EXPLORING NONPROFIT ACCOUNTABILITY IN A THAI
GRASSROOTS ORGANIZATION: A COST-BENEFIT ANALYSIS

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DEDICATION

This thesis is dedicated to my mentors, family, and friends who all supported me in this endeavor in their own way. This thesis is additionally dedicated to both HelpAge International and the Foundation for Older Persons’ Development who taught me so much and made me realize that I am pursuing a profession that is full of selfless, compassionate, and innovative individuals.
“Man cannot discover new oceans unless he has the courage to lose sight of the shore.”

-- Andre Gide
A cost-benefit analysis was conducted in partnership with the Foundation for Older Persons’ Development (FOPDEV), a grassroots organization in Chiang Mai, Thailand that supports older persons within Chiang Mai Province. Three cost-avoidance benefits of the Home Care Programme were selected: (1) loss of family income, (2) cost of hiring a private in-home care taker, (3) cost of FOPDEV paying their front line workers. A cost-benefit ratio of one, or above, means that the value of the benefit outweighed the cost of the program. These three different cost-avoidance benefits of the Home Care Programme resulted in cost-benefit ratios of .82, 1.6, and 1.81 respectively. These ratios indicate that the cost-avoidance benefit of a family losing income did not outweigh the costs of running the program; however, the cost-avoidance benefits of hiring a private in-home care taker or FOPDEV paying volunteers did outweigh the cost of the program.
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To my guru of all things Thailand and research-related, Dr. David Engstrom, kob khun ka!!! Ajarn David, it is because of you that I am typing this from the Ahma Akha coffee shop in Santitham and I would not have it any other way. You have made an incredible impact on my life, both personally and professionally. I’d also like to thank Pitikan for always checking in on me and making me feel like I had someone looking out for me. To my committee members Dr. Loring Jones and Dr. John Elder, thank you so much for your feedback and guidance. To Dr. Tom Packard, you were an invaluable source of information on all things cost-benefit related and truly helped me through this process. Thank you so much for your time and support. I’d additionally like to acknowledge the amazing support I received from Ajarn Karuna of the Thammasat Lampang Campus. Ajarn Karuna was there with me every step of the way and I am glad that we have become such close friends.

I would also like to thank the staff of both HelpAge International’s East Asia/Pacific Regional Office and the Foundation for Older Persons’ Development office in Chiang Mai for their support in this endeavor. Having the opportunity to simultaneously work with an international NGO and local grassroots organization was incredibly eye opening and made me realize that I really enjoy working between the two worlds and this experience has solidified my future career goals. Thank you for opening up your offices and never failing to answer a question; whether it was about program costs or where to get the best khao soi in town!
CHAPTER 1

INTRODUCTION

A cost-benefit analysis will be done in partnership with the Foundation for Older Persons’ Development (FOPDEV). FOPDEV is a grassroots organization in Chiang Mai, Thailand that supports older people in Chiang Mai Province through promoting mutual care and community support. The cost-benefit analysis has been conducted to respond to increased international demand for program and financial transparency from outside stakeholders on the organizations they support in industrializing countries. This cost-benefit analysis will be used to highlight one way in which grassroots organization can become more transparent to outside stakeholders, policy makers, and funders. In addition, a number of benefits including potential for funding and policy impact for FOPDEV lie within this study although the larger benefit will be that sustainable management skills will be imparted upon the Foundation for Older Persons’ Development.

The purpose of this study is to conduct a cost-benefit analysis of the Foundation for Older Persons’ Development Home Care Programme of Chiang Mai, Thailand. This cost-beneficial analysis will highlight an attempt to bring Western evidence-based administrative skills to a Thai grassroots organization. The principal investigator of this study will collaborate with FOPDEV’s Home Care Programme staff to identify and monetize program cost and benefits. In addition, FOPDEV will supply demographic data to the researcher to provide more descriptive data on the Home Care Programme’s target population. The research question to be answered is: Do the cost-avoidance benefits of the Foundation for Older Persons’ Development Home Care Programme outweigh program costs? The cost-avoidance benefits are: (1) loss of family income, (2) cost of hiring a private in-home care taker, (3) cost of FOPDEV paying their front line workers. The first two cost-avoidance benefit’s stakeholder are participating older people and their households while the third benefit’s stakeholder is the Foundation of Older Persons’ Development and, in turn, their funders.
CHAPTER 2

LITERATURE REVIEW OF COST-BENEFIT ANALYSIS

A cost-benefit analysis is one method of weighing program benefits against costs as a means of program planning evaluation. The practice of weighing costs against benefits is not new to the business and economic sectors but the “application of the benefit-cost approach for evaluating social programs has yet to reach maturity” (RAND Corporation & Karoly, 2008). However, it is increasingly being used in the Nonprofit and NGO sectors to make program costs and potential benefits transparent and it can “help decision-makers prioritize or decide among various uses of funds for programs and projects” (Bill and Melinda Gates Foundation, 2008).

Funders and stakeholders want to ensure that they are making the wisest investment in a social issue as possible, and one way to do that is to ask organizations to share their cost-benefit ratio, which is calculated through a cost-benefit analysis. A cost-benefit analysis allows an organization to compare the long term benefits of a program to the money it costs to run it (Oxford Economics, 2013). The benefits assigned to a social program can additionally include cost-avoidance values that society or the government will save in the future as a result of a program or service. The calculation and resulting ratio make it clear to the organization and outside stakeholders whether or not they should proceed with a program, make changes to it, or not implement it at all.

Increasingly, civil society organizations in industrialized nations, including nonprofit organizations and NGOs, use cost-benefit analysis to weigh program costs, both direct and indirect, against potential benefits. The analysis can help to show how a planned or on-going program will use organizational resources in a way that is most beneficial to society overall. A critical benefit that a nonprofit or NGO can accrue from conducting a cost-benefit analysis as opposed to other financial analysis is that is allows a social program to give value or weight to qualitative benefits as much as they do to quantitative.
Large international NGOs have the resources to reshape their organizational culture and management to allow for such financial management, analysis, and transparency; however, many of their grassroots counterparts in the industrializing world do not. While there is a sizable amount of literature published on this discrepancy and grassroots organizations not being able to meet this shift in expectations (Kilby, 2006; Lewis & Madon, 2004; Siddiquee & Faroqi, 2009), there is a gap in the literature concerning ways to narrow the divide, specifically in Thailand. A cost-benefit analysis conducted in partnership with an organization in an industrializing country would highlight an effort to improve accountability within a grassroots nonprofit directly. It would further contribute to the literature surrounding this issue and could potentially see sustainable and long term effects on the Foundation for Older Persons’ Development, as well as other organizations in the area that may use this model within their own organization.

