

COMMUNITY ACTION DULUTH

A Return on Investment Study

A Closer Look at the Long-Term Impact of Programmatic Investments

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**Engaging and empowering our community to eliminate poverty, and creating
prosperity and equity in the lives of the people we serve**

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Table of Contents

1. Summary	
Abstract.....	3
2. Introduction.....	3-4
3. Methodology.....	4-5
4. Program Returns.....	5-25
a. Tax Site.....	6-8
b. MNSure.....	8-10
c. JumpStart.....	10-14
d. GED.....	14-17
e. Employment Coaching.....	17-19
f. Bridge to Employment.....	19-22
g. Big View.....	22-25
5. Summary of Key Findings.....	25-26
6. Implications.....	26-27
7. Limitations.....	27-28

8. Reports Prepared By	29
9. Acknowledgements	30
10. Appendix A: WIPFLi Audit: Fiscal Year 2013	31 & Insert
11. Appendix B: Community Action Duluth Data: Fiscal Year 2013	32 & Insert
12. Appendix C: Community Action Duluth Data: Fiscal Year 2015	33 & Insert
13. Appendix D: Definitions	34 & Insert
14. Appendix E: Calculations	35 & Insert
15. Sources Cited	36
16. Sources Referenced	36

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Summary Abstract

This study investigates the return on investment (ROI) of various programs operated by Community Action Duluth (CAD). Findings consistently demonstrate positive value for participants, funders, taxpayers and society as a whole. Using conservative estimates throughout, cost-benefit ratios result in returns of between \$2.14 and \$33.10 for every dollar invested in a program, with an average return of \$14.45 after one year. Five year projections show returns ranging from \$8.68 to \$165.48 for every dollar invested.

Research findings, presented from a compilation of CAD FY 2013 budgets paired with national, regional and community-based data, provide a clear indication of the effectiveness of CAD programs. This correlates well with ROI research findings nation-wide. Benefits not only profit individuals and families directly participating in the program itself but the broader community, by increasing the tax base and stabilizing or often expansively increasing economic stability. Benefits not only are substantial over time but impressive in the short term as well.

Although it has been argued that social programs are expensive to operate and their results intangible, we believe they are a powerful and compelling investment where benefits multiply over time. We believe investing now will save higher costs later and we believe that all people have the ability to prosper with the right opportunities and the right support. We're here to provide both.

Based on this study and the existing nationwide body of literature on ROIs, we strongly encourage continued and increased financial support for the programs cited in this study as well as similar initiatives nationwide. Our research clearly suggests that benefits from CAD programs extend far beyond a participant's time with us and far beyond the individual participating.

Introduction

Community Action Duluth set out to conduct this study for a number of reasons including but not limited to aiding in the process of: Budgeting, program implementation and timeline, public relations, donor development and broad-based education regarding the impact of poverty and the influence that invested dollars have in creating a more equitable community. Not every program or initiative Community Action Duluth operates is included in this study due to time and funding restrictions.

Social ROIs (SROI) provide us with the means to apply a traditional and widely understood concept from strictly financial terms to one that considers the effect of an investment in people and our planet. In turn, this process allows us to concentrate on initiatives that not only provide a beneficial (or in traditional terms, a profitable) outcome, but projects that produce the best outcome. SROIs therefore are the analytic tool that allows us to measure and account for a much broader idea of value, including social, economic and environmental factors. Such analysis provides us with the information necessary to maximize impact and in turn, invest most wisely. (BetterEvaluation, 2011) The following study focuses on the ROI of multiple programs with very conservative estimates. SROIs are provided for two of which where we examine a broader impact.

Building on CAD's rich history of providing for the needs of people with low incomes, programs are designed to strengthen economic security through: Building assets, developing families through gainful employment, building relationships across race and class lines and public policy work. The programs in this report are essential to our belief that people can permanently lift themselves out of poverty with the right support and the right knowledge. Our work is to empower families with both. (Community Action Duluth, 2015)

This study includes a cost-benefit analysis of the following: Employment coaching, GED tutoring and test preparation, community-based policy change, specialized employment coaching for families of color receiving public assistance, financial coaching coupled with an affordable car purchase program, tax preparation services and assistance navigating affordable health insurance. Programs were selected based on the projected feasibility of their measurable outputs as well as the resources allocated to complete this project. In the future, we would like to cover additional programming.

It's important to remember that the following are intentionally very simple ROI models. They do not factor in any benefits for the child or children of the program participants in terms of increased financial stability, which has been shown to correlate with decreased hunger, absenteeism and criminal activity along with increased graduation rates, test scores and college admissions. These benefits should not be downplayed and in fact, their impact on society as a whole is tremendous. According to Heegaard (2011), these benefits can be financially calculated to upwards of \$500,000 in savings per child impacted over a lifetime (the average CAD participant household has two children). That being said, we purposefully and consistently chose the most conservative estimates for our programming.

It is equally important to recognize the qualitative benefits that aren't measured as a part of this study. Participants report an increase in self-confidence, decrease in stress and increases in positive family dynamics, access to systems and societal inclusion. Often these qualitative measures are quantified into dollars and subsequently described as "stability effect". A typical one year quantification of a stability effect for one individual is \$3,000 although this can vary significantly upwards of \$10,000 depending on the services provided (Heegaard, 2011). Again, the average household size served is three. The combination of all of these benefits with the addition of the social benefits mentioned in the previous paragraph, can exceed \$1,000,030 per family served.

