IndiKit

COST-EFFECTIVENESS OF JOBS CREATION

Output indicator, Process indicator

Indicator Phrasing

English: average amount spent by the project on creating one job

French: montant moyen dépensé par le projet pour la création d'un emploi

Portuguese: valor médio gasto pelo projecto na criação de um posto de trabalho

Czech: průměrná částka vynaložená na vytvoření jednoho pracovního místa

What is its purpose?

The indicator measures the average costs of creating a job. It shows the cost-effectiveness of the provided support and helps with calculating its value for money (especially when the costs of the support per each job are considered against the financial and non-financial benefits the job provides to the employee / entrepreneur).

How to Collect and Analyse the Required Data

Determine the indicator's value by using the following methodology:

1) **Decide** whether you will report on the:

  - average costs of creating part-time jobs and average costs of creating full-time jobs (i.e. you will have to report on two different values); or

  - average costs of creating one full-time equivalent job where "full-time equivalent" means that, for example, if a person works only 2.5 out of 5 days per week, her/his job is considered as 0.5 full-time equivalent (see more guidance [at this site](#))

2) **Count the number of part-time / full-time or full-time equivalent jobs** created thanks to the project's support (guidance on calculating full-time equivalent jobs is [provided here](#)).

3) **Count the total costs** paid by the project for creating part-time / full-time jobs or all full-time equivalent jobs. This should include not only the project's direct investments (e.g. training of employees, support to employers, etc.) but also its overhead costs related to creating these jobs (e.g. staff costs, offices, transport, etc.).

4) To **calculate the indicator's value**, either:

    - divide the project's costs on creating part-time jobs by the number of created part-time jobs + use the same methodology for full-time jobs; or

    - divide the project's total costs by the number of full-time equivalent jobs created thanks to the project's support

Disaggregate by

Disaggregate the data by the type of jobs supported (part-time, full-time) and salary level.

Important Comments

1) Since there might be a significant difference between the cost of creating a well-paid job and a poorly paid job, it is highly recommended that you **disaggregate the data by salary level**.