In the United States, a number of cost-benefit analysis have been conducted on programs and policies related to the elderly (Eisikovits & Schwartz, 1991; Weissert, Chernew, & Hirth, 2003). Throughout East and Southeast Asia, it becomes quite difficult to find peer reviewed cost-benefit analyses on older people issues; only a single article based out of Hong Kong (Leung, Liu, Chow, & Chi, 2004) was available. Additionally, while limiting a search to home care programs in Thailand; only an analysis on the cost effectiveness of a home-based care program for hemophilia was accessible. However, there is a large amount of literature on elderly issues in Thailand (Caffrey, 1992; Moriki, 2011; Subgranon & Lund, 2000) but the literature is lacking in studies that focus on financial accountability and the impact of programs currently being implemented.

This study will add information to the literature surrounding this area of nonprofit administrative accountability and transparency with a cost-benefit analysis as one tool that can be used to influence funding or policy that affects an organization’s target population. This study will positively influence organizations interested in using cost-benefit analysis because it can be used as a model that other programs can analyze their own costs and benefits with. This cost-benefit analysis will further allow both FOPDEV and other organizations to evaluate and share their program’s value and influence policy as “translating effects into dollars enhances policy relevance because it enables researchers to aggregate impacts across different types of outcomes and show cumulative impact in a matter that
resonates with policymakers” and “[a]n inexpensive program that produces small but economically value outcomes may make for good policy” (Duncan & Magnuson, 2007). The principal investigator is confident that the cost-benefit analysis in this study is a logical next step in the realm of assisting nonprofit organizations in industrializing countries to become more transparent to stakeholders; policy makers, funders, and the target population themselves.

**FOUNDATION FOR OLDER PERSONS’ DEVELOPMENT BACKGROUND**

The Foundation for Older Persons’ Development (FOPDEV) is a grassroots nongovernmental (NGO) organization in Chiang Mai, Thailand; founded in 1999 with the support of HelpAge International. They currently host 12 full-time and two part-time employees. FOPDEV is a national partner of HelpAge International’s East Asia and Pacific Regional Centre and they work with the mission to improve the quality of older person’s lives in Thailand, specifically Chiang Mai Province. In this study, individuals over the age of sixty will be referred to as an older person or older people as that is the recommended terminology within both HelpAge International and the Foundation for Older Persons’ Development. Within Thailand, the Foundation for Older Persons’ Development has recorded that Chiang Mai Province has the second largest population of older persons after Bangkok and individuals aged 60 and over make up 13% of the province’s population.

**HOME CARE PROGRAMME BACKGROUND**

FOPDEV adopted ROK-ASEAN’s (Republic of Korea – Association of Southeast Asian Nations) volunteer-based Home Care Programme eight years ago. 2005 was their pilot year, 2006 – 2009 were their implementation years, and from 2009 to present, FOPDEV has been focused on expanding the project. In 2012, the year this analysis will focus on, FOPDEV’s Home Care Programme costs were covered by SaG (Support a Grandparent) Funding.

FOPDEV’s Home Care Programme is run by 3 staff; an executive director, program manager, and one full-time field coordinator. It is implemented in the districts of Sriwichai, Nakornping, Kawila, and Mengrai. The program uses volunteers to transmit their services and selects them from the same neighborhoods and communities as the older persons being
supported. Older people participating in the program and their volunteers spend several hours a month together. Volunteers may do housework, take the older person to the temple, assist with personal care, or simply just sit and talk as sociability is a heavy focus of the program. Through reviewing demographic data provided by the Foundation for Older Persons’ Development, the investigator discovered that there are currently 187 older people involved in the program and 112 volunteers; with some volunteers choosing to be matched with up to six older people. Moreover, the age breakdown of older person participants breaks down as follows: 60–69 (16.4%), 70–79 (44.9%), 80–89 (29.5%), 90–99 (5.3), and 3.9% of individuals’ ages are unknown. Of the 187 participants recorded, the average age was 76.7 years old.

Within its target population, FOPDEV assesses older persons’ Health Levels, as one of the objectives of the program is to prevent an older person from regressing from a healthier level to a less healthy one. FOPDEV adapted ROK-ASEAN’s Health Level Scale, which lists a number of Activities of Daily Living (ADL) and Instrumental Activities of Daily Living (IADL). Older people are individually evaluated and the Home Care Programme field coordinator assesses which ADLs and IADLs are present or non-present with an older person. There are 10 functions listed and it is deemed whether an older person can independently do them on their own. Table 1 illustrates what functions are used to evaluate older persons in assigning them as being at a Health Level of 1, 2, or 3.

Table 1. Home Care Programme’s Health Level Functions

<table>
<thead>
<tr>
<th>ADL Functions</th>
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<tbody>
<tr>
<td>1. Eating</td>
<td></td>
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<tr>
<td>2. Bathing</td>
<td></td>
</tr>
<tr>
<td>3. Dressing</td>
<td></td>
</tr>
<tr>
<td>4. Walking/Mobility</td>
<td></td>
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<tr>
<td>5. Toileting</td>
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<tr>
<td>IADL Functions</td>
<td></td>
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<tr>
<td>6. Going Out Alone</td>
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<tr>
<td>7. Cooking</td>
<td></td>
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<tr>
<td>8. Housework/Cleaning</td>
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<tr>
<td>9. Managing Finances</td>
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<tr>
<td>10. Using Public Transportation</td>
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</tbody>
</table>
Health levels for older people participating in the Home Care Programme were broken down as the following: level 1 is an individual who does not require support with any ADL or IADL functions and can complete functions 1-10 on their own. These individuals do not need any health support but may be socially isolated and their volunteers visit with them only to socialize. Level 2 marks an older person who is able to carry out all ADL functions and most IADL functions but may be missing one IADL function. Level 3 is an older person who may have a number of functions present but if they are missing any one ADL function (1 – 5), they are assessed as not being able to help themselves and require substantial support with all IADL functions. Of the 187 participating older people; 32 were Level 1, 138 were within the Level 2 category, and 17 were Level 3.

The Foundation for Older Persons’ Home Care Programme enlists volunteers from within the communities that they serve to respect cultural norms in Thailand that dictate that older people are taken care of by family or neighbors and many of the program volunteers are individuals that the older person already knows. Typically, Home Care Programme staff will attend local community meetings to recruit volunteers. Additionally, many volunteers enlist friends and neighbors and a lot of recruitment is done by word of mouth. Once volunteers have joined the program, they go through training that covers both theory and practice and specific content areas that are highlighted in Table 2. There are also three supplemental trainings throughout the year and additional volunteer meetings every other month, where volunteers are welcome to share their experiences and look for support and guidance from within the group or from Home Care Programme staff. Volunteers are also encouraged to contact program staff in the event that they need assistance or referral information.

Table 2. Curriculum Content Areas of FOPDEV Home Care Programme

<table>
<thead>
<tr>
<th>FOPDEV Home Care Training Content Areas</th>
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<tbody>
<tr>
<td>Fundamentals of Volunteer-Based Home Care for Older Persons</td>
</tr>
<tr>
<td>Morals and Ethics of Volunteers Providing Aged Care</td>
</tr>
<tr>
<td>Significance and Role of Volunteers in Home Care (older persons’ needs, physical changes in older person, community care services for older persons, recording and reporting data)</td>
</tr>
<tr>
<td>Health Problems and Diseases that are Common in Old Age</td>
</tr>
<tr>
<td>Food and Nutrition</td>
</tr>
<tr>
<td>Household Sanitation and Accident Prevention</td>
</tr>
</tbody>
</table>
The majority of older people involved have been with the program since its inception and death is the usual reason for an older person no longer being involved. FOPDEV’s Home Care Programme is cost effective in that volunteers are used as the mode of service transmission and this report will break down and compare all program costs and benefits to see if the program is in fact, a cost-beneficial mode of older person support in the community.