Methodology

ROIs to follow compare the projected economic value of program outcomes with the investment made in each program analyzed. First, we estimated the average cost per program participant based on program budget and attributed that cost on a yearly basis. For consistency, program outcomes and budgets fall within fiscal year 2013 (FY 2013) which spans the dates of October 1, 2012 – September 30, 2013.

Next, we calculate the cost per successful participant and compare the number of people participating in the program to the number of people who reach a successful outcome. This in turn, becomes our success rate.

We use real CAD data to project increases in income, increases in tax revenue and decreases in the use of public assistance. We integrate those projections (when appropriate) with credible data and social science research to project other benefits like finance charges saved, economic impact and increases in workplace productivity to name a few.

For the purpose of the following SROI, data from: The Bureau of Labor Statistics, Consumer Reports, the Internal Revenue Service, the Department of Health and Human Services, the US Census, US Inflation Calculators and other like sources was used to demonstrate consistent increases in wages and tax revenue along with decreases in the use of public benefits and other social assistance.

We attribute total program investment cost to the funder and also to the taxpayer. This is done intentionally to create a very conservative estimate. Over 45% of CAD's budget is funded through

private foundations, individual contributions and earned income. In attributing costs to both categories, we make sure that taxpayers are given any credit due when calculating government-funded programming which may be funded by tax dollars.

Benefits are attributed accordingly with the use of a combination of participant and tax payer to total the columns noted as society. We do not assume any increase in wages or subsequent increase in tax revenue and do not project any further decrease in public benefit use to remain consistent in providing conservative projections.

The return on investment is calculated as the overall benefits less the investment, divided by the investment and is calculated for successful participants as a cohort. The calculation reads:

Return on Investment (ROI): (Total Benefits - Total Costs / Total Costs) + I

The addition of "+I" represents the initial investment, allowing the most readable translation of the final product which states that for every \$1 invested, \$x is projected to be returned.

For additional information regarding data and calculations, please reference attached appendices D: Definitions and E: Calculations.

Program Returns

As mentioned previously, the following findings consistently demonstrate positive value for participants, funders, taxpayers and society as a whole. Cost-benefit ratios result in returns of between \$2.14 and \$33.10 for every dollar invested in the program with an overall average of \$14.45. Five year projections show returns ranging from \$8.68 to \$165.48 for every dollar invested.

Tax Site

For every \$1 invested, we return \$31.

Overview

CAD's tax site has been in operation for over a decade and expanded more than ten-fold since inception. Professional tax preparation is not only expensive but often lures people with low incomes in particular into predatory, ancillary financial products with annualized interest rates upwards of 300%. Each year, our tax site prepares thousands of returns bringing back millions into our local economy. Paired with financial coaching, this program in particular is exceptionally effective in both the short and long term.

Below, "total credits" are used to describe the Earned Income Tax Credit (EITC) and Minnesota's Working Family Credit (WFC), the state analogue of the federal EITC. These credits infuse new money into our community rather than simply return tax dollars withheld. As part of our tax services, we ensure that our customers receive every credit for which they qualify. There is no

assumed payment on the part of taxpayers towards the EITC. It is assumed that federal and state budget policy in place generates EITC and WFC funds and that there is no detriment to the tax payer in generating the financial base of these tax credits.

The gift of time of nearly 100 volunteers makes this program possible. Without them, costs to operate would be higher, decreasing the ROI.

Statistics

Program Budget: \$106,873

Participants Served: 1,561

Cost Per Participant: \$68

Average Cost for Commercial Tax Preparation: \$200

Refunds Generated: \$2,990,851

EITC Claimed: \$899,404

WFC Claimed: \$179,881

Projections

1 Year Projection

Cohort of 1,561	Funders	Participants	Taxpayers + Business	Society
Commercial preparation fee	\$312,200	\$312,200	(\$312,200)	
Total refunds less credits	\$1,911,566	\$1,911,566		\$1,911,566
Total credits	\$1,079,285	\$1,079,285	\$1,079,285	\$2,158,570
Total return	\$3,303,051	\$3,303,051	\$767,285	\$4,070,136
Total investment	\$106,873		\$106,873	\$106,873
Net return	\$3,196,178	\$3,303,051	\$660,412	\$3,963,263
ROI	\$30.91		\$7.18	\$38.08

Discussion

The charts above attribute costs and benefits to categories of individuals impacted. When an individual or family receives free tax preparation, they save in commercial preparation fees and generate a personal tax return. Investors, meaning foundations, individuals and/or taxpayers can expect to receive a \$31 refund for every \$1 invested within the first year.

The funder benefits from all positive impact and is also charged with the full investment of the program. Participants benefit from savings in tax preparation fees and gain a tax refund. It is assumed they make no personal, financial investment in the program although a significant number of users volunteer time and/or designate charitable contributions for the tax site.

Taxpayers and businesses are positively affected by tax credits, or new money coming into our community that wouldn't otherwise have been circulating here unless claimed by an eligible taxpayer. It is assumed that much of this money is put back into the local economy through

increased spending on basic needs. The full program cost is charged to this category with the assumption that taxpayer dollars fund program operating costs.

Our conservative assumption of cost savings considers only the fee for preparing a complete set of federal and state tax returns, estimated by the IRS as averaging \$200. We exclude cost savings from avoiding predatory add-ons such as refund anticipation checks, audit insurance and retirement vehicles sold by franchise tax preparers.

Return on investment in the tax site is also calculated without the EITC's considerable impact on reducing child poverty and all its attendant ills.

Finally, participant and taxpayer/business are combined to reveal the total impact of the program on society as a whole.

