Living Up to the Promise
Investing In Our Children

Report Overview
May 2016
The Social and Economic Impact of the Boys & Girls Clubs of Delaware

The Boys & Girls Clubs of Delaware serves over 30,000 youth across the state. Every day, thousands of kids head to the Clubs after school where they experience the five elements of positive youth development: a safe, positive environment; fun; supportive relationships; opportunities and expectations; and recognition.

Many Club youth face high risk factors in each of the following domains: Individual; Family; School, Neighborhood and Community as classified by youth.gov (the U.S. Government website). Some of the Individual risk factors are: low self-esteem; poor social skills such as communication and problem solving skills and early substance abuse. Family risk factors such as: Family conflict; poor parental supervision; and substance abuse among parents. School, Neighborhood and Community risk factors include: poor academic achievement; poverty; and peer rejection.

Each day at 44 Clubs across Delaware youth get a meal; spend time with their friends; receive help with their school work; learn valuable life skills; and connect with caring adult staff, mentors and volunteers to address and combat the risk factors that befall them.

This study identifies the many ways in which the Clubs create economic value. Boys & Girls Clubs provide services directly and indirectly to a network of community stakeholders. This study measures the positive impacts of the Boys & Girls Clubs to the following groups:

- Club Youth
- Club Youth Families
- Community/Economy/Society as a whole

Study Design

This was an independent study conducted by Damooei Global Research (DGR), which provides high quality economic analysis to the public and private sectors. DGR president Jamshid Damooei, co-author of the study, is Chair of the Economics & Finance Department in the School of Management at California Lutheran University and serves as the Co-Director of the Business School’s Center for Leadership and Values.

The study used multiple strategies to collect primary data:

- To learn how Clubs impact youth experiences, achievements and behaviors; surveys were administered to Club members.
- To gain further perspective on how Clubs impact youth and families; parents of participating youth were also surveyed.
- To gather organizational data to learn basic demographic details about Club members, financial and budgetary information, Club activities and resources, the volunteers who serve the Clubs, and other pertinent areas of inquiry, an in-house questionnaire was completed by the management of the Clubs.

This study used comparative data to measure the impact in creation of changes between behavior and performance of youth who regularly receive the benefits of the Clubs and their peers in the larger community. Primary data related to social intervention was analyzed using methods informed by an extensive review of literature and publicly available statistics.

To further illustrate the impact of every dollar spent by the Boys & Girls Clubs of Delaware, an Input-Output Model was used to compare the aggregate budget of the Clubs with the positive economic impacts that they generate in their communities. This framework allows for a cost-benefit analysis that cogently illustrates the tremendous value of the Boys & Girls Clubs of Delaware. To best demonstrate the economic impact on all stakeholders, the data collected in this study calculated “multipliers”, which, are quantitative measurements of the total economic impact of discrete activities.

The areas considered include:

- The impact of the Clubs on increased high school graduation rates
- Averted teenage pregnancies and births
- Reduced juvenile criminal activity
- Reduction in substance abuse (with emphasis on underage drinking)
- Improved prospects for working parents
- A statewide output stimulus through productivity of budget, capital expenditures and volunteer labor.

*For methodology and full report visit www.bgclubs.org
Every day, thousands of youth end their school day and head towards the Clubs; similarly, during school holidays and summer vacation, thousands of youth spend their entire day at the Clubs. The Club allows youth to socialize with peers and engage in a wide variety of educational and recreational programs. Without the Clubs, many of these youngsters would be without proper supervision, at-risk, and susceptible to negative influences and threats. In some families, a parent would have to stay home from work to provide such supervision, reducing the family’s earnings and economic security. The Clubs are an important social and economic asset to these working families.

The value of the Clubs extends beyond the direct benefits valued by parents and Club members. The communities where they live also benefit from Club programming and services by having youth positively engaged and away from trouble during non-school hours. This report provides a comprehensive enumeration of the many ways in which the Clubs create economic value in the State of Delaware. Many of these impacts include “positive externalities”, which is an economic term for the extra benefits that spillover from an initial investment. The Clubs provide services directly and indirectly to a network of community stakeholders.

**Key Elements**

There are three primary beneficiaries of the Clubs: Club members, the parents of Club members, and the community.

