

CCEDNet's Place Based Poverty Reduction Initiative

How do we measure the impact of CED on poverty?

BY PAUL CHAMBERLAIN

Most of us know from personal observation and from anecdotes told by those we work with that CED helps improve the lives of those in poverty. We see people generating their own businesses or employment income, reducing dependence on social assistance, improving in health mentally and physically, building support networks, becoming more engaged with their communities, and so on.

So when someone asks us to describe the impact of our work, we can usually tell them success stories. But we have no way of specifying the impact of CED in concrete, numeric terms. Stories are extremely important. But more and more we are being asked to quantify the results, and for results that are quantifiable.

Over the past year, the Canadian CED Network (CCEDNet) has been working with four partners to describe the impact of CED both in qualitative and quantitative terms in communities across the country. It is called the Place Based Poverty Reduction (PBPR) research initiative. To demonstrate results in quantitative terms, each partner used a variety of approaches to measure impacts on a selected group of constituents:

- Social Return on Investment tools
- estimates of saved costs in government assistance, health services, and incarceration
- the Sustainable Livelihoods Model
- measures of Value Added, which monetize the contribution of such goods and services as volunteer labour, donations, and skill development*

What follows is just a glimpse into the processes and work of our partners. The stories describe the communities in which they work, what kind of organization each is, the way they collected this data, and what they discovered. Together, they reveal a complex and sometimes expensive process with plenty of room for error in both the design of measures and in their interpretation. For all that, these stories also tell of an approach to program assessment that is invaluable to CED organizations and the populations they serve, as well as funding partners.

The Learning Enrichment Foundation

LEF works in southwest Toronto in what was once the city of York, an area in which de-industrialization has resulted in increasing concentrations of poverty. In the last five years alone, this area has suffered a 50% loss of the total available jobs. Immigrants comprise over half the local population, one of the highest percentages in Toronto.

LEF fosters social and economic development through a broad program mix relevant to new Canadians: youth entrepreneurship, childcare provision and training, English as a Second Language and literacy, training in food preparation and internet and computer technology, self-marketing workshops, a wood products training enterprise, and Toronto's Social Purchasing Portal.

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For the PBPR initiative, LEF analyzed data from the past three years for 176 employment program participants who transitioned from social assistance to full-time employment. The data was derived from client registration forms, Toronto Social Services-Ontario Works social assistance data, Statistics Canada, and LEF client files. Only participants who were also clients of the Ontario Works program were included. While they represented only a portion of training graduates and successfully employed participants, this group had unique data sets that were crucial to calculating quantitative impacts. Benefit levels based on marital status and dependents, and the last year of reported earned income, when compared to Low Income Cut-Offs enabled us to establish pre-intervention baselines in terms of income and depth of poverty.

* See Laurie Mook, "Expanded Value Added Statement Toolkit," *Concern for Community* (Winter 2003). 19 February 2008
<<http://www.coopscanada.coop/newsletter/csr/winter2003/toolkit>>.

While not exact, this data made it possible to reasonably demonstrate that these individuals had income levels below established measures of poverty when they entered LEF. The data also allowed us to quantify in terms of employment income the transition of individuals out of poverty.

The data showed that over 99% of participants enjoyed higher before-tax income after their involvement with LEF. The increase ranged from 24% to 616%, with a median of 199%. Under Ontario Works, agencies are paid in installments based on 3- and 6-month job retention milestones. The reduction in social assistance payments for the 6-month retention period alone was \$242,910.

Économie communautaire de Francheville

ÉCOF is a CED corporation in an old part of Trois Rivières, a city of 126,000 halfway between Montréal and Québec City. Close to 50% of the population in this historic town are unemployed and dependent on social assistance. Education levels are low. ÉCOF works to revitalize these distressed neighbourhoods by using an integrated strategy of collective and small enterprise development, employment assistance, local ownership, housing restoration, and public participation.

ÉCOF had hoped to be able to create a picture of change in the community by comparing data from the 1996 and 2001 Statistics Canada censuses. In November 2000, ÉCOF and their community partners began working together and created a socio-economic picture of several high needs neighbourhoods using 1996 data. They have used 2001 census data to update this information under the general themes of housing, family, education and employment, but lack of resources prevented them from doing the same postal code by postal code analysis of the former study. "It would have been good to derive more meaningful comparative material," said Caroline Lachance, ÉCOF's Executive Co-ordinator, "but as good as StatsCan data is, it can't really show the impact of what's happening on the ground in a community – a school closing or a number of individuals finding employment. Positive or negative, we have to document those results case by case."