Update

In 2014, we prepared taxes for 1,780 families and brought over \$3M back into the community in refunds. In 2015, we set an all-time record, bringing back over \$3.7M in refunds, and \$1,055,607 in EITC.

Success Rate

We have a tax preparation success rate of 99% with a cost per participant of \$68.

We very rarely are forced to turn someone away, and when we do it is due to IRS Volunteer Income Tax Assistance (VITA) site regulations (e.g.: out of scope tax issues, excess business expenses, over IRS-mandated income limit of \$53,000). Other times, individuals do not have all their documents and we cannot complete their return. The great majority come back later with the necessary paperwork. We complete and file 99% of the returns we initiate. The last 1% remains unresolved, usually because clients do not cooperate in providing missing information or decline to file with a balance due. It's important to note that there are nights where we are not able to serve all the individuals who come to our doors because we are at capacity. They are encouraged to come back another time or referred to other local VITA programs.

MNSure

For every \$1 invested, we return \$33.

In 5 years, that same \$1 becomes \$165.

Overview

The implementation of the Affordable Care Act brought the opportunity for CAD to host one of many MNSure navigator sites in the Duluth area as a member of the coalition *Insure Duluth*. Health outcomes for economically disadvantaged families are disproportionately worse than those of middle and upper classes. Social research in the field attributes increased stress and a lack of: Financial stability, access to preventative care, primary physicians and healthy food as some of the many social determinants of health.

CAD MNSure navigators work with people to determine their medical insurance eligibility, options, enrollment and coverage through an online system. In addition, navigators process renewals, engage in community outreach and education as well as provide ongoing support for people who have utilized our services.

MNSure programming started six months into FY 2013. The statistics used below are reflective of the condensed timeframe. National statistics on the use of emergency rooms for the uninsured were used. It is important to note the broad spectrum of research done regarding individuals experiencing economic disadvantages. It is a very conservative estimate to use national statistics rather than income-specific statistics which would provide a more accurate description of our service population and possibly a higher rate of return.

Lost productivity is defined from an employer’s standpoint. (National Center for Biotechnology Information, Measuring Health-Related Productivity Loss, Mitchell & Bates, 2011). It’s important to note that a vast majority of people we serve do not receive workplace benefits, such as paid sick time. For this reason, we’ve conservatively estimated the cost to participants at minimum wage for an eight hour day (Department of Labor & Industry, Minnesota Minimum-Wage Report, 2013, Berry, 2014).

Statistics

Program Budget: \$19,844

Participants Enrolling in an Insurance Program: 125

Cost Per Participant: \$159

Average Percent of Emergency Room Visits per 100 People Per Year: 42.8%

(Kaiser Family Foundation)

Projected Number of CAD Participants Making an Emergency Room Visit: 54

Average Cost of an Emergency Room Visit: \$1,318 (BCBS of California)

Average Annual Cost of Lost Productivity per Uninsured Person: \$4,769

(Bureau of Labor Statistics)

Minimum wage: \$7.25 per hour (Bureau of Labor Statistics)

Average hours worked/day: 8 (Bureau of Labor Statistics)

Average days missed: 27% at 6+ days; 21% at 2.5 days (Common Wealth Fund)

Projections

1 Year Projection

Cohort of 125	Funders	Participants	Taxpayers + Business	Society
Emergency room costs	\$60,628*	\$60,628		\$60,628
Lost Productivity	\$596,125		\$596,125	\$596,125
Lost Wages		\$15,602	(\$15,602)	
Total return	\$656,753	\$76,230	\$580,523	\$656,753
Total investment	\$19,844		\$19,844	\$19,844
Net return	\$636,909	\$76,230	\$560,679	\$636,909

ROI	\$33.10		\$29.25	\$33.10
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5 Year Projection

Cohort of 125	Funders	Participants	Taxpayers + Business	Society
Emergency room costs	\$303,140	\$303,140		\$303,140
Lost Productivity	\$2,980,625		\$2,980,625	\$2,980,625
Lost Wages		\$78,010	(\$78,010)	
Total return	\$3,283,765	\$381,150	\$2,902,615	\$3,283,765
Total investment	\$19,844		\$19,844	\$19,844
Net return	\$3,263,921	\$381,150	\$2,882,771	\$3,263,921
ROI	\$165.48		\$146.27	\$165.48

Discussion

The charts above attribute costs and benefits to categories of individuals impacted. When an individual or family gains insurance coverage, they decrease the use and costs attributed to emergency room visits by utilizing primary care physicians and practicing preventive health care and in turn are able to work more and be more productive at work. Investors, meaning foundations, individuals and/or taxpayers can expect to receive a \$33 return for every \$1 invested within the first year. Over time, no additional dollars are invested into the change but the benefits compound, subsequently increasing the return.

The funder benefits from all positive impact and is also charged with the full investment of the program. Participants benefit from savings in emergency room costs and medical bills while increasing their earning potential by not taking unpaid sick time. It is assumed participants incur no financial cost for the program.

Taxpayers and businesses are positively affected by increased work productivity. It is assumed they will pay staff more due to less time taken off (with the assumption that staff do not receive paid sick time benefits). Again, the full program cost is charged to this category with the assumption that taxpayers pay the program funds to operate our MNSure program.

Participant and taxpayer/business are combined to reveal the total impact of the program on society as a whole.

Update

In 2014, we enrolled 529 families in an affordable insurance plan and are set to increase that number in 2015.

Success Rate

The cost for a participant to successfully enroll in a health insurance plan is \$159. Individuals and families who are not initially eligible, work with navigators to find eligibility. For this reason, we do not have a success rate percentage.

