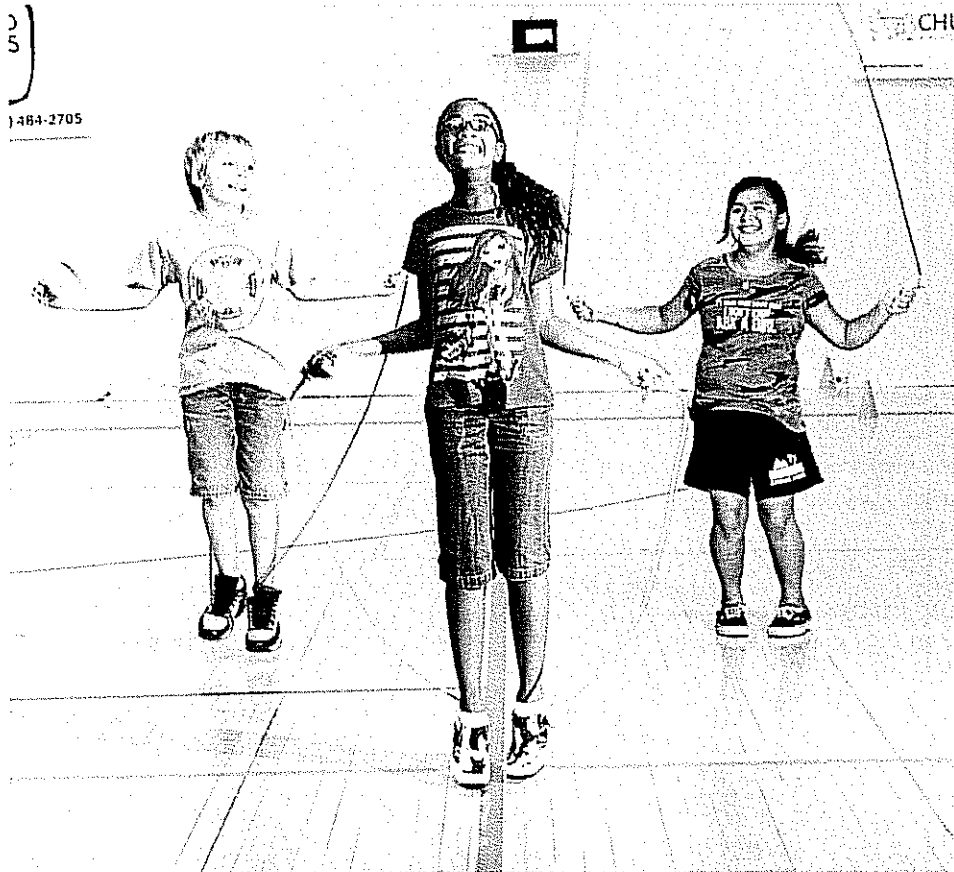


**The Boys and Girls Clubs in Ventura County:
Serving the Economic Interests of the Region while
Providing a Positive Place for Kids**



**This Report Measures the Total Economic Impact of all the
Boys and Girls Clubs in Ventura County**

April 2010

Executive Summary

Every day, thousands of young people throughout Ventura County attend various Boys & Girls Club locations. The parents of these young people depend on the clubs as a safe, nurturing, and cost-effective environment for their children. Nevertheless, the value of the Boys & Girls Clubs in Ventura County extends beyond the direct benefits received by parents and club members. The regional community enjoys a private/public funded service that keeps youths positively engaged and out of trouble in the afternoon and early evening.

While it is easy to appreciate the good work of the clubs in qualitative terms, it requires additional analysis to understand the monetary and economic value of the organization in the community. At first glance the clubs can be praised for the social benefits that they create in the region. However, by digging deeper, it becomes readily apparent that the clubs create tremendous economic value in the community.

