

# Social impact investment and recidivism: A field experiment with high-risk parolees

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## SUMMARY

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### BACKGROUND

Social impact investment (SII) is a new initiative that raises investment from the private sector to finance non-government organisations (NGOs) to deliver social services. In July 2016, the New South Wales (NSW) government announced Australia's first criminal justice SII; the On TRACC (Transition, Reintegration, and Community Connection) program for high-risk parolees. On TRACC was designed to complement existing parole supervision by providing extra support services, and ultimately, reduce parolee recidivism.

We study the effectiveness of the On TRACC program in reducing recidivism compared to existing supervision services. High-risk parolees released between September 2016 and September 2018 were randomly assigned to either the On TRACC program or the comparison group. Offenders assigned to On TRACC ( $N = 1,147$ ) received On TRACC services in addition to existing supervision services provided by NSW Community Corrections (NSWCC). In contrast, offenders in the comparison group ( $N = 732$ ) received regular supervision services.

### KEYWORDS

social impact investment

recidivism

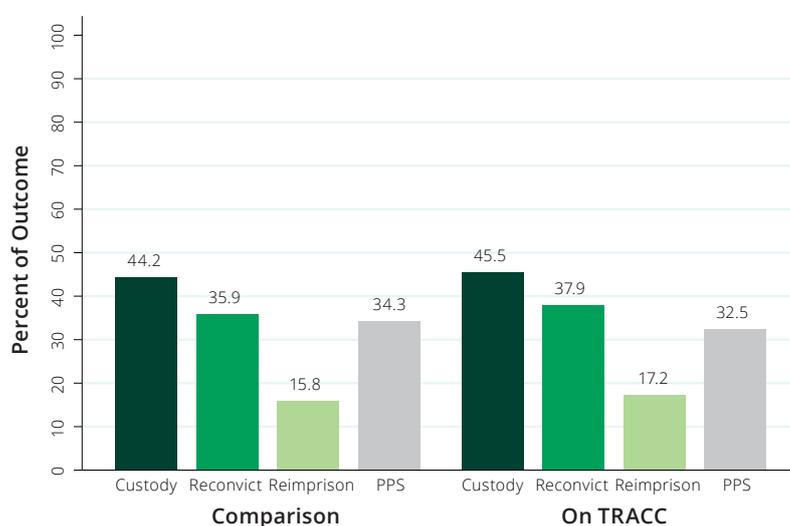
field experiment

randomised controlled trial

parole

### KEY FINDINGS

#### Recidivism outcomes for the On TRACC and comparison groups



The figure displays the percentage of offenders in the On TRACC and comparison groups who (1) returned to custody, (2) committed any new offence, (3) were sentenced to imprisonment, or (4) committed a new personal, property, or serious drug offence (PPS) within 12 months of release from prison. Across the four measures of recidivism, we find no statistically significant differences between offenders assigned to On TRACC and those assigned to the comparison group. Further analyses for various offender sub-groups found only one statistically significant result; non-Aboriginal offenders assigned to On TRACC were 5 percentage points less likely to commit a personal, property, or serious drug offence. However, this finding should be interpreted cautiously.

### CONCLUSION

We do not find evidence that participation in the On TRACC program led to a reduction in parolee recidivism in comparison with existing services provided by NSWCC. Despite this, the On TRACC SII demonstrates that it is possible for the public, private, and NGO sectors to work in partnership and inform evidence-based policy.