JumpStart: Financial Coaching + Affordable Loan Product

**For every \$1 invested, we return \$8.
In 5 years, that same \$1 becomes \$19.**

Overview

Unreliable transportation is a barrier to almost everything today; from grocery shopping and childcare to access to affordable housing and a livable wage. JumpStart Duluth is an affordable car purchase program that piloted in 2008 in partnership with Lutheran Social Service, Northern Communities Credit Union, Ideal Auto and NAPA mechanics. The program provides financial coaching and an opportunity to secure a reliable, energy efficient vehicle at a discounted price, along with a car loan at a competitive interest rate and down payment assistance. Credit union partnership has since increased to include Hermantown Federal Credit Union and is designed to assist buyers who may not otherwise qualify to purchase a car because of poor credit and/or purchasers who may turn to a predatory loan product or drive uninsured because of high cost and ineligibility.

With a special focus on increasing or maintaining employment while building credit, JumpStart features access to individual and collective car repair funds and added support throughout the life of the loan and as long after loan completion as desired by the participant. It also includes built-in financial coaching. On a policy level, JumpStart also focuses on overall effectiveness, efficiency and inclusiveness of transportation options throughout the City of Duluth, most recently with a bike/bus pilot and the implementation of a 'complete streets' model. (Complete streets model, strives to foster inclusiveness in all transportation needs for with ample sidewalk access, curb-cuts and bike lanes.)

The small subset of participants who purchased vehicles in 2013 allowed the following data to be exact, based on a one-year point from the time of each individual's purchase. Despite the use of the actual subset; we provide a conservative estimate on the rate of return in the five year projection below, by assuming no increase in wages nor decrease in the use of public benefits over that timeframe. The rate of depreciation is an inflated number considering the vehicles' mileage, age, purchase price and efficiency which in turn, even further reduces the already conservative estimate of return on investment.

Please note that asset value, below, is defined as the equity in the vehicle (based on the amortization of the loan schedule), less the depreciation based on year. Interest savings were calculated using an auto loan amortization schedule and nationally-based interest rates for a credit score of 605 (participant at enrollment) less the 6% JumpStart interest rate provided participants. In addition, data on the 18 purchasers was used to show an average credit balance of \$1,470. Using a credit scoring amortization schedule, average yearly interest saved was calculated to be \$56. This is a very conservative estimate and does not account for the predatory services our participants may have frequented (e.g.: payday lenders, car title loans, rent-to-own establishments).

We very conservatively estimated that JumpStart participants purchased a year-round DTA bus pass and utilized a taxi twice each month for a round trip of eight miles each time.

For additional information on the calculations used, please refer to appendix D.

Statistics

Program Budget: \$42,500
Participants who Purchased a Vehicle: 18
Cost per Participant who Purchase: \$2,361
Average Car Value: \$11,000
Average Car Purchase Price: \$10,000
Average Down Payment Assistance: \$1,000
Average Participant Down Payment: \$500
Average Closing Costs: \$600
Average Loan Amount: \$9,100
Average Interest Rate: 6%
Total Interest Paid on Loan: \$1,455.70 (Bankrate Amortization Schedule)
Interest Paid Each Year: \$291.20 (Bankrate Amortization Schedule)
Average Loan Term: 5 years
Average Annual Used Car Depreciation Rate: 15% (Consumer Price Index)
Average Annual Wage at Enrollment: \$18,491
Marginal Tax Rate (Federal + State): 15% (IRS)
Average Annual Taxes Paid at Enrollment: \$2,774
Average Annual Wage at Enrollment Less Taxes Paid: \$15,717
Average Monthly Benefit Amount at Enrollment: \$289
Average Credit Score at Enrollment: 605
Average Annual Wage at Exit: \$21,466
Average Annual Tax at Exit: \$3,220
Average Annual Wage at Exit Less Taxes: \$18,246
Average Monthly Benefit Amount at Exit: \$283
Average Credit Score after 1 Year: 674
Average Credit Balance: \$1,470
Average Monthly Credit Payment: \$60
Average Credit Interest Rate Applied Before Credit Score Increase: 18.9% (Bankrate)
Average Credit Interest Rate Applied After Credit Score Increase: 12% (Bankrate)
Yearly Bus Pass: \$450 (DTA)
Average Cab Fare and Mileage: \$2.50 per mile x 8 miles (US Taxi Cab Fares, 2015)
Average Annual Car Insurance for Poor Credit MN: \$2,487 (Consumer Report, 2015)
Average Annual Car Insurance for Good Credit MN: \$1,233 (Consumer Report, 2015)

Projections

1 Year Projection

Cohort of 18	Funders	Participants	Taxpayers	Society
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			+Business	
Increased wages	\$45,522	\$45,522		\$45,522
Increased tax revenue	\$8,028		\$8,028	\$8,028
Decreased public assistance	\$108	(\$108)	\$108	
Car loan savings	\$14,281	\$14,281		\$2,646
Interest gain	\$2,184		\$2,184	\$2,184
Insurance savings	\$22,572	\$22,572		\$22,572
Insurance gain	\$22,194		\$22,194	\$22,194
Sales gain	\$180,000		\$180,000	\$180,000
Asset value	\$37,274	\$37,274		\$37,274
Public transportation		\$450	(\$450)	
Taxi fare		\$480	(\$480)	
Interest savings due to increased credit score	\$1,008	\$1,008		\$1,008
Total return	\$333,171	\$121,479	\$211,584	\$333,063
Total investment	\$42,500		\$42,500	\$42,500
Net return	\$290,671	\$121,479	\$169,084	\$290,563
ROI	\$7.84		\$4.98	\$7.84