This report provides an exhaustive enumeration of the many ways in which the Boys & Girls Clubs create economic value. Many of these impacts include "positive externalities." As a non-profit organization, the clubs provide services directly and indirectly to various community stakeholders. These services are provided without remuneration but they nevertheless have value for those that benefit from the club. There are three primary beneficiaries of the club: club members, the parents of club members, and the community.

Club members receive perhaps the greatest benefit of all from their participation in the clubs. When compared with their peers who do not attend the club, club members are more likely to graduate from high school and less likely to engage in risky behaviors resulting in juvenile detention or teenage motherhood. The exact mechanisms by which club members outperform their peers are uncertain. But the consistency of the trend suggests that membership in the clubs may play a vital role in explaining the behavior patterns of the group. By having access to a safe and nurturing environment, these youths avoid negative influences. Moreover, special services provide additional support to club members. For instance, tutoring programs at some club sites gives club members a competitive edge in school.

While club members receive the most from their participation, others benefit as well. For instance, parents of club members are able to be more productive since they do not have to supervise their children after school. Many parents are able to work or pursue further education as a result of the services provided by the Boys & Girls Clubs.

Many of these benefits to parents, club members, and the community have an economic value. Using data collected through stakeholder surveys and a review of publicly available information, this report places a monetary value on many of these benefits. The value of all these economic benefits is simply tremendous. This report focused on the following mechanisms through which the Boys & Girls Clubs in Ventura County create economic value in the region:

- Total employment and income impact of the clubs through its annual expenditure including both operational and capital budgets.
- Impact of better education through higher graduation rates among youth who attend the clubs on a regular basis as opposed to others who do not benefit from such services within the same socio-economic population in the same region.
- Lower teen pregnancy and motherhood rates which create an economic benefit.
- Impact of clubs' enrichment programs that enable youth to resolve conflicts and become more peaceful with their own peers and others in their communities. This is measured by considering reductions in youth crime rates and the savings that it generates in the community.
- Learning healthy living and its impact in reducing obesity and related disease that leads to lower productivity and an increase in long-term chronic diseases.
- The impact of clubs programs to allow parents to attend school in order to upgrade their skills and reach a higher level of productivity in the economy.
- Strengthening and promoting volunteerism in the region.

For nearly all of these benefits, a monetary value was calculated. A summary of the analysis is presented below and categorized by the nature of the economic impact. Sections two and three of this report present the methodology developed and data used to calculate these values.

High School Graduation Rates

As a club member, a student is given a safe and nurturing after-school environment in which they can be free of distractions that can divert them from their academic pursuits. Moreover, various club locations provide special services such as homework assistance programs or tutoring that can allow club members to have a competitive advantage in school.

It is hard to put a monetary value on being a "better student." However, the culmination of one's academic abilities is manifested by the level of education attained by an individual; specifically, whether a student can complete high school. As such, in order to calculate the monetary value of

improvements in the academic life of students, this report compared the graduation rates of club members with their peers in school who do not participate in the clubs. The results are as follows:

Percentage of Students Passing CAHSEE in Ventura County	Percentage of Sample of Seniors Attending clubs Passing CAHSEE	Additional Number of Students Passing CAHSEE in clubs in Comparison	Total Annual Increment in Annual Wage and salary Made Due to Higher High School Graduation	Total work-life increment in earning due to higher rate of passing CAHSEE of club members
70%	97%	11	\$106,586 Per Year	\$3,045,306

Reduction in Teenage Motherhood

Teenage motherhood can cause a myriad of problems in the life of a young person. The difficulties that it can create are costly both for the teen mother and the taxpayer through social programs that assist such young mothers. As such, any program that can reduce the likelihood of teenage parenthood will create a positive economic impact both for the potential parents and society.