**Club members** receive the greatest benefit of all from their participation in Club programs and activities. When compared with their peers who do not attend a Club or receive their services, Club youth are more likely to graduate from high school and less likely to engage in risky behaviors resulting in juvenile arrest or teenage motherhood. Youth that receive services outperform their peers. This consistent trend strongly suggests that membership in the Clubs plays a vital role in explaining the behavior patterns of the group. By having access to a safe and nurturing environment, youth avoid negative influences. Moreover, basic Club services provide critical support to youth members, including academic assistance, health and life skills training and character development.

**Parents of Club members** who receive the services in a regular manner are able to be more productive since their children have a safe, supervised place to spend their afternoon and out of school hours. Many parents are able to work or pursue further education as a result of the services provided by the Boys & Girls Clubs.

Finally, the larger community also receives significant benefit from Club services. It is well known that juvenile crime peaks in the hours immediately following the end of the school day. Clubs provide the community with safe and constructive after school options for youth that promote education, healthy living and good citizenship.

Many of these benefits to Club members, Club parents, and 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 total value of all of these economic benefits is impressive.

**Findings**

The Boys & Girls Clubs of Delaware creates economic value in local communities through:

- Impact of better education through higher graduation rates and the resulting improved lifetime earnings 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.
- Lower teen pregnancy and motherhood rates, which create economic savings.
- Impact of crime reduction programs that enable youth to resolve conflicts and become more peaceful with their own peers and others in their communities.
  - Health education and its impact on reducing obesity and related diseases that leads to lower productivity and an increase in long-term chronic diseases.
  - Lowering the tendency for alcohol and substance abuse and lowering of the costs associated with underage use.
  - Enabling parents to work or attend school in order to upgrade their skills.
  - Total employment and the income impact of the Clubs through their annual expenditures, including both operational and capital budgets, as well as the donated labor of volunteers.
The Boys & Girls Clubs of Delaware plays a vital role in helping youth improve their academic outcomes. Clubs provide a variety of academic support and enrichment services that help youth succeed in school by providing homework assistance and tutoring services. Clubs also provide members with positive role models and a nurturing environment that can help them improve decision-making skills. Such skills can help ensure that Club members make positive choices when it comes to their academic future.

The economic cost of dropping out of school is not limited to the inability to earn a high income job. High school dropouts face much higher rates of unemployment, live shorter lives, and depend more on government assistance than those who complete high school.

In the recent class of graduating seniors, youth participating in Boys & Girls Club programming generated a positive economic impact of $44,351,202 through the increased lifetime earnings of graduates, compared to youth who did not participate. When compared to the annual budget of the Boys & Girls Clubs of Delaware, the estimated return on higher rate of high school graduation and this generates a multiplier of 2.77.

For every $1 spent by the Clubs, $2.77 of increased lifetime earnings is generated by impacted Club members.

86% of Club parents state that their child is sure he/she will attend college after graduating from high school.
MULTIPLIER: Parental Earnings

During the school hours, parents are free to work as their children are engaged with the school system. However, when the school bell rings and children leave the classroom, parents face a difficult and heart-wrenching decision: to continue working and leave their children with potentially inadequate supervision, or to stop working and reduce their family’s earnings. Both outcomes have their own dangers. As the largest licensed provider of childcare services in the state, the Boys & Girls Clubs help parents avoid this difficult dichotomy by allowing parents to remain productive during non-school hours while having the satisfaction of knowing that their children are safe, supervised and engaged in quality educational programming.

By enabling 2,745 parents to work and earn on average $25,910 a year, Boys & Girls Clubs enable parents to generate $64,127,250 in annual earnings for their families. This is a tremendous service that sustains an enormous level of economic activities across the state. Without the Clubs, these parents would be unable to earn this income.

For every $1 spent by Boys & Girls Clubs of Delaware, more than $4.0 in earnings are generated by parents who can keep their jobs due to the services of the Club.

This staggering figure shows the vital role that institutions like the Boys & Girls Clubs play in helping families to be economically productive while simultaneously not compromising the wellbeing of their children. It is important to realize that the wellbeing of these families benefits the entire society through reduced burdens on taxpayers for social programs. Beyond the benefit for taxpayers, these individuals and families are able to be more successful and enjoy a better quality of life.