ÉCOF, like LEF, does have individual participant data based on the interviews and data collection that are part of ÉCOF's regular intake, support, and monitoring process (and a requirement for government funding). Data on the duration of unemployment, receipt of government assistance, education levels, and parental status are collected, as well as the results of the support provided – training, education, employment, and earned income.

Data analysis under the PBPR focussed on 63 participants who transitioned from government assistance to employment over a 3-year period. Over a 6-month retention period ÉCOF estimates reductions in social assistance payments reached \$218,075. Gross wages in that same period totaled \$362,880.

This added \$384.67 to the monthly income of each participant – an addition to the local economy – and a total "social benefit" per participant of \$1,535.33 (\$960 in wages plus \$575.33 in public savings).

Greater Trail Community Skills Centre

Working in a rural community surrounding a shrinking one industry town, Trail CSC uses four parallel approaches to poverty reduction: enterprise, training, employment, and community solutions.

For this project the Centre focussed on participants of The Right Stuff, a social enterprise that provides collating and delivery services for the local daily newspaper. Since 2002, without any government funding, The Right Stuff has provided a supportive environment in which at-risk youth can gain paid employment experience and access to an employment and lifeskills counsellor.

The systems for tracking the socio-economic impact of the Right Stuff are fairly simple and rely heavily on effective communication with the participants. During the hiring and orientation process the employee, interview panel, and frontline supervisor all complete detailed checklists. The counsellor also works with employees on-site to develop and monitor a Personal Growth Plan. When an employee leaves an exit interview is conducted and s/he is contacted by staff at 3-month intervals for up to a year.

The Right Stuff's social return on investment was quantified in six ways.

1. Annual Income & Cost Savings to Income Assistance Budget

▪ Wages earned by Right Stuff (RS) workers 2002-2003	=	\$59,936
▪ Total Income Assistance RS workers would have rec'd over a similar period	=	\$49,920
▪ Aggregate increase in income	=	\$10,016

2. Annual Benefit of Additional Consumer Spending

There is a lot of research on the Economic Multiplier or Local Multiplier Effect. My local Chamber of Commerce uses a multiplier of three, estimating that each dollar paid to local merchants for rent, utilities, new clothes or electronic equipment, and discretionary items (e.g., video games, take-out) helps supply buying power for two more local purchases. In other words, if spent in town, the wages of Right Stuff participants could have an impact on Trail's economy that is triple their face value.

▪ Total annual wages of three RS workers in 2006	=	\$50,037
▪ Estimated impact on the community economy in 2006	=	\$150,111
▪ Estimated impact on the community economy in the past five years	=	\$450,333

3. Cost of a Single Parent & Child on Income Assistance

- Cost of supporting eight single parents on income assistance with one child under the age of three for one year = \$90,816
- For three years \$90,816 x 3 = \$272,448

4. Cost to Health System

41% of hired youth-at-risk have undiagnosed mental illness. Work helps to stabilize their lives, intermittent stays in the psychiatric ward would cost:

- Cost of supporting four individuals in a hospital facility for one day = \$4,000
- For ten days \$4,000 x 10 = \$40,000

5. Cost of Incarceration

Employment reduces criminal activity. For example, because of a job at the Right Stuff, one program participant was allowed to be in the community weekdays, rather than in jail.

- Cost of supporting one individual in a federal prison for one year = \$85,000
- For supporting four individuals \$85,000 x 4 = \$340,000

6. Value of Volunteer Work

One program participant chose to volunteer for the local ski patrol and worked 11 8-hour days over the ski-season. If three seasons is the average length of time that volunteers dedicate to such commitments, they too have significant value to the community.

- Value of one ski patrols volunteer work per season (with 14% employer costs) = \$1,003
- For three seasons \$1,003 x 3 = \$3,009

PARO Centre for Women's Enterprise

PARO provides programs for rural, northern, aboriginal, immigrant, and francophone women, who live on low incomes, have experienced violence, or are differently-abled. It provides a wide range of entrepreneurial development supports for individuals and collective enterprises, principally through its Business Accelerator program. By means of the internet and a van ("PARO on Wheels"), the organization brings its programs to towns and reserves throughout Northern Ontario.

