. Laughter Care performers bring their curiosity, emotional sensitivity and playfulness to help residents feel 'seen' as whole people who have lived long and full lives, and to help create 'moments worth living'. The most valuable outcomes created for residents are about connecting with others and connecting with themselves.

Laughter Care performers create opportunities for residents to form new social connections – either with the performer, or their families, or to step outside of their private room to connect with other residents or staff. They also create opportunities for residents to reconnect with their sense of self and their rich lives, through play and stories and conversations. Laughter Care has a unique capacity to create these outcomes for residents.

Aged care facilities do bring in other performers to offer residents a diversity of experiences, such as singers, musicians, exercise instructors and other entertainers, but these alternatives do not offer one-on-one experiences or create opportunities for residents to form new social connections in the way that Laughter Care does.

3 Where staff learn from Laughter Care performers this can support and amplify the outcomes achieved by the program in aged care facilities

Laughter Care can positively influence how facility staff interact with and care for residents. But this depends on whether staff are able to take advantage of opportunities to learn from Laughter Care performers and incorporate what they have learned into their care practice. Staff can do this by accompanying Laughter Care performers on their rounds, participate in training workshops, and embed new approaches and principles in their day-to-day work.

Facilities must overcome several challenges to implement changes in care practice. Not all staff members will have the same ability to pick up the relational 'soft skills' embodied by Laughter Care performer, and many will find it difficult adopt some principles such as slowing down and being present with residents when they have very busy schedules and resource constraints. The Humour Foundation also has limited influence over facilities' choices. However, greater staff involvement in training workshops and accompanying performers on their rounds will help amplify the program's impact.

4 Lower engagement from residents and staff and an increase in program costs would reduce the social return generated

The three-year plan for Laughter Care sets ambitious targets for scaling the program until June 2025 – including plans to grow from visiting 20 facilities every week in FY2022, to 92 facilities every week by FY2025, and from performers interacting with about 13,000 residents and staff in FY2022 to 55,000. Achieving these targets and generating the social value forecast in this SROI analysis will depend on Laughter Care realising strong uptake and engagement from staff and residents, and Laughter Care performers continuing to reach the target number of residents. Scenario modelling indicates how lower engagement with Laughter Care performers will negatively affect the total value generated. However, it also suggests that even if lower engagement and the risk of rising costs do eventuate, the social value generated by Laughter Care suggests that it can still deliver a positive social return.



Social Ventures Australia
Brisbane | Darwin | Melbourne | Perth | Sydney | ABN 94 100 487 572 | AFSL 428 865
info@socialventures.com.au | socialventures.com.au | [@Social_Ventures](https://www.instagram.com/Social_Ventures)