MULTIPLIER: Region-wide Output, Employment, and Tax Revenue

The economic impact of social interventions resulting from the services provided by Boys & Girls Clubs represents a broad category of economic value created by the organization. Such social interventions are an important aspect of the value created by a nonprofit. Clubs create tremendous business activity and tax revenue through their operating budgets, capital expenditures, and use of volunteer labor. Boys & Girls Clubs sustain many jobs in the state, and their expenditures in the region are also helping local, state, federal agencies through the generation of substantial tax revenue.

The model estimates that a total of 540 paid jobs are created by the Clubs and that the annual operating and capital budgets of the Clubs generate more than $7.5 million in federal, state and local government tax revenue.

We should remember that while Clubs may not have sizable capital expenditures every year, the purchasing of equipment, vans and building or repairing the existing structures may occur from time to time which will have a positive economic impact in the region, similarly to when a for-profit company constructs a new building or buys equipment. The direct impact of capital expenditures in the year of this study amounts to $7,005,568. This amount of capital expenditure generates 45 jobs and a total of more than $2.4 million in tax revenue for the federal, state and local government in the region.

This study took a deeper look into the economic impact of volunteerism to attempt to estimate the output, job creation, and tax impact of work. Based on survey responses, it is estimated that volunteers across various locations of the Clubs, donated 13,675 hours of their time annually to work for the Clubs throughout the region. The study shows those efforts generated nearly $1.0 million in economic output across the region. Their free and voluntary labor provides services that would otherwise require 10 fulltime workers. In addition, because of their work, the Clubs provide 3 paid jobs through indirect or induced impacts on the regional economy.

In order to estimate the overall nationwide output of the Boys & Girls Clubs of Delaware, the impacts of these three components (operating budgets, capital expenditures and volunteers) were added. Calculations based on the total output generated over the sum of the inputs stemming from the regular budget of the Clubs, their capital expenditures, and the value of volunteer labor resulted in an overall multiplier of 3.97.
MULTIPLIER: Criminal Justice System Savings

Boys & Girls Clubs deliver positive alternatives to youth that help them avoid risky behaviors and make responsible life choices. Club facilities provide a safe haven for youth to escape the streets, meet with friends, and be part of positive peer groups. Club programs teach life skills, conflict resolution and focus on the development of character. Perhaps most important of all, caring adult staff and volunteers at the Club serve as role models, giving youth someone to turn to when they need help and guidance.

Individuals between ages of 12 to 24 are more likely to both commit and be the victims of violent crimes. The rate of crime spikes upwards dramatically with the highest rate of violent juvenile crimes occurring when youth leave schools between the hours of 3:00 and 4:00 PM. The cost of juvenile crime is most evident in increased spending in the juvenile justice system, but there are other costs to society as well: medical costs because of injuries suffered due to crime; stolen and damaged property resulting from crime; loss of work time by victims of crime and their families, and loss of property values in neighborhoods with high rates of crime.

Boys & Girls Clubs reduce juvenile crime rates by providing Club members a safe, nurturing environment, life skills training, and access to positive role models. Youth participating in the Boys & Girls Club have a lower arrest rate generating a savings of $26,203,518 per year for taxpayers who support the criminal justice system. When compared to the annual budget of the Clubs, this generates a multiplier of 1.64. For every $1 spent by the Boys & Girls Clubs of Delaware, taxpayers save $1.64 on expenditures for the criminal justice system annually.

MULTIPLIER: Lifetime Savings from Prevented Teen Pregnancies and Births

The Boys & Girls Clubs of Delaware plays a pivotal role in helping youth avoid the serious consequences they will face if they become teenage parents. By providing youth with a nurturing environment, life skills programming, positive peer support and caring role models, the Clubs help youth develop a sense of responsibility for their lives. Such support can help an at-risk teenager develop better decision-making skills that can help them avoid risky behaviors that can lead to teenage parenthood.

In addition to the costs of teenage pregnancy that burdens the taxpayers, it is important to consider the ways in which teenage parenthood changes the future life and prospects of the parent and the child. Teenage parents are less likely to complete high school and more likely to depend on public assistance. The children of teen mothers are more likely to perform poorly in school and are at a greater risk of abuse and neglect. The sons of teen mothers are 13% more likely to end up in prison and are more likely to commit more violent crimes, and the daughters of teen mothers are more likely to become teen mothers themselves.