The Foundation for Older Persons’ Development has been well received by the community and in an impact evaluation they conducted with Chiang Mai University’s Faculty of Nursing; they ranked high across the categories of familiarity, acceptability, and favorability among older persons, volunteers, family members, and government officials (Lasuka, 2012).
CHAPTER 3

METHODOLOGY

This is a cost benefit-analysis on the Foundation for Older Persons’ Development’s Home Care Programme. The researcher of this study identified Thailand as the country of study with a focus on Chiang Mai Province in Thailand. During the time of data collection, the investigator was completing a required field practicum placement for a Master of Social Work with HelpAge International and the Foundation for Older Persons’ Development; both in Chiang Mai, Thailand. The principal investigator’s role as an intern was to apply Western evidence-based administrative skills, within social services, to the Foundation for Older Persons’ Development. FOPDEV and the investigator agreed that a cost-benefit analysis would be most advantageous to FOPDEV as a means of influencing policy that impact their funding. All data used were secondary and the Foundation for Older Persons’ Development permitted the principal investigator to use this information and provided a letter of authorization. This study was conducted after receiving approval from San Diego State University’s Institutional Review Board.

Before conducting the cost-benefit analysis, the principal investigator met with Home Care Programme staff over the course of three weeks to itemize and agree upon, all variables that made up program costs. Once these were agreed upon, the Home Care Programme’s Executive Director, Sawang Kaewkanth, and Program Manager, Assistant Professor Aphassaree Chaikuna handed over all relevant costs to the researcher. Data had previously been collected by the Foundation for Older Persons’ Development’s accountant who had all utilized financial data on record for routine program financial accountability. All demographic data (with identifiers removed) were collected from Assistant Professor Aphassaree Chaikuna who maintains Home Care Programme client records as part of her role as Program Manager. The focus of the study was to determine whether the Home Care Programme was a cost-beneficial approach to serving older people in Chiang Mai Province.

The Foundation for Older Persons’ Development and the principal investigator agreed that the cost-benefit analysis would use three cost-avoidance variables as benefits. Cost-
avoidance variables are suitable as they save stakeholders money (whether funders, the organization, or clients) and, in turn, become benefits of the program.

The cost-avoidance benefits are: (1) loss of family income, (2) cost of hiring a private in-home care taker, (3) cost of FOPDEV paying their front line workers. The first two cost-avoidance benefit’s stakeholder are participating older people and their households while the third benefit’s stakeholder is the Foundation of Older Persons’ Development and, in turn, their funders. The principal investigator will then divide each benefit by the Home Care Programme’s cost to calculate the cost-benefit ratio. This ratio will indicate whether or not Home Care Programme costs are worth the selected benefits.

This method of analysis is appropriate as this study wants to discover whether or not the Home Care Programme is a cost-beneficial mode of supporting older people in Chiang Mai Province. Based on the resulting ratios, the principal investigator will be able to conclude if the Home Care Programme should be continued as is, augmented, or no longer implemented.

**Research Design**

Both financial and demographic data from the Foundation for Older Persons’ Development Home Care Programme was utilized to conduct a cost-benefit analysis. All data were obtained during the 2012 program year by the FOPDEV Home Care Programme Manager and Field Coordinator. All data used were information that was already collected by the Home Care Programme team for their own tracking and the investigator was authorized to use these data.

Regarding their financial data, the investigator used their 2012 budget to calculate their indirect and direct program costs in order to discover the final costs of running the Home Care Programme. Cost variables were made up of all direct and indirect program costs which are itemized later in this study. Benefits are the cost-avoidance variables of: (1) loss of income to family members, (2) cost hiring an in-home care taker, (3) cost of paying front line. Some additional qualitative benefits such as older people’s sociability and quality of life are included in the analysis. Demographic data, which already had all identifiers removed, was utilized solely to provide more descriptive data on the Home Care Programme’s target population and provide more background on the program itself.
To conduct the cost-benefit analysis, the principal investigator selected the program to be analyzed which as mentioned above, will be the Foundation for Older Persons’ Development Home Care Programme in Chiang Mai Province. Next, the amount of time to include in the analysis was decided. The Foundation for Older Persons’ Development and the researcher chose the 2012 program year as all financial data was readily available and the costs would be a close match to the current year. Next the principal investigator and Home Care Programme staff met to identify and categorize all possible program costs. All staff was involved in this discussion to ensure that all perspectives, from field coordinator to executive director, were included. After these collaborative efforts, the Home Care Programme’s Program Manager provided all costs as well as providing the researcher with their 2012 budget, so that it could be cross-referenced.

After program costs were monetized, possible benefits of the Home Care Programme were brainstormed by the program’s staff and principal investigator. They came up with several before selecting the three most appropriate for this study. After these benefits were agreed upon, the principal investigator and program staff agreed on the cost-benefits assumptions and “shadow prices” that would set limitations on the analysis. After this process, the researcher computed cost-benefit ratios and has provided the calculations, analysis, and interpretations in this study. After interpreting the analysis, the researcher’s provided their summary and recommendations.

**DATA COLLECTION PROCEDURES**

Data were made available by the Foundation for Older Persons’ Development Home Care Programme’s Executive Direction and Program Manager for the purposes of this thesis. After working with FOPDEV on outlining all program costs and potential benefits, the principal investigator monetized all costs and benefits. The principal investigator then conducted a cost-benefit analysis on the Home Care Programme of the Foundation for Older Persons’ Development in Chiang Mai, Thailand.

Financial and demographic data related to the analysis were all secondary and given to the researcher electronically after a letter of authorization was submitted to San Diego State University’s Internal Review Board along with an IRB Protocol Proposal, that was granted approval. The cost-benefit analysis was done in collaboration with FOPDEV
program staff in order to develop their administrative skills while also creating an analysis that could be used in the future for the organization’s own financial and political influence.

**Cost Benefit-Analysis Assumptions**

Before listing all FOPDEV Home Care Programme costs and benefits, it is important to go through all assumptions related to this analysis. Defining assumptions is crucial and important because “[e]arly consideration of this question will make the identification of the costs and benefits much easier and can save a significant amount of time” (New Zealand Treasury, 2005). To start, this cost-benefit analysis was constrained to the Foundation for Older Persons’ Development’s Home Care Programme within Chiang Mai, Thailand. Furthermore, this study was limited to the 2012 program year and all subsequent variables (including minimum wage, work day, volunteer hours, etc.) will be explicitly from 2012.