Working with the Canadian Women's Foundation and Eko Nomos CED consultants, PARO has implemented the Sustainable Livelihoods Model. This model tracks changes in five asset areas identified as key to a balanced livelihood (financial, social, personal, human, and physical) in the recognition that financial assets alone do not determine one's quality of life or chances of achieving success. The Sustainable Livelihoods Model provides a way to quantify qualitative changes in people's lives.

Résumé : L'initiative de réduction de la pauvreté basée sur l'emplacement du RCDÉC

Dans ce projet d'une année, le Réseau pan-canadien de DÉC et quatre organisations communautaires ont tenté de trouver des façons de décrire les résultats de DÉC tant en termes qualitatifs que quantitatifs. Chaque partenaire a utilisé une variété de mesures pour déterminer l'impact d'un programme sur un groupe de personnes et sur le reste de la communauté :

- Bénéfice social sur l'investissement
 - Épargnes prévues en aide sociale, services de santé et coûts d'incarcération
 - Le modèle de moyens d'existence durable
 - Estimés monétaires de la valeur des activités non payées
- Elles ont découvert que la mesure quantitative est dispendieuse et souvent importune. Ce qui peut tenter une organisation à attacher plus d'importance à des activités qui donnent facilement des « nombres spectaculaires » que celles qui ont des résultats moins quantifiables.

Du côté positif, les mesures quantitatives et qualitatives des résultats peuvent améliorer une initiative de DÉC, surtout lorsqu'ils sont intégrés lors de son élaboration et non ajoutés plus tard. Ils renforcent notre cas aux yeux des dirigeants, financeurs et autres investisseurs. Finalement, ils aident les participants à tenir compte de leur progrès et à prendre plus de responsabilités dans le processus de développement. ■



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Research over the years 2005-07 tracked ten Business Accelerator participants. Using baseline intake statistics staff interviewed participants on all five asset areas to measure annual progress. Qualitative descriptions of change are supported quantitatively by participants rating themselves on a scale from one to five. The outcomes were positive and substantial. All participants reported an increase in all asset areas:

- Financial 29.8%
- Personal 26%
- Social Network 24.8%
- Human 12.3%
- Physical 11%

“Although this followed only the Business Accelerator participants,” suggests Roz Lockyer, PARO’s Executive Director, “in light of the integration of all of PARO’s programming and the level of interaction by participants between programs, these results are significant for the whole organization.”

To further evaluate and quantify its holistic approach to CED (volunteer contributions and social outputs, for example), PARO has also used an Expanded Value Added Statement to quantify some of the impacts of PARO on the community. The report states,

“In comparing the \$386,999 of combined social value added in this 11-month period to the \$254,364 of value added based on the audited financial statements, we can see that PARO created at least \$132,635 in additional social value. This additional social value would not normally be recognized in financial statements, but it is a more accurate reflection of the value PARO creates with the resources available to it. It is estimated that the organization generated \$2.09 for every dollar spent on goods and services. The social value added component of this was \$0.72, indicating a large contribution of social value added for every dollar received by PARO from grants and other sources.”**

Challenges

Whichever approach is used, measuring impacts is obviously not without challenges. Michele Cherot at Trail CSC describes the years it has taken to develop a system that measures the personal successes of the youth that work at The Right Stuff. “We have tried numerous renditions of a Personal Growth Plan,” she explains, “which ultimately measured and highlighted their failures rather than their successes, a system that doesn’t benefit anyone.” Then there are the “un-measurable successes.” Three program participants took part in a day-long walk-a-thon fundraiser for cancer research last spring, for example. “This was the first time any of them had been involved in a community

event. The impact on them was significant,” Michele recalls, but adds, “The challenge for us is, how do we measure that kind of success?”

There is also the fact that development patterns involve both progress and regression in a participant’s life. “It is very difficult to pull out the positives when the setbacks tend to dominate the perception of what is happening in their lives,” she observes.

Who does the data gathering is another issue. Value-added research can be done by external researchers, but it clearly requires the involvement and close co-operation of staff and participants. Without close and trusting relationships between the staff and participants at ÉCOF and LEF, the data essential to their financial impact analysis would not have been available. Nevertheless, the data-gathering process was extraneous to the CED activity at the heart of those programs.