5 Year Projection

Cohort of 18	Funders	Participants	Taxpayers +Business	Society
Increased wages	\$227,610	\$227,610		\$227,610
Increased tax revenue	\$40,140		\$40,140	\$40,140
Decreased public assistance	\$540	(\$540)	\$540	
Car loan savings	\$71,406	\$71,406		\$71,406
Interest gain	\$26,203		\$26,203	\$26,203
Insurance savings	\$112,860	\$112,860		\$112,860
Insurance gain	\$110,970		\$110,970	\$110,970
Sales gain	\$180,000		\$180,000	\$180,000
Asset value	\$49,500	\$49,500		\$49,500
Public transportation		\$2,250	(\$2,250)	
Taxi fare		\$2,400	(\$2,400)	
Interest savings due to increased credit score	\$5,040	\$5,040		\$5,040
Total return	\$824,269	\$470,526	\$353,203	\$823,729
Total investment	\$42,500		\$42,500	\$42,500
Net return	\$781,769	\$470,526	\$310,703	\$781,229
ROI	\$19.39		\$8.31	\$19.38

Discussion

The charts above attribute costs and benefits to categories of individuals impacted. As suggested by the charts above, when an individual or family increases their assets, credit scores and wages, investors, (foundations, individuals and/or taxpayers) can expect to receive an \$8 return for every \$1 invested within the first year. Overtime, no additional dollars are invested into the change but the benefits compound, subsequently increasing the return.

The funder, benefits from all positive impact with the exception of transportation savings as that negates business generated from other forms of transportation use. They are charged with the full investment of the program.

Participants benefit from personal increases in wage, savings in interest and car insurance rates, increased asset value and transportation savings but also lose public assistance dollars. It is assumed that the tax revenue increase they generate is negated by the increased taxes they pay. It is assumed that participants do not contribute financially to the program.

Taxpayers and businesses are positively affected by increased tax revenue and the decrease use of public assistance. Economic gain is also measured through car sales, insurance sales and interest gain on loan products. Decrease in the use of public transportation and taxi cabs negatively impacts the business community through decreased revenue for public transit and taxi companies. Again, the full program cost is charged to this category with the assumption that tax payers pay the program funds to operate our financial coaching and JumpStart program.

Participant and taxpayer/business are combined to reveal the total impact of the program on society as a whole.

Arguably, the JumpStart program's most compelling outcome is the drastic increase in credit score for participants who are able to build credit through a safe, secure loan program. For example, at the time of program enrollment, an average JumpStart participant would be ineligible for a traditional mortgage where the credit score "floor", or minimum requirement for a credit score, of 620. The average score at enrollment was 605. After 1 year, their scores increased an average of 69 points, or to an average score of 674. This jump in credit score takes the participant from the lowest scoring range (highest interest rate) to the second highest range (second lowest interest rate). Estimating the increase in credit score over the life of a mortgage, an individual would now not only qualify for a mortgage loan where they wouldn't have previously but also would save \$138 every month in interest for a total savings of \$49,705 over the life of the loan.

It's important to recognize that while credit scores do increase an average of 50-60 points per year for all of our financial coaching participants, participants using both JumpStart and Twin Accounts (a credit-building loan program) see a more drastic increase in credit rating sooner, due to affordable loan payments (which quickly builds positive credit history) and integrated coaching.

Update

In 2014, another 18 people purchased cars through JumpStart and another 18 are set to do so in 2015. Currently 7 individuals are enrolled in our Twin Accounts program. Data from this program is not extensive enough to analyze in a meaningful way at this time.

Success Rate

The cost for a participant to successfully purchase a vehicle through JumpStart is \$2,361. Program participants who do not initially qualify are provided the opportunity to access financial coaching until meeting the program's eligibility requirements. For this reason, we do not have a success rate percentage.

GED Tutoring + Test Prep

For every \$1 invested, we return \$17.

In 5 years, that same \$1 becomes \$64.

Overview

General Education Development (GED) tutoring began as a pilot program in 2013, recognizing that many people, particularly young parents in our Bridge to Employment program, had not completed their high school education. Despite being interested in pursuing higher education, many of our participants faced significant barriers to attending GED/Adult Basic Education (ABE) coursework, as no evening sessions were offered. A partnership with Duluth Public Schools ISD 709's Adult Learning Center allowed us to offer evening classes, tutoring and test prep with the additional supports of a meal and childcare. Tutoring is a collaborative effort by CAD staff, community volunteers and ABE instructors. The first year, GED tutoring and test prep was open only to participants in Bridge to Employment, a culturally appropriate program designed to assist African Americans and Native Americans on the Minnesota Family Investment Program (MFIP) facing significant barriers to attaining gainful employment. Since then, it has expanded to serve the community at large.