This study showed that the Clubs generate a positive economic impact of $5,177,445 through savings to taxpayers and society. This dollar impact is achieved every year with Club teens who wait until they are older to have children. Compared with the annual budget of the Boys & Girls Clubs of Delaware, this generates a multiplier of 0.32. For every $1 spent by the Clubs, there is an additional savings of $0.32 that tax payers would have incurred for teenage pregnancies.
MULTIPLIER: Substance Abuse Reduction Benefits

Boys & Girls Clubs use a team approach involving staff, peer leaders, parents and community volunteers to help youth develop resistance and refusal skills to avoid use of alcohol, tobacco and other drugs. This collaborative approach assures that youth have a network of support to help them make responsible decisions and resist negative peer pressure.

Research shows that young people who begin drinking before age 15 are four times more likely to develop alcohol dependence and are two and a half times more likely to become abusers of alcohol than those who begin drinking at age 21. For every dollar spent by the Boys & Girls Clubs of Delaware, the community benefits as much as $1.22 per Club dollar spent in the reduction of the cost of juvenile drinking.

ADDITIONAL IMPACT: Development of Healthy Habits at a Young Age

Many people in the United States, including youth, suffer from a lack of exercise and poor nutritional habits which can often lead to obesity or chronic conditions such as diabetes. These negative lifestyle choices have severe health consequences that reduce one's length and quality of life. A 2005 research brief by Thomson Medstat Research.

This study shows that 13,704 Club youth through physical activities in their Boys & Girls Clubs reached or maintained their healthy weight. Clubs are helping their members lead healthier and more physically active lives!

What Club Youth Say About the Boys & Girls Clubs of Delaware

- 96% of Club members indicate a very positive attitude towards participation in Boys & Girls Clubs programs.
- 90% of the Club members have strong school attendance records. Of these, 70% personally believe that their regular attendance at the Club accounts for their good attendance records in school.
- Over 87% of Club youth report that they feel safe at their Club.

What Club Parents Say About the Boys & Girls Clubs of Delaware

- Nine out of ten parents said that their local Boys & Girls Club is the only program to which they send their children.
- 73% of parents agree or strongly agree that they have observed their child's performance in school has improved since they began participating in Boys & Girls Club programs.
- 76% of parents observe that, since attending the Clubs, their children get along with their family better.
- 86% of Club parents agree or strongly agree that their children talk about higher education and its importance in their lives.
- 75% agree or strongly agree that their children have shown more interest in regular physical exercise since joining the Boys & Girls Club.
- 86% of Club parents agree or strongly agree that their children have become more confident in themselves since going to the Clubs.
- 86% of Club parents state that their child is sure he/she will attend college after graduating from high school.
The Pivotal Role of Boys & Girls Clubs

Boys & Girls Clubs of Delaware provides a positive place for youth to develop healthy habits, improve their academic performance, reduce involvement in crime, learn conflict resolutions skills, experience the joy of volunteerism, stay away from violence, alcohol and drugs and be safe while they are out of school and away from home.

Investing in our children is the most certain way of constructing a healthy and productive society. While many people may disagree over certain complex economic and political issues, there is little debate about the importance of human capital, healthy families, and social cohesion in bringing people together to pave the road ahead for better life. It is easily understood that the Boys & Girls Clubs provide a positive place for youth to develop healthy habits, improve their academic performance, learn conflict resolutions skills, experience the joy of volunteering, stay away from violence, and be safe while they are away from their home and their day school. However, until a few years ago, there was not any serious attempt to take a close look at the economic impact of Boys & Girls Clubs. This report serves this purpose.

Attention to measuring the social and economic impacts of non-profit organizations has increasingly grown in recent years. These investments are directed towards building human capital, and the assessments of such investments are based on calculating the economic impacts through the transformation that they bring in the lives of those impacted. Every dollar invested in the Boys & Girls Clubs of Delaware brings a much higher savings to the community and tax payers. For every dollar invested, there is a $13.91 return to Delaware. The Boys & Girls Clubs of Delaware is an investment well worth of support.

For more information or questions about this study please contact:

Suchi Hiraesave, Ph.D., MSW
Executive Director, Grants Development
Boys & Girls Clubs of Delaware
Phone: 302-674-3313
Fax 302-674-5249
shiraesave@bgclubs.org