Another assumption is that in the East Asia/Pacific Region, cultural context dictates that in-home care provided by previously known family members and neighbors is the preferred method of service delivery among older people. Older people in this part of the globe are not willing to purchase care and resist the idea of institutional care or ‘strangers’ providing care. “For various cultural reasons, such as values of filial piety, family responsibility and face-saving cultural attitudes, Asian families often prefer to have their elderly relatives stay at home” and this is a value that must be acknowledged and included as an assumption in regards to weighing an appropriate method of care for older people in Thailand (Kleinman & Chen, 2013).

Cost-avoidance benefits of the volunteer-based program were constrained to only those that participating older people would reasonably be able to afford, albeit causing a strain on household finances. The average socioeconomic status of FOPDEV’s Home Care Programme target population is low-income with an average pension of 500 - 1000 baht ($16.34 - $ 32.69 USD) per month. For this reason, the cost-avoidance value of hiring a certified, full-time in-home nurse was not included in the analysis, as it can cost upwards of 20 – 30,000 baht ($651.81 - $ 977.71 USD) per month. Moreover, full-time care was not included in the analysis as that is not what the Foundation for Older Persons’ Development offers and any full-time care model, whether a nursing home or hospital bed, is not a true comparison.
For these reasons, the chosen cost-avoidance benefits are (1) loss of family income, (2) cost of hiring a private in-home care taker, (3) cost of FOPDEV paying their front line workers. The first two cost-avoidance benefits impact participating older people and their households while the third benefit’s stakeholder is the Foundation of Older Persons’ Development and, in turn, their funders.

Due to the above cost-avoidance benefits being outcomes that do not currently have a standardized value, the use of “shadow prices” will be included in this analysis. Shadow prices are utilized in a cost-benefit analysis “to reflect the appropriate economic value—the social benefit (or cost)—associated with a given social program outcome” (RAND Corporation & Karoly, 2008) and monetizing a shadow price “enables all outcomes to be measured in a common unit” (RAND Corporation & Karoly, 2008). The following paragraphs will outline how shadow prices were selected and agreed upon by both the Foundation of Older Persons’ Development and the investigator in order to monetize and compute the cost-avoidance benefits of (1) loss of family income, (2) cost of hiring a private in-home care taker, (3) cost of FOPDEV paying their front line workers.

To address the benefit, and consequent shadow price, of potential loss of income to a household due to a family member having to miss or leave work to take care of an older person, it is assumed that an individual would lose out on their annual income by the average number of hours that volunteers spend with an older person of varying Health Levels each year. These hours will then be multiplied by Thailand’s standard minimum wage. In 2012, the Ministry of Labour set Chiang Mai Provinces’ standard minimum wage at 251 baht ($8.20 USD) per day (Thai Ministry of Labour, 2013). This daily wage will be used as Thailand’s minimum wage is paid by day and not per hour, as is the case in most Western countries. This calculation will result in a monetized shadow price that represents the amount of money that a family would lose annually if the volunteer-based service was not in place.

Regarding the cost and shadow price of a family having to hire an in-home caretaker from a private company, Ramborirug Chiang Mai was selected as an appropriate alternative to the Home Care Programme. This agency produces in-home caretakers of varying levels of education (similar to that of Home Care Programme volunteers), that have no professional health care training (Ramborirug Chiang Mai, 2013). The training and support for both FOPDEV Home Care Programme volunteers and graduates of the training school are
comparable. In both organizations, individuals providing care are certified by the organization training them but are not certified by the government. Similarly to Home Care volunteers, these individuals provide health and social support in the home; whether it be cleaning, cooking, feeding, or socializing. An older person and their family must pay these individuals 500 baht ($16.34 USD) per day. This comparison has been deemed appropriate as this is the “truest” match to Home Care Programme Volunteers.

In terms of the third shadow price and benefit of FOPDEV itself not paying staff, is it assumed that FOPDEV would pay staff the standard minimum wage of 251 baht/day in exchange for their labor. This daily wage will be multiplied by the “days” of visits volunteers completed in 2012 after hours have been divided by 8-hour workdays. 8 hours is used as it is the standard work day in Thailand. This value will then be added to the previously calculated program costs (both direct and indirect) to show what the entire alternative program’s costs would be with added compensation for front line workers.

In this section, the investigator would additionally like to clarify that although qualitative benefits of the program including improved quality of life, increased socialization, and greater involvement in the community are extremely valuable outcomes of the Home Care Programme, they are not being calculated in this analysis. This analysis solely wants to monetize the program’s cost-avoidance benefits to society at large although it would like to acknowledge the varied qualitative benefits that result.

**COSTS DEFINED**

Data was collected in collaboration with the Foundation for Older Persons’ Development Home Care Programme’s Executive Director, Sawang Kaewkanth, and Program Manager, Assistant Professor Aphassaree Chaikuna. Costs were defined by both the Foundation for Older Persons’ Development and the principal investigator to be constrained to program costs, both direct and indirect. Costs were further limited to focus on the 2012 fiscal year, as these costs were readily available and these itemized costs are listed in Table 3. Program costs do not include any expense related to starting up the project as this analysis has been limited to 2012, a maintenance year. Program costs were reviewed and approved by FOPDEV and were cross checked with their budget by the principal investigator. The total program cost is 539,000 baht ($17,566.17 USD) for the 2012 program year.
Table 3. Program Costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Total in Thai Baht</th>
</tr>
</thead>
<tbody>
<tr>
<td>Older person incidentals (wheelchairs, funeral donation, etc.)</td>
<td>15,500</td>
</tr>
<tr>
<td>Hiring outside experts for needs assessments and evaluation</td>
<td>40,700</td>
</tr>
<tr>
<td>End of year party for volunteers</td>
<td>12,000</td>
</tr>
<tr>
<td>Small gifts/souvenirs to older people</td>
<td>3,900</td>
</tr>
<tr>
<td>New Years’ gifts for older people (Traditional and Thai)</td>
<td>47,000</td>
</tr>
<tr>
<td>Cost of educating and training volunteers</td>
<td>58,000</td>
</tr>
<tr>
<td>Cost of producing training packet</td>
<td>1,000</td>
</tr>
<tr>
<td>Cost of monthly volunteer meetings</td>
<td>30,000</td>
</tr>
<tr>
<td>Staff Salary (Restricted to Home Care Programme)</td>
<td>268,800</td>
</tr>
<tr>
<td>Overhead Office Costs (Restricted to Home Care Programme)</td>
<td>62,100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>539,000</strong></td>
</tr>
</tbody>
</table>

**Benefits Defined**

The benefits that the Foundation for Older Persons’ Development and principal investigator agreed upon are all cost-avoidance benefits in that they represent money saved to both clients and the organization that result from the program running as is. These cost-avoidance benefits are: (1) loss of family income, (2) cost of hiring a private in-home care taker, (3) cost of FOPDEV paying their front line workers. The stakeholders of the first and second benefit are the older person and their immediate family unit, although the benefits affect the community beyond these households and have a larger social impact within the communities that the program is in place. The last cost-avoidance benefit’s stakeholder is the Foundation for Older Persons’ Development itself, and in turn, its funders.