Statistics

Total Program Budget: \$7,500

Participants Served: 8

Cost Per Participant: \$938

Participants who Passed Their GED: 6

Average Age of Participant: 30

MFIP Monthly Income: \$768.60

MFIP Annual Income: \$9,223.20

MFIP Average Total Benefits over a Lifetime: \$18,446.40 (US Department of Health and Human Services, 2013) *Families are eligible to receive MFIP for 5 years but the typical recipient averages just over 2 years.*

Average Wage in Duluth with no GED: \$12,500 (US Census Data)

Average Wage in Duluth with a GED: \$24,700 (US Census Data)

Average Hours Worked: 32+ (US Census Data)

Marginal Tax Rate (Federal + State): 15% (IRS)

Projections

1 Year Projection

Cohort of 6	Funders	Participants	Taxpayers + Business	Society
Increased wages	\$62,220	\$62,220		\$62,220
Increased tax revenue	\$10,980		\$10,980	\$10,980
Decreased public assistance	\$55,339	(\$55,339)	\$55,339	
Total return	\$128,539	\$6,881	\$66,319	\$73,200
Total investment	\$7,500		\$7,500	\$7,500
Net return	\$121,039	\$6,881	\$58,819	\$65,700
ROI	\$17.14		\$8.84	\$9.76

5 Year Projection

Cohort of 6	Funders	Participants	Taxpayers + Business	Society
Increased wages	\$311,100	\$311,100		\$311,100
Increased tax revenue	\$54,900		\$54,900	\$54,900
Decreased public assistance	\$110,678	(\$110,678)	\$110,678	
Total return	\$497,678	\$200,422	\$165,578	\$366,000
Total investment	\$7,500		\$7,500	\$7,500
Net return	\$469,178	\$200,422	\$158,078	\$358,500
ROI	\$63.56		\$22.08	\$48.80

Lifetime Projection

Cohort of 6	Funders	Participants	Taxpayers + Business	Society
Increased wages	\$1,991,040	\$1,991,040		\$1,991,040
Increased tax revenue	\$351,360		\$351,360	\$351,360
Decreased public assistance	\$110,678	(\$110,678)	\$110,678	
Total return	\$2,453,078	\$1,880,362	\$462,038	\$2,342,400
Total investment	\$7,500		\$7,500	\$7,500
Net return	\$2,445,578	\$1,880,362	\$454,538	\$2,334,900
ROI	\$327.08		\$61.61	\$312.32

Discussion

The charts above attribute costs and benefits to categories of individuals impacted. When individuals or family heads increase their education level, they increase their earning potential and investors, meaning foundations, individuals and/or taxpayers can expect to receive a \$17 return for every \$1 invested within the first year. Over time, no additional dollars are invested into the change but the benefits compound, subsequently increasing the return.

The funder benefits from all positive impact and is also charged with the full investment of the program. Participants benefit from personal increases in wage but also lose public assistance dollars. It is assumed that the tax revenue increase they generate is negated by the increased taxes they pay and that they have no financial investment in the program other than their time and energy.

Taxpayers and businesses are positively affected by increased tax revenue and the decreased use of public assistance. Again, the full program cost is charged to this category with the assumption that taxpayers pay the program funds to operate our GED program.

Participant and taxpayer/business are combined to reveal the total impact of the program on society as a whole.

It is important to recognize that the 2013 pilot of the GED program yielded unprecedented results. All participants were also enrolled in our Bridge to Employment program and received additional ongoing support which may have contributed to their success. It was also the last six months of the old GED testing system and materials. Participants who had begun part of the GED tests at some point felt a sense of urgency to attain their GED within the six month period of the program, prior to the GED system switch.

Update

Since the GED testing guidelines and processes have changed, we've opened the program to the larger community and have seen a drastic increase in numbers. In 2014, we served a total of 68 individuals and in the first six months of 2015 have already enrolled 65. Unfortunately GED graduation rates have plummeted. We have seen a total of 4 graduates since the system switch in January 2014. The most significant change was conversion to a computerized, online testing system and thus discontinuation of paper testing. This change makes it especially difficult for those experiencing a technological divide, disproportionately affecting people with low incomes and people of color. In addition, the tests themselves were re-vamped and made more difficult; more rigorous in the area of information synthesis and the demonstration of understanding complex concepts. Any work or tests completed prior to January 2014 was no longer applicable, and people who had completed part of the process were required to start over completely. Finally, due to staff and budget constraints, GED tutoring and test preparation sessions were cut in half. The cumulative effects have impacted our rate of success.

Success Rate

In 2013, we had a 75% success rate at a cost per participant of \$938, per year.

Employment Coaching

For every \$1 invested, we return \$6.

In 5 years, that same \$1 becomes \$30.

Overview

Employment coaching in its current form has existed at CAD since 2011; however the staples of the program have been an integral part of our work since our reorganization in 1999. Employment coaching provides a wide range of services tailored to each individual, focusing on the development of: Soft skills and confidence while interviewing, job search, resume and cover letter building as well as opportunities to engage in ABE, GED courses and transitional employment offered through our agency’s green jobs programs. Employment coaching serves a wide range of individuals and families and is available to anyone regardless of income, although the median income of participants in this study was \$9,276. The following is a sample using the cost of one employment coach and their caseload.

It is important to note that this program is intended to foster self-sufficiency. While program costs for investing in each participant would remain, benefits of increased wages, increased tax base and decreased use of public benefits (which are not included due to actual data restrictions) would exponentially increase.