The first layer of economic benefit considered is the reduction of burdens on social programs that are provided by the state to teenage parents. The benefits are as follows:

Approximate number of teenage girls between ages of 13 and 19 attending the Boys & Girls Clubs for more than 3 days a week	Rate of teen childbirth in a comparative community in lives per thousand	Rate of teen childbirth among girls ages 13 to 19 who attend the Boys & Girls Clubs	Total number of reduction in teen childbirth due to positive influence of clubs	Estimated cost of a teenage child birth to tax payers in the State of California in 2010	Total costs saved to tax payers due to positive influence of clubs
2028	31.24	0.00	63 teens saved	\$4,896	\$308,448 Annually

Teenage mothers bear the greatest costs due to their decisions. Specifically, teenage mothers have been found to earn less over the course of a lifetime than their peers who avoid early parenthood. The economic benefit of avoiding these long-term costs is as follows:

Approximate number of teenage girls between ages of 13 and 19 attending the Boys & Girls Clubs for more than 3 days a week	Rate of teen childbirth in a comparative community in lives per thousand	Rate of teen childbirth among girls ages 13 to 19 who attend the Boys & Girls Clubs	Total number of teen childbirths averted due to positive influence of clubs	Cost Saving for the society in the lifetime of a teenage mother (under 20 years of age)	Total lifetime savings of economic cost of mothers with less than 20 years of age due to influence of Boys & Girls Clubs
2028	31.24	0.00	63 teens saved	\$ 202,989	\$12,788,307

Juvenile Crime Prevention

Crime is costly. When a crime is committed, society and the victims bear a very high price through the cost of the harm itself and the costs to the criminal justice system that has to prosecute and manage the criminals. Juvenile crime, in particular, burdens the criminal justice system due to the fact that its prosecution and management have a more rehabilitative focus. As such, programs that can prevent such crime are creating a positive economic benefit through the cost-savings that they create for society.

Those who attend the Boys & Girls Clubs are in a safe environment after school away from temptations that can lead to criminal activity. Moreover, the greatest proportion of juvenile crime has been found to occur during the hours of Boys & Girls Clubs' operation. The economic benefit of reduced juvenile crime amongst club members is presented below:

Total number of Juveniles saved from Arrest	Annual cost of juvenile crimes per person California	Annual cost of juvenile arrested at 45% of total cost per crime.	Total saving per year for the state of California due to impact of clubs
264	\$ 180,000	\$ 81,000	\$21,384,000

Improved Parental Income and Productivity

The vast majority of parents whose children attend the Boys & Girls Clubs are working parents in the community. Without the Boys & Girls Clubs to supervise their children after school, many would have to reduce their own work and income. This loss of income hurts the parent and the community who loses

their productivity. The economic impact of helping these parents to continue working is presented below:

Total number of families served by all Boys and Girls Clubs in Ventura County	Percentage of families who have at least one parent who believes that sending their children to the clubs was the reason for him/her to be able to work and keep a job	Total number of parents who have directly benefited through keeping their jobs and being able to work.	Average per annum gain from keeping an average job by parents of club members	Total annual additional earnings to families of members because of sending their children to Boys and Girls clubs in Ventura County
12,843	37.5%	4,816	\$30,054	\$144,740,064

Economic Impact of Clubs' Operational and Capital Expenditures

In the midst of considering the impact of services provided by the clubs, it is easy to forget that the clubs are an organization that take in revenue and spend money to provide its services. The combined budgets of all the Boys & Girls Clubs in Ventura County for capital and operational expenditures total nearly \$18.0 million. These expenditures support jobs both within the organization and beyond in companies that provide services to the clubs.

The economic impact of these expenditures in Ventura County for the most recent fiscal year available is as follows:

	Economic Impact in Ventura County					
	Direct	Indirect	Induced	TOTAL		
Output Impact	\$17,960,371	\$5,008,769	\$4,965,451	\$27,934,592		
Indirect Business						
Tax Impact	\$151,739	\$216,855	\$341,995	\$710,589		
Employment Impact	356.8	34.4	37.7	428.9		
Tax Impact	Employee Compensation	Proprietary Income	Household Expenses	Enterprises	Indirect Business Tax	TOTAL
	\$1,154,329	\$47,096	\$1,314,419	\$717,536	\$677,109	\$3,910,490