**Cost-Avoidance Benefit: Loss of Family Income**

The first benefit that will be looked at is the potential loss of income saved to a family when care takers within the nuclear or extended family are able to maintain employment due to the support of a volunteer. This is a benefit to the stakeholder of the family at large as being able to work full, or at least part-time, positively affects the financial status of the entire family.

In discussions with FOPDEV, it became clear that their Home Care Programme does in fact prevent family members from missing work. Most households involved in the program have family members who are working in the informal sector, where they need to work six days a week. Furthermore, they will lose wages if they take a few hours off to take
an older person to the doctor or another necessary activity, as the businesses they work for do not have the capital to absorb the cost of their temporary absence. Unless the family owns their own business, taking leave from work, even for a few hours, is costly to the individual and the household at large.

This benefit is monetized by using the combined average annual hours Home Care Volunteers spend with an older person, whether they were assessed as being at a Health Level 1, 2, or 3. Hours were broken down by level and then combined to show an averaged total in Table 4.

### Table 4. Average Annual Volunteer House and Potential Loss of Family Income

<table>
<thead>
<tr>
<th>Older Persons’ Health Level</th>
<th>Average Annual Visits (each visit lasts 2 hours)</th>
<th>Average Annual Hours</th>
<th>Total Hours Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>36.56</td>
<td>73.12</td>
<td>2,340</td>
</tr>
<tr>
<td>Level 2</td>
<td>37.53</td>
<td>75.06</td>
<td>10,282</td>
</tr>
<tr>
<td>Level 3</td>
<td>38.59</td>
<td>77.18</td>
<td>1,312</td>
</tr>
<tr>
<td>Levels Combined</td>
<td>37.56</td>
<td>75.12</td>
<td>13,934</td>
</tr>
</tbody>
</table>

*numbers based on FOPDEV volunteer records

These hours (75.12) are then multiplied by the standard wage in Thailand. This is done by first dividing by eight (number of hours in a working day as Thailand’s standard minimum wage is paid daily) and this results in 9.39 days. 9.39 is then multiplied by 251 baht (standard minimum wage) and results in a potential loss of 2,356.89 baht ($77.03 USD) each year for a household if a family member needed to take time off of work to care for an older person. This amount is then multiplied by the number of participating older people (187) and results in a total benefit value of 440,738.43 baht. This means, that in 2012, the Home Care Programme saved low-income older people and their households 440,738.43 baht, or $14,405.54 USD.

It should be noted that the money provided by Support a Grandparent funding, 539,000 baht ($17,566.17 USD), could easily cover the value of families missing work due to taking care of an older family member. However, the Foundation for Older Persons’ Development and the researcher believe that solely compensating families for work hours lost does not ease household stress or bring in someone that has received training on home
care. Families would maintain employment but would not have the added services that the Home Care Programme offers.

**Cost-Avoidance Benefit: Hiring a Private In-Home Care Taker**

The second cost-avoidance benefit that will be analyzed is the cost avoidance of a family not hiring an in-home care taker as they are currently being offered a free service that is accomplished through a network of volunteers. Because there is no formal institutional nursing care for older people in Thailand, the alternative for families with an older person in the home would be to hire an in-home caregiver from a private company. This is a cost that many of the families that FOPDEV supports cannot afford, but a price will be put on that option to show outside stakeholders and funders this cost-beneficial aspect of the program.

This benefit is monetized by identifying a private agency within Chiang Mai, Ramborirug Chiang Mai, which offers in-home care takers that have similar training to FOPDEV’s Home Care Programme Volunteers. Ramborirug Chiang Mai does not offer any training or certification beyond what FOPDEV offers their volunteers, however, these individuals charge 500 baht ($16.34 USD) per day (Ramborirug Chiang Mai, 2013). If 500 baht appears to quite a lot of money for the socioeconomic status of the older people that FOPDEV supports; it is. This option is not realistic for all households participating in the program but has been selected to show that trends in older person care are moving in this direction and that for this to be an option for more families in the future; putting a price on it now will show government bodies what kind of subsidies they need to provide. This is the least expensive standardized way to bring a non-relative into the home that offers the same services as FOPDEV’s Home Care Programme volunteers.

To monetize the benefit of not hiring a private in-home care taker, the average number of volunteer hours, 75.12 (See Table 4), was divided by 8 (standard working day), resulting in 9.39 working days. This was then multiplied by 500 (rate of hiring in-home care taker). A family could potentially spend 4,695 baht ($153.46 USD) annually if they were to hire these private in-home care takers, if the FOPDEV Home Care Programme was not in place. This cost can then be multiplied by 187, the number of Home Care participating older people and the households they represent, and the total value of this benefit is 877,965 baht or $28,696.29 USD for participating families in Chiang Mai Province.
**Cost-Avoidance Benefit: Paying Home Care Programme Volunteers**

This study would like to monetize the cost-avoidance benefit of paying Home Care Programme volunteers in order to highlight the amount of money that the Foundation for Older Persons’ Development is able to save by using this means of service transmission.

This cost-avoidance benefit uses the total number of volunteer hours that were carried out in the 2012 program year. In 2012, a total of 13,934 volunteer hours were served by the FOPDEV Home Care Programme (See Table 4). These 13,934 hours are then divided by 8 (working hours/day) and then multiplied by the 251 baht daily standard wage in Chiang Mai to calculate what it would cost the Home Care Programme each year if they were to pay their volunteers. The amount of baht that the Home Care Programme would have spent on salaries (437,179.25 baht or $14,247.80 USD) is then added to existing indirect and direct program costs, resulting in 976,179.25 baht, or $31,906.42 USD.

**REVIEW**

To review, the viable cost-avoidance benefits that have been selected are (1) loss of family income, (2) cost of hiring a private in-home care taker, (3) cost of FOPDEV paying their front line workers. Using the application of shadow prices to monetize and streamline values, their respective costs are 440,738.43 baht ($14,405.54 USD), 877,965 baht ($28.696.29 USD), and 976,179.25 baht ($31,906.42 USD) while the cost of running the Home Care Programme is 539,000 baht ($17,566.17 USD) (See Table 5).

<table>
<thead>
<tr>
<th>Older Person Care Option</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Care Programme</td>
<td>539,000 baht</td>
</tr>
<tr>
<td>Family Members Losing Income</td>
<td>440,738.43 baht</td>
</tr>
<tr>
<td>Family Hiring Private In-Home Care Taker</td>
<td>877,965 baht</td>
</tr>
<tr>
<td>FOPDEV Paying Volunteers</td>
<td>976,179.25 baht</td>
</tr>
</tbody>
</table>

**LIMITATIONS**

Cost-benefit analysis in the nonprofit sector has its limitations in that many long-term benefits of a program are qualitative and hard to put a monetary value to (i.e. quality of life). In this particular study, there was a lack of data regarding the long-term qualitative benefits of the Home Care Programme, so the principal investigator was unable to monetize them,
however they are acknowledged when it comes to interpreting the cost-benefit ratio. Another limitation can be acquiring all direct and indirect program costs, as some agencies do not keep track of every cost, however FOPDEV had kept detailed records and this information was easy to obtain. Another limitation can be choosing what benefits it is that you want to look at before beginning the analysis. It is important to brainstorm as a team and have as much organizational input as different levels of staff (administration vs. front line workers) have different perspectives on what program benefits are.