Statistics

Program Budget: \$46,185

Participants Served: 34

Cost Per Participant: \$1,358.38

Total # of Job Placements (Increased hours, wage, new or additional employment): 24

Total # of Unemployed to Employed: 16

Average Wage (once employed): \$10.98

Average Hours Worked: 30 hours/week

Average Annual Wage: \$17,128.80

Marginal Tax Rate (Federal + State): 15% (IRS)

Average Annual Taxes Paid: \$2,569.32

Average Age: 35

Projections

1 Year Projection

Cohort of 16	Funders	Participants	Taxpayers + Business	Society
Increased wages	\$232,952	\$232,952		\$232,952
Increased tax revenue	\$41,109		\$41,109	\$41,109
Total return	\$274,061	\$232,952	\$41,109	\$274,061
Total investment	\$46,185		\$46,185	\$46,185
Net return	\$227,876	\$232,952	(\$5,076)	\$227,876
ROI	\$5.93		\$0.89	\$5.93

**Please note that the very limited time to gain tax revenue from increased wages makes for a negative 1 year return for taxpayers. (For every \$1 invested, we return \$0.89 to provide services). Over time, this return exponentially increases.*

5 Year Projection

Cohort of 16	Funders	Participants	Taxpayers + Business	Society
Increased wages	\$1,164,760	\$1,164,760		\$1,164,760
Increased tax revenue	\$205,545		\$205,545	\$205,545
Total return	\$1,370,305	\$1,164,760	\$205,545	\$1,370,305
Total investment	\$46,185		\$46,185	\$46,185
Net return	\$1,324,120	\$1,164,760	\$159,360	\$1,324,120
ROI	\$29.67		\$4.45	\$29.67

Lifetime Projection

Cohort of 16	Funders	Participants	Taxpayers + Business	Society
Increased wages	\$6,289,704	\$6,289,704		\$6,289,704
Increased tax revenue	\$1,109,943		\$1,109,943	\$1,109,943
Total return	\$7,399,647	\$6,289,704	\$1,109,943	\$7,399,647
Total investment	\$46,185		\$46,185	\$46,185
Net return	\$7,353,462	\$6,289,704	\$1,063,758	\$7,353,462
ROI	\$160.22		\$24.03	\$160.22

Discussion

The charts above attribute costs and benefits to categories of individuals impacted. When an individual or family gains employment, investors can expect to receive a \$6 return for every \$1 invested within the first year. Over time, no additional dollars are invested into the change but the benefits compound, subsequently increasing the return.

The funder benefits from all positive impact and is also charged with the full investment of the program. Participants benefit from personal increases in wage. It is assumed that the tax revenue increase they generate is negated by the increased taxes they pay. It is also assumed that participants have no financial investment in the program other than the personal time and energy they've contributed to their positive outcomes.

Taxpayers and businesses are positively affected by increased tax revenue. Again, the full program cost is charged to this category with the assumption that taxpayers pay the program funds to operate our employment coaching program.

Participant and taxpayer/business are combined to reveal the total impact of the program on society as a whole.

Update

Today, we work with a total of 346 families. We operate under the Financial Opportunity Center (FOC) model which emphasizes bundled services. Here, each participant is screened and encouraged to initially maximize their use of public benefits and work supports, entered into long-term financial coaching and paired with an employment coach. The long-term goal is to transition off of public assistance into self-sufficiency and build stability through increased net worth and savings, improved credit score and the development of both financial and social assets.

Success Rate

We have a job placement (increased hours, wage, new or additional employment) rate of 71%, at a cost per participant of \$1,358.38. We have an unemployed to employed rate of 47%, at a cost per participant of \$1,358.38. Please note that this is exceptionally impressive considering results were taken during a one year point-in-time.

Bridge to Employment

For every \$1 invested, we return \$2.

In 5 years, that same \$1 becomes \$9.

Overview

Bridge to Employment is a tailored program for African and Native American families who receive the Minnesota Family Investment Program (MFIP), or cash assistance. St. Louis County (where CAD is located), has an unnerving disparity in employment rates between white community members and community members of color. The disparity is the widest for African and Native American residents and increases even more so for those receiving MFIP.

Recognizing the drastic disparity, St. Louis County was awarded an Innovation Grant in 2009. This provided the opportunity for outside agencies to partner with the county and become service providers of the MFIP Program for African and Native families. This has been CAD's role since that time.

Our program is culturally specific and offers a variety of supports including but not limited to: An open drop-in time (as families in crisis find it difficult to make and keep appointments), a private meeting room with child-friendly gear, a tailored Adult Basic Education (ABE) and GED track, internship and work experience opportunities, culturally specific and knowledgeable staff, evening class offerings and appointment times, and a parenting program to name a few. The goals of the program are to provide a more comfortable and culturally specific option, increase the rate of employment for people of color, develop job opportunities that provide a livable wage, provide on-going support, and ultimately assist families while they transition off of public assistance to self-sufficiency.

It is important to note that this program is intended to foster self-sufficiency. While program costs for investing in each participant would remain, benefits from increased wages, increased tax base and decreased use of public benefits would compound exponentially.

Statistics

Program Budget: \$137,400

Participants Served: 35

Cost Per Participant: \$3,925.71

Participants Exited Off of MFIP: 10

MFIP monthly Income: \$768.60 (US Department of Health and Human Services)

MFIP Annual Income: \$9,223.20 (US Department of Health and Human Services)

MFIP Average Total Benefits over a Lifetime: \$18,446.40 (US Department of Health and Human Services) *Families are eligible to receive MFIP for 5 years but the typical recipient averages just over 2 years.*

Average Annual Wage (once employed): \$20,155

Tax Rate (Federal + State): 15% (Internal Revenue Service)

Average Annual Taxes Paid: \$3,023.25

Average Age of Participant: 22 years

Projections

1 Year Projection

Cohort of 10	Funders	Participants	Taxpayers + Business	Society
Increased wages	\$171,318	\$171,318		\$171,318
Increased tax revenue	\$30,233		\$30,233	\$30,233
Reduced public assistance	\$92,232	(\$92,232)	\$92,232	
Total return	\$293,783	\$79,086	\$122,465	\$201,551
Total investment	\$137,400		\$137,400	\$137,400
Net return	\$156,383	\$79,086	(\$14,935)	\$64,151
ROI	\$2.14		\$0.89	\$1.47