The impact is amplified when considered on the state level, below:

Economic Impact in the State of California						
	Direct	Indirect	Induced	TOTAL		
Output Impact	\$17,960,371	\$6,347,198	\$7,058,050	\$31,365,620		
Indirect Business						
Tax Impact	\$149,950	\$249,476	\$423,098	\$822,524		
Employment Impact	377.9	37.1	47.2	462.2		
 						
Tax Impact	Employee Compensation	Proprietary Income	Household Expenses	Enterprises	Indirect Business Tax	TOTAL
	\$1,284,532	\$50,999	\$1,392,730	\$776,795	\$784,837	\$4,289,892

Value of Volunteer Labor

Volunteers have an important contribution in every economy. The economic value that they generate is not any less significant than the monetary contribution of other philanthropic giving.

The easiest way to see this contribution is to assume that the value added of their work is a direct contribution to the organization for which they volunteer to work. Indeed their work enables an economic activity to move forward when an organization faces budgetary problems. Although they do not receive any monetary compensation for their work, the volunteers allow the institution to retain their paid workers and at times hire additional workers.

The impact in terms of creation of economic value is just the same as if these jobs were paid. Economists consider their impact as an equivalent to output generation. As for job creation one can assume that the duties of the job are performed with direct financing of those jobs by the volunteers. This work makes cautionary note about the separation of direct employment gains in terms of paid or unpaid in where the impacts are reported and discussed.

The economic impact of volunteer labor in Ventura County is as follows:

Economic Impact of Volunteer Labor in Ventura County						
	Direct	Indirect	Induced	TOTAL		
Output Impact	\$677,519	\$188,987	\$187,146	\$1,053,652		
Indirect Business						
Tax Impact	\$5,618	\$8,172	\$12,890	\$26,680		
Employment Impact	13.5	1.3	1.4	16.2		
 						
Tax Impact	Employee Compensation	Proprietary Income	Household Expenses	Enterprises	Indirect Business Tax	TOTAL
	\$43,528	\$1,767	\$49,540	\$27,158	\$25,422	\$147,416

On the state level, the economic impacts are as follows:

Economic Impact of Volunteer Labor in the State of California						
	Direct	Indirect	Induced	TOTAL		
Output Impact	\$657,836	\$232,536	\$258,270	\$1,148,642		
Indirect Business Tax Impact	\$5,384	\$9,132	\$15,482	\$29,998		
Employment Impact	13.9	1.4	1.7	17		
Tax Impact by Category						
Tax Impact	Employee Compensation	Proprietary Income	Household Expenses	Enterprises	Indirect Business Tax	TOTAL
	\$47,033	\$1,856	\$50,963	\$28,536	\$28,623	\$157,012

Very Important but Unquantifiable Impacts of Organization

In addition to the variables for which we were able to calculate specific monetary values, there are several areas where dollar estimates of the impacts were not calculated but for which there are significant economic implications.

Nutrition and physical exercise can help youths remain healthy. Many youths across the country who have poor nutrition and lack sufficient physical activity are overweight and obese. As a result of this they face serious medical concerns that can be very costly. The Boys & Girls Clubs in Ventura County encourage physical exercise and good nutrition through their routine programs. The student survey found that a significant proportion of students report that they are losing weight as a result of participation in the clubs. The results are as follows:

Total number of youth served in all the Boys and Girls Clubs in Ventura County	Percentage of club members who have experienced loss of weight through participation in Boys & Girls Clubs activities	Estimated number of club members who experienced loss of weight
22,638	28.9%	6,542

Another benefit for which a specific monetary value could not be found is the impact of the club on parents' educational attainment. While some parents work while their children are in the after school program, others try to upgrade their skills through formal programs. Such activity can allow the parents to become more productive and eventually earn more in better professional positions. Due to a lack of published data, a specific monetary value could not be placed on this benefit; the below table presents data on the number of parents who are upgrading their skills as a result of the Boys & Girls Clubs.

