

# Neighbours Every Day

## Cost Effectiveness Analysis



**A recent economic evaluation of the Neighbours Every Day Campaign, and its Day of Action known as 'Neighbour Day', was conducted by researchers at the Australian National University and the University of Queensland.**

### Aim

The purpose of this evaluation was to understand the cost-effectiveness of delivering this program, to compare its cost-effectiveness with other health interventions.

### Method

The researchers found that the main benefit of the campaign was reducing loneliness. They calculated lower healthcare needs for people who are not lonely compared to those who are lonely. The researchers also had to look at how much it costs to run the campaign. The campaign's effect was compared to not having the program.

## Quality-Adjusted Life Years

Health is not only about how long you live. The quality of these years is also important. Health economists developed the concept of a quality-adjusted life-year (QALY), to create one number that measures both the length and quality of life.

QALYs are calculated by looking at the amount of time people spend in certain states of health, combined with the way people feel in these states of health. Loneliness is linked to worse health, so programs that reduce loneliness aim to improve life quality.

This is measured by QALYs (quality-adjusted life years). Governments often fund programs that increase QALYs if the cost is below a certain limit, considering other factors like fair access.

Australia doesn't have an official limit, but past research has suggested \$28,033 per QALY is considered cost-effective for healthcare interventions.

## Research Sample

The evaluation used data from the HILDA survey to represent the general population of Australia. The HILDA survey is a highly reliable longitudinal study that collects information on over 17,000 people living in Australia every year.

The evaluation also used data from previous evaluations of the NED campaign to represent the population of people who have been engaged with Neighbour Day. To avoid counting people who participated in Neighbour Day, postcodes where the campaign is active were not included in the HILDA sample.

## Findings

The findings illustrated that those who get involved in Neighbour Day reduced their levels of loneliness when compared with the general population. These reduced levels of loneliness have a positive impact on people's health and increase people's quality of life – therefore directly improving QALYs .

The researchers identified that the campaign costs \$4,667 per QALY gained. The results showed that the campaign was much cheaper per QALY gained than what researchers typically consider cost-effective in Australia (\$28,033 per QALY).

The cost of the Neighbours Every Day campaign therefore compares very favourably, making it an extremely cost-effective option for reducing loneliness and improving the health and relationships of people across Australia.

## Conclusion

Neighbours Every Day provides simple, practical tools to help people connect with their community creating social connections, fostering healthy relationships, reducing loneliness and promoting social inclusion.

Neighbours Every Day has evolved into a year-round campaign that supports people to create and sustain these connections every day. People engage with Neighbours Every Day in ways that suit them, making these relationships, and their benefits, sustainable.

With relatively small administrative costs, Neighbours Every Day supports people across Australia to have access to social connection, improves their quality of life and reduces loneliness.

**Neighbours Every Day**



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[NeighboursEveryDay.org](https://NeighboursEveryDay.org)