One limitation that can be difficult to manage when doing a cost-benefit analysis is the necessity to make a number of assumptions. This study involved utilizing shadow prices that were used to monetize and compute the cost-avoidance benefits. In this study the principal investigator and the Foundation for Older Persons’ Development assumed how much a family member would make (standard minimum wage), what type of alternative families would turn to if it wasn’t for the Home Care Programme (an agency that was priced at 500 baht/day), and how much FOPDEV would pay their volunteers (standard minimum wage) if they were to compensate them. These assumptions were all detailed and agreed upon by the Foundation for Older Persons’ Development and the principal investigator before starting the analysis and this ensured that these were all accurate and realistic assumptions to make. Moreover, rationale was provided in the assumptions section to detail how values were designated.
CHAPTER 4

ANALYSIS OF COSTS AND BENEFITS

The data described in the previous methodology chapter has been analyzed to compute program costs and benefits of the Foundation for Older Persons’ Development’s Home Care Programme using all three cost-avoidance variables. In addition to calculating the cost-benefit ratio for the 2012 program year, a five year projection has also been calculated. In order to calculate a five year projection to show long-term value of the program’s benefits, inflation and its effects on the value of the baht must be acknowledged. To calculate the future value of costs and benefits, a discount rate can be used to account for the effects of inflation. To determine the discount rate, you can find the average rate of inflation for the last five years and apply that to the current value. Inflation in Thailand has averaged at 2.94% from 2008 – 2012, so a discount rate of 3% is being used to illustrate the present value of costs and benefits of the Home Care Programme (Bank of Thailand, 2013). Calculating the present value shows that the value of the baht today is less than it will be in the future.

ANALYSIS OF PROGRAM OVER A 5-YEAR PERIOD, USING COST-AVOIDANCE BENEFIT OF INCOME LOSS TO FAMILY

This analysis began by selecting the cost-avoidance benefit of a family member having to miss work in order to take care of an older person in the home and that potential loss of income. Program costs included all direct and indirect costs related to operating the Home Care Programme in Chiang Mai Province.

For the analysis featured in Table 6, the benefit of families not loosing income was monetized by turning the average amount of volunteer hours served in 2012 into days, as that is the mode of standard of wage in Thailand. Those days were then multiplied by the minimum wage of 251 and showed that there was a potential loss of 2,356.89 baht ($77.03 USD) each year for a household if a family member were to miss work in order to care for an older person. That amount was then multiplied by the number of participating older people
(187) and resulted in a total benefit value of 440,738.43 baht. This means, that each year that the Home Care Programme is in place, it is saving low-income older people and their households in Chiang Mai 440,738.43 baht or $14,405.54 USD. In the analysis, the cost-avoidance benefit of potential loss of income for all participating Home Care Programme households was divided by the cost of running the program and the resulting cost-benefit ratio was 0.82.

**ANALYSIS OF PROGRAM OVER A 5-YEAR PERIOD, USING COST-AVOIDANCE BENEFIT OF FAMILY HIRING A PRIVATE IN-HOME CARETAKER**

This analysis began by selecting the cost-avoidance benefit of a family having to hire an in-home care taker in the event that the Home Care Programme was not in place. Program costs included all direct and indirect costs related to operating the Home Care Programme in Chiang Mai Province.

The benefit was monetized by first identifying a private agency in Chiang Mai that was a “true match” to FOPDEV’s Home Care Programme in that they trained the individuals that they hired for a similar amount of time but that there was no formal certification. The chosen agency was Ramborirug Chiang Mai. Next, the average number of volunteer hours, 75.12, was divided by 8 (standard working day), resulting in 9.39 working days. This was then multiplied by the rate of hiring an in-home care taker, 500 baht. This resulted in a final value of 4,695 baht that was then multiplied by 187, the number of Home Care participating older people and the households they represent, and the final benefit value was 877,965 baht or $28,696.29 USD. In the analysis displayed in Table 7, the cost-avoidance benefit of a family not having to hire an in-home care taker was divided by the cost of running the program and the resulting cost-benefit ratio was 1.6.
Table 7. Cost, Cost-Avoidance Benefit, and Cost-Benefit Ratio of Home Care Programme and Family Hiring a Private In-Home Care Taker Projected Over Five Years

<table>
<thead>
<tr>
<th></th>
<th>Cost-Avoidance (Benefit)</th>
<th>Costs</th>
<th>Benefits – Cost</th>
<th>Cost-Benefit Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant baht</td>
<td>877,965</td>
<td>539,000</td>
<td>338,965</td>
<td>1.6</td>
</tr>
<tr>
<td>Present value,</td>
<td>757,340.32</td>
<td>464,946.13</td>
<td>292,394.19</td>
<td>1.6</td>
</tr>
<tr>
<td>discounted at 3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Analysis of Program Over a 5-Year Period, Using Cost-Avoidance Benefit of FOPDEV Not Paying Their Volunteers**

This analysis began by selecting the cost-avoidance benefit of the Foundation for Older Persons’ Development choosing to compensate their volunteers and take them on as employees. Program costs included all direct and indirect costs related to operating the Home Care Programme in Chiang Mai Province.

This cost-avoidance benefit was monetized based on the total number of volunteer hours that were served in the 2012 program year. In 2012, a total of 13,934 volunteer hours were served by the FOPDEV Home Care Programme (See Table 4). These 13,934 hours were then divided by 8 (working hours/day) and then multiplied by the 251 baht daily standard wage in Chiang Mai to calculate what it would cost the Home Care Programme each year if they were to pay their volunteers. This amount of 437,179.25 baht ($14,289.20 USD) was then combined with program costs to account for combined indirect and direct program costs in addition to Home Care paying volunteers. The Home Care Programme would have spent 976,179.25 baht, or $31,906.42 USD, had they paid their volunteers. In the analysis, the benefit value of FOPDEV paying their volunteers was divided by the cost of running the program and the resulting cost-benefit ratio was 1.81 (see Table 8).

To summarize, due to the Home Care Programme already being in a “maintenance” phase where there are no start up costs, the cost-benefit ratio for all cost-avoidance benefits remained the same over five years. In this analysis, present value and constant dollars are simply shared to make it known that there are changes in the value of costs, benefits, and their resulting ratios over time. If you want to analyze a program that is in its initial year, you would need to factor in the changes in program costs over time as you need less recruitment, training, etc.
Table 8. Cost, Cost-Avoidance Benefit, and Cost-Benefit Ratio of Home Care Programme and FOPDEV Paying Volunteers Projected Over Five Years

<table>
<thead>
<tr>
<th></th>
<th>Cost-Avoidance (Benefit)</th>
<th>Costs</th>
<th>Benefits – Cost</th>
<th>Cost-Benefit Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant baht</td>
<td>976,179.25</td>
<td>539,000</td>
<td>-101,820.75</td>
<td>1.81</td>
</tr>
<tr>
<td>Present value, discounted at 3%</td>
<td>377,114.66</td>
<td>464,946.13</td>
<td>-87,83.47</td>
<td>1.81</td>
</tr>
</tbody>
</table>
CHAPTER 5

DISCUSSION

This chapter will provide a discussion of the findings, conclusions and recommendations, and implications for future research.