The research initiative highlighted how the single-issue focus of many funded programs not only fails to adequately address the complex & interrelated issues of poverty, but also acts as a disincentive to service providers to focus efforts on the problem.

With the Sustainable Livelihoods Model, by contrast, data collection becomes integral to the work of staff and participants. Trail CSC has started to use the Model, and involves their young participants in the very design of the process. “We asked the youth to identify their success indicators in each of the five asset categories,” says Michele of The Right Stuff program. “In this first round of self-assessment we found they were very receptive to the process.”

PARO reports that it has “incorporated Sustainable Livelihoods at every level of the organization, from strategic planning sessions, to program curriculum All participants attribute their asset increases to the program’s ability to make them aware of their full range of assets and to provide them with the knowledge of how to define success in their own terms. One Accelerator participant declared ‘I use the model for everything in my life.’”

As the latter remark reveals, the ability to measure program results is important not just for funding partners. The participants themselves want a quantifiable way to assess how their lives are changing. In Michele’s words, “When they can see measurable results it gives them the confidence to continue with their new choices and lifestyles.”

** Kelly Babcock, “PARO Centre for Women’s Enterprise: Measuring Social Impact,” prepared for CEDTAP of under the direction of Dr. Ted Jackson (Ottawa: Carleton University, 2007). Available from www.paro.ca.

The Balance

Our PBPR partners and our broader learning network have had many debates in the last two years about the relative merits of these methods of quantitative measurement: the accuracy, challenges, and shortcomings of each and of other methods, individually-based or community-wide; the need for better access to community-wide data; and the pros and the cons of the whole endeavour.

LEF's Joe Valvasori describes some of the issues. "We have embedded data collection procedures that make quantitative measurement ongoing and relatively painless. The data is based on individual program targets, as defined by the funder, and focusses primarily on post-intervention outcomes, however. The pre-intervention indicators required to establish appropriate baselines are absent. For LEF, the PBPR project has highlighted the need to create and implement quantitative indicators and data collection methods focussed on poverty reduction. Accordingly, it is establishing a 'poverty lens' that will be applied across the organization to measure impacts and guide its work."

The research initiative also highlighted how the single-issue focus of many funded programs not only fails to adequately address the complex and interrelated issues of poverty, but also acts as a disincentive to service providers to focus efforts on the problem. For example, when the number of people gaining employment is the single measure of a program's value, organizations can feel pressured both to "cream" intake for the most readily employable clients and to encourage them to take low-paying, shorter-term employment. A broader focus that accommodated the real complexity of poverty would make it clear that the goal is to attain sustainable employment income, and that steps toward achieving that goal need acknowledgment.

Finally, PBPR demonstrated how important it is for communities to create, modify, and adapt strategies to reduce local poverty, filling the gap left by government policies and programs with community-based approaches.

In summary, how do the advantages and disadvantages of quantitative measurement balance out? On the negative side of the balance there is:

- The time and cost of collecting and analyzing the data. It all takes away from the resources available for direct CED work.
- The intrusion on participants' lives when additional information is requested. This is especially the case for social assistance recipients who fear their benefits may be affected by the supplementary self-employment or part-time income they earn.
- The temptation to invest more effort in things that are more easily quantified or monetized, to the detriment of programs that generate important qualitative results. Even among programs that do offer quantifiable results, the ones with the most "spectacular numbers" may become favoured for resources on that basis alone.

On the positive side of the balance:

- Quantitative assessment enables us to "make our case" more concretely to policy-makers, funders, and other investors.
- We can speak with increased confidence of the effectiveness of the CED approach to poverty reduction.
- Depending on the methodology, program participants can track their own progress more easily and assume more responsibility in the development process.

So yes, there are many challenges to the process of quantifying the impacts of our work. Yes, it can profoundly change the way we work. But is it worth the effort? So long as the quantitative measures are used in conjunction with qualitative ones to convey a more complete appreciation of the outcomes that have occurred, our partners in this project all give a resounding "Yes!"



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The full report on the Place Based Poverty Reduction initiative will be available in English and French from CCEDNet's website shortly. Go to www.ccednet-rcdec.ca and select "Tools and Publications" (CCEDNet Publications). The initiative was funded by the Government of Canada's Social Development Partnerships Program. The opinions and interpretations in the report and in this article are those of the author and do not necessarily reflect those of the Government of Canada.

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