Total number of families served by all the Boys and Girls Clubs in Ventura County	Percentage of families that at least one member believes that sending their children was the reason for him/her to be able to study and upgrade his/her skill	Total number of parents who have directly benefited through upgrading their skills
12,843	13.0%	1,670

Qualitative Findings from Student and Parent Surveys

Whenever an opportunity for surveying presents itself, an institution must consider all the data that it could possibly want to collect from the population in question. Although the primary purpose of the surveys distributed to parents and students was to determine the economic impact of the clubs, both surveys included more general questions on topics that may be of interest to club management and stakeholders. Section four of the study presents this data in detail.

The club member survey results generally indicate that students are satisfied with their experience at the Boys & Girls Clubs in Ventura County. Moreover, it is clear that they are deriving benefits from their participation. A brief summary of some of the key findings are as follows:

- Club members indicate a very positive attitude towards participation in Boys & Girls Clubs programs. A very strong majority (70.5%) like the programs in which they participate at least most of the time. An additional 22.9% like participating in the programs sometimes while only 6.1% never enjoy their participation.
- A very strong majority¹ (68.1%) of respondents like the tutoring program either always or most of the time.
- Over half of the respondents (58.4%) indicate that they always like the adults at the club while an additional 22.1% indicate this to be true most of the time. This data shows that the clubs have successfully created an environment where strong relationships can be built between the club members and the adult volunteers and staff members.
- It is critical that club members have positive interactions with their peers. When asked whether club members like the other kids at the clubs, a majority of respondents (63.9%) indicated that they like the other kids at the club either always or most of the time.

¹ This calculation excludes the 35% who do not participate in the program.

- A strong majority of respondents (63.9%) always feel safe when they are at the clubs while an additional 19.6% of club members feel safe most of the time.
- The vast majority of club members have strong attendance records. 84.7% of respondents indicated that they miss 10 days or less of school.
- A majority of respondents (53.7%) indicated that they would always recommend the program while an additional 35.3% would recommend the program sometimes. As such, it would seem that nearly nine in ten club members are generally satisfied with the services they receive at the Boys & Girls Clubs in Ventura County. This is a very promising rate of satisfaction.

The results of the survey distributed to parents are similarly encouraging. Parents indicate that they are generally pleased with the clubs and that the clubs serve their needs. A brief summary of the findings are as follows:

- Four out of every five parents report sending their children to the after school program almost every day while an additional 9.5% report sending their children to the program at least three days per week. As such, it is clear that nearly all parents depend on the program frequently.
- By far, the greatest challenge for all families is the cost of care. Nearly 64.5% of families served by the clubs consider the cost of care as the greatest challenge they face. As such, programs such as the Boys & Girls Clubs that provide high-quality cost-effective services are critical to the community.
- Nearly all parents (97%) agree or strongly agree that their children are in a safe environment when they are attending the Boys & Girls Clubs in Ventura County. This level of unanimity in the response is particularly noteworthy and shows the extent to which parents have faith in the safety of the clubs. Club management should be proud of this outcome.
- Parents are well-positioned to assess changes in their children. The survey included various questions designed to understand how club member behaviors have changed since attending the club.
 - Club attendance has made children more confident in themselves according to parents. 91.9% of parents agree or strongly agree that their children have become more confident in themselves since going to the clubs.
 - The majority of parents (82.7%) also observe that, since attending the clubs, their children get along with their family better.

- 85.3% of parents either agree or strongly agree that they have observed that their child's performance has improved in school since attending the Boys & Girls Clubs.
- The vast majority of parents (77.1%) have observed that their child's grades have improved since attending the Boys & Girls Clubs.
- Parents generally report that their children have made better choices when it comes to choosing foods and drinks since attending the Boys & Girls Clubs. The majority of respondents (64.4%) agrees or strongly agrees that such better choices have been made by their children.
- The vast majority of parent respondents (83%) agree or strongly agree that their children have shown more interest in regular physical exercise since attending the Boys & Girls Clubs.