DISCUSSION OF FINDINGS

This cost-benefit analysis identified three different cost-avoidance benefits of the Home Care Programme that benefited older people that FOPDEV supports or the organization itself. The chosen cost-avoidance benefits were: (1) loss of family income, (2) cost of hiring a private in-home care taker, (3) cost of FOPDEV paying their front line workers. Shadow prices were selected and agreed upon by both the Foundation of Older Persons’ Development and the principal investigator in order to monetize and compute the aforementioned cost-avoidance benefits.

Cost-Avoidance Benefit: Loss of Family Income

For the cost-avoidance benefit of a household not losing income as the support of a volunteer allowed a family member to not miss work, a ratio of 0.82 (See Table 6) was calculated. In a cost-benefit analysis, a ratio of one of above is expected as this means that the program is at least breaking even with its costs in relation to its outcomes. Although a ratio of less than one was found, it is important to note that there are a number of qualitative benefits that may indicate that there is an even break. Some of these qualitative benefits include increased sociability for the older person, less financial stress on a house, and an increased sense of community for the older person, their family, and the volunteer.

Moreover, although there is a cost-benefit ratio of 0.82, it is significant that the Foundation for Older Persons’ Development was able to save the households they support a combined 440,738.43 baht ($14,405.54 USD) in 2012. The Home Care Programme addresses poverty and relieves financial stress on the families they support through providing their free services. Saving each household 2,356.89 baht ($77.03 USD) each year is significant and
FOPDEV would be able to save these families even more each year if they were able to expand their program and services.

The cost-benefit analysis made it clear that although the cost-avoidance benefit of a family member not taking leave from work did not have a high cost-benefit ratio, the qualitative benefits that are tied to this scenario are strong enough to acknowledge the greater social impact that the Home Care Programme has on the communities that it supports. There is a chance that the cost-benefit ratio of family members not having to take leave from work (0.82) would increase if Home Care Programme volunteers provided more service hours annually. This may already be in place but as FOPDEV only records “formal” visits; there is no way of knowing how many hours beyond the ones on record are actually served. Many volunteers live in an older persons’ neighborhood (in most cases, they are up the road or across the street) and in reality, may stop in several times a week. If all hours were accounted for, the total value of that benefit would increase. The principal investigator has made a recommendation to FOPDEV that they ask volunteers to keep stricter visiting logs and keep track of every visit they make to an older persons’ home in the future.

**Cost-Avoidance Benefit: Hiring a Private In-Home Care Taker**

For the cost-avoidance benefit of a household not hiring a private in-home care taker, a cost-benefit ratio of 1.6 (See Table 7) was calculated. In a cost-benefit analysis, this ratio is more than acceptable. This number means that not only does FOPDEV break even with this benefit in terms of their program costs, but exceed it. This ratio makes it extremely clear that the funding put into the Home Care Program saves participating families enough money that the Foundation for Older Persons’ Development could potentially ask funders for more resources in order to expand their services.

The value of a family not hiring a private in-home care taker was clear with a cost-benefit ratio of 1.6; this ratio is evidence that a community volunteer-based mode of service delivery is saving older people and their households a significant amount of money every year. In 2012, FOPDEV was able to save the older people they supported an average of 4,695 baht ($153.46 USD). This is a noteworthy amount of money for the low-income older people enrolled in the program and more than they likely have as disposable income. Although FOPDEV was able to save families this amount of money, it makes it clear that the
government needs to step in and create policy and programs that will better support households with an older person, especially those that are low-income.

As cost-beneficial as this option is, it should be mentioned that many of the families that FOPDEV work with would not be able to afford this option. This scenario was presented to make it clear to policy makers and funders that the Home Care Programme is the only option that many low-income families have in Chiang Mai aside from taking care of an older person full time themselves. It is evident that if increased policy and funding was directed towards supporting and expanding community-based Home Care Programmes, the government would enable households supporting older people to save a significant amount of money each year. If more money was put into the Home Care Programme, FOPDEV would be able to: expand their geographic spread, better train volunteers, bring in more experts for training and evaluation, and in turn, positively impact the lives of older people throughout Chiang Mai Province and eventually, throughout Thailand.

**Cost-Avoidance Benefit: Paying Home Care Programme Volunteers**

For the cost-avoidance benefit of the Foundation of Older Persons’ Development not paying their volunteers, a ratio 1.81 (See Table 8) was calculated. In a cost-benefit analysis, this ratio is more than ideal. The Home Care Programme, as is, is a cost-beneficial model as they do not have the added expense of paying staff versus using volunteers as front line workers. Similarly to the first benefit of family member of older people not having to take leave from work, there are a number of qualitative benefits that should be acknowledged when looking at this ratio. In addition, the factor of only formal volunteer hours being documented versus informal visits would affect the cost-benefit ratio using this cost-avoidance benefit. In the future, it has been recommended that FOPDEV’s volunteers keep track of all home visits, whether formal or informal, so that a more accurate number of hours can be calculated.

The principal investigator believes that this ratio indicates that the use of volunteers is cost-beneficial in that there is a potential 437,179.25 baht ($14,289.20 USD) that the Home Care Programme could put into expanding its program rather than having to pay front line workers to deliver their services. This number is significant and indicates that if government or private entities invested more funding into the Home Care Programme, FOPDEV would
be able to provide more households with support with possibly better trained volunteers. Even more ideal, government or private subsidies could be used to pay the volunteers which would create jobs while employing community members and increasing program efficiency. This would be accomplished by providing more qualified in-home care takers that would be able to provide more health-related support.

In conclusion, with the 539,000 baht ($17,566.17 USD) that the Foundation for Older Persons’ Development puts into the Home Care Programme, they are able to provide 187 participating older people and their families an in-home volunteer-based model that enables them to avoid taking time off of work to take care of an older person, which is valued at 440,738.43 baht ($14,405.54 USD). Furthermore, they are able to save the 877,965 baht ($28.696.29 USD), that it would cost to hire an in-home care taker. Lastly, this program utilizing volunteers as front line workers saves the organization a large amount of money as they can operate a program for 539,000 baht ($17,566.17 USD) as opposed to the 976,179.25 baht ($31,906.42 USD) it would cost if they paid their volunteers.

CONCLUSIONS AND RECOMMENDATIONS

The key information from this cost-benefit analysis is that without the Home Care Programme, 187 families would lose a total of 440,738.43 baht ($14,405.54 USD) in lost income caring for family members. Moreover, with the 539,000 baht program cost that is paid with Support A Grandparent Funding, families get a program that offers services that would otherwise cost 877,965 baht ($28.696.29 USD) collectively to receive from a privately hired in-home care taker. This individual cost of 4,695 baht ($153.46 USD) per household is a significant loss for the low-income families that are supported by FOPDEV’s Home Care Programme. Finally, if FOPDEV paid their Home Care Programme volunteers, it would cost 976,179.25 baht ($31,906.42 USD) for a program that offers the same services as they do currently for far less.

The cost-benefit analysis conducted in this report is an example of applying Western evidence based management skills to a grassroots organization in Thailand. Existing literature on financial transparency and accountability within the nonprofit and nongovernmental sectors confirms the growing need for organizations to share their internal program spending with outside stakeholders. Financial transparency has been present in the
Western world; however, it is only now starting to be used throughout industrializing nations. Through both a literature review and in collaboration with the Foundation for Older Persons’ Development, a cost-benefit analysis of their Home Care Programme was chosen as an efficient way to make program benefits, in relation to costs, clear to outside policy makers and funders. Cost-benefit analyses are increasingly being used in the nonprofit sector around the world and this report can be used as a guide by organizations throughout Thailand and Southeast Asia to analyze their own program costs and resulting benefits.

The “increasing public and stakeholder demands for a broadened accountability” that have become part of the norm in industrialized countries are now spreading to the rest of the world and nonprofit organizations in industrializing countries are starting to get the same pressures to provide clear program costs and outputs (Morrison, 2007). This notion of nonprofit accountability is spreading to the most frontline grassroots organizations and funders are increasingly asking the programs and organizations that they support in industrializing countries to prove that they are providing aid with results and that the overall benefits outweigh the costs. As Benjamin (2008) stated, “[i]mproving nonprofit accountability is one of the most important issues facing the sector.” The United Nations have additionally integrated this new standard into its body and has an “organizational culture based on accountability, integrity, and transparency “(United Nations, 2013).

In terms of financial transparency linked to organizations that support older people, there is an “increased interest in knowledge about the cost-effectiveness of social work services in aging” due to a growing aged population which results in an increased demand on health care resources (Rizzo & Rowe, 2006). Both “quality and financial implications of care for frail elderly persons is a pressing issue in most countries” (Leung et al., 2004) and around the world a number of cost-beneficial studies have been done on home care programs for older people.

The issue of an increase aged population is happening at a faster pace in the East/Pacific Region and “Asian governments have much less time to prepare for population aging” than Western nations (Chan, 2005). If FOPDEV chooses to use this analysis to influence policy, the principal investigator hopes that the Thai government will respond to the economic argument presented in this report.
The principal investigator further recommends that more funding needs to go into the Home Care Programme and the government should sponsor the training of volunteers until there is national accreditation program in place. Currently the Ministry of Social Development and Human Security is in the process of starting a program where they pay village volunteers 300 baht ($9.81 USD) per month to provide support for older people. They introduce and implement the program in each province for two years and then leave it to a local authority to continue running it. However, these local authorities do not have the resources to continue the programs. Thus, the recommendation would be for the government to expand their financial support and promote collaborations with local authorities and nonprofit organizations. If one assumes that each province would have 112 volunteers like in Chiang Mai; then the money needed to pay them 300 baht/month for two years is 806,400 baht ($26,357.18 USD). This is evidence that there is government money available to support home care programs for older people, it just needs to be utilized in a more efficient and sustainable way.

The government may consider using the FOPDEV Home Care Model but put the 300 baht per volunteer per month (that they offer in their initiative) into improving and expanding the model. It is clear that the Home Care Programme model works but FOPDEV does not have the resources to expand it throughout Thailand on their own. If they collaborated with the government and handed over the management of the model, the government could go into communities and provide resources for evaluation, field coordinators, and cover program costs. This would standardize the model throughout the entire country and enable it to improve with increased funding. If the government used FOPDEV’s sustainable community-based model but provided the funding necessary to implement it, it would be well received and accepted by local authorities. Moreover, volunteers could be trained better which would increase recruitment and long-term involvement.

In conclusion, although not all benefits outweighed program costs, the Foundation for Older Persons’ Development is using funding in an efficient and appropriate manner. FOPDEV’s Home Care Programme, as is, saves participating households in Chiang Mai 440,738.43 baht ($14,405.54 USD) in potential loss of income and 877,965 baht ($28,696.29 USD) in potential cost of hiring a private in-home care taker. Furthermore they are able to run a program that costs 539,000 baht ($17,566.17 USD) per year instead of 976,179.25 baht
($31,906.42 USD) by using volunteers. These are significant amounts of money that show the cost-beneficial mode of their program and efficient use of funding. Aside from the monetized benefits, there are also a number of qualitative benefits that result from the Home Care Programme.

**IMPLICATIONS FOR FUTURE RESEARCH**

This study’s intention was to discover whether or not the Foundation for Older Persons’ Development Home Care Programme was a cost-beneficial mode of supporting older people in Chiang Mai Province. This cost-benefit analysis was additionally used to highlight the importance of nonprofits and nongovernmental organizations in industrializing countries to join the global trend of financial accountability and transparency. A cost-benefit analysis on the Foundation for Older Persons’ Development was used and found that of the three proposed cost-avoidance variables; only in one case did the costs of the Home Care Programme, as is, not outweigh the benefit of the program.

The principal investigator hopes that this case study can be used to conduct cost-benefit analyses on other organizations throughout Thailand. Moreover, the investigator hopes that regional organizations and their staff start to collect more thorough data on both the quantitative and qualitative benefits and outcomes of their programs so that analyses can be conducted regularly and without much difficulty. One large implication of this study for future research is that over time, as more grassroots organizations in industrializing countries begin to share more program planning and evaluation with outside stakeholders, they will be able to better influence policy and funding. Studies in the future may focus on this changing practice of grassroots organizations throughout Thailand and Southeast Asia having both the confidence and evidence to go to their local and national governments to advocate for their target populations and programs.

The researcher hopes that the Foundation for Older Persons’ Development will use the economic argument presented in this report to garner more political and financial support as their program is saving older people and their families a significant amount of money. FOPDEV may wish to use this as a political vehicle as utilizing a cost-benefit analysis as a means of turning outcomes into dollars is something that policy makers respond to.
Overall, FOPDEV’s Home Care Programme cost 539,000 baht (or 17,508.337 US Dollars) but in these three scenarios, the program saved older people and their households 440,738.43 baht ($14,405.54 USD) and 877,965 baht ($28,696.29 USD) respectively. Moreover, by using a volunteer-based program, they have been able to operate a program that costs 539,000 baht ($17,566.17 USD) instead of 976,179.25 baht ($31,906.42 USD). This is a significant amount of money in Chiang Mai and shows the Foundation for Older Persons’ Development are able to serve older people and their families in a cost-beneficial way while easing financial stress and respecting the traditional care models that prefers in-home care by family members and neighbors.
REFERENCES