5 Year Projection

Cohort of 10	Funders	Participants	Taxpayers + Business	Society
Increased wages	\$856,590	\$856,590		\$856,590
Increased tax revenue	\$151,165		\$151,165	\$151,165
Reduced public assistance	\$184,464	(\$184,464)	\$184,464	
Total return	\$1,192,219	\$672,126	\$335,629	\$1,007,755
Total investment	\$137,400		\$137,400	\$137,400
Net return	\$1,054,819	\$672,126	\$198,229	\$870,355
ROI	\$8.68		\$2.44	\$7.33

Lifetime Projection

Cohort of 10	Funders	Participants	Taxpayers +Business	Society
Increased wages	\$6,852,720	\$6,852,720		\$6,852,720
Increased tax revenue	\$1,209,320		\$1,209,320	\$1,209,320
Reduced public assistance	\$184,464	(\$184,464)	\$184,464	
Total return	\$8,246,504	\$6,668,256	\$1,393,784	\$8,062,040
Total investment	\$137,400	\$137,400	\$137,400	\$137,400
Net return	\$8,109,104	\$6,668,256	\$1,256,384	\$7,924,640
ROI	\$60.02		\$10.14	\$58.68

Discussion

The charts above attribute costs and benefits to categories of individuals impacted. When an individual or family transitions off of public assistance, investors, meaning foundations, individuals and/or taxpayers can expect to receive a \$2 return for every \$1 invested within the first year. Overtime, no additional dollars are invested into the change but the benefits compound, subsequently increasing the return.

The funder benefits from all positive impact and is also charged with the full investment of the program. Participants benefit from personal increases in wage but also lose the benefit of public assistance dollars. It is assumed that the tax revenue increase they generate is negated by the increased taxes they pay and other that time and energy have no financial investment in the program.

Taxpayers and businesses are positively affected by increased tax revenue and decreased use of public assistance. Again, the full program cost is charged to this category with the assumption that taxpayers pay the program funds to operate Bridge to Employment.

Finally, participant and taxpayer/business are combined to reveal the total impact of the program on society as a whole.

Update

In 2015, we were awarded a substantial grant to expand the program. With an emphasis on long-term support for families, the program stresses very small caseloads and intensive work. Today, we serve families with a staff of five, one of whom is solely dedicated to building employer partnerships in the community to enhance participants' long-term success through job placement opportunities.

Success Rate

We have a 29% success rate with a cost of \$3,927.71 per participant, per year. Success is defined as the complete transition off of MFIP.

Big View Community Forums

For every \$1 invested, we return \$4.

In 5 years, that same \$1 becomes \$20.

Overview

Community Action Agencies were founded on the principle of 'maximum feasible participation', meaning a commitment and responsibility to engage those experiencing poverty in the decisions that affect their families, and in the services we provide. We have an obligation to be responsive to the needs of the community we serve. For Community Action Duluth, community forums are a way to ensure that we not only encourage, but are intentional about bringing together people experiencing poverty with the people who have power in the system to jointly address and change the system.

Forums are hosted monthly and driven by a group of leaders experiencing poverty. Eight large-scale social issues are addressed. Those experiencing system shortfalls, propose solutions. Childcare, a meal and an evening timeframe decrease barriers to attendance. The goal is to mobilize people to take action, ultimately making our community a better place. While there are many ways to accomplish this goal, typically local organizational policy change is the end result; and that will be our focus for the following results section.

It is important to note that this program is intended to foster long-term policy change which not only benefits individuals facing systemic barriers to self-sufficiency but benefit our society in tangible ways; in this particular example, increased access and employment. While program costs for investing in policy change would remain, benefits to increased wages, increased tax base and decreased use of public benefits would exponentially increase.

Statistics

Big View program budget: \$173,012

Number of third shift riders responding to the DTA survey: 115 (Heilig, 2015)

Average cost per rider surveyed: \$1,504.45

Number of riders employed: 35 (Heilig, 2015)

Additional wages DTA pays per year in adding 3rd shift routes: \$137,640 (Heilig, 2015)

Average hourly wage of participants attaining employment: \$8.34 (Heilig, 2015)

Average national number of hours worked per week in 2011: 34.3 (Bureau of Labor Statistics, 2015)

Average national cost to drive car per mile: \$0.585 (AAA, 2011)

Average cost to ride a cab per mile in Duluth, MN: \$2.50 (US Taxi Cab, Fares 2015 figure for Duluth, MN)

Average bus ride: 4 miles (Heiling, 2015)

Off peak bus fare: \$0.75 (DTA, 2015)

Tax rate (federal + state): 15% (IRS, 2011)

MFIP monthly income: \$768.60 (MN Dept of Human Services, 2011)

MFIP annual income: \$9,223.20 (MN Department of Human Services, 2011)

MFIP average total benefits over a lifetime: \$18,446.40

Families are eligible to receive MFIP for 5 years but the typical recipient averages just over 2 years. We've chosen to use this conservative estimate.

Percentage of unemployed individuals who used MFIP in 2011: 13.8% (MN Department of Human Services, 2013)

Projections

1 Year Projection

Cohort of 35	Funders	Participants	Taxpayers + Business	Society
Increased wages for riders	\$443,069	\$443,069		\$443,069
Increase wages for DTA employees	\$116,994		\$116,994	\$116,994
Increased tax revenue	\$98,835		\$98,835	\$98,835
Reduced public assistance	\$44,548	(\$44,548)	\$44,548	
Transportation costs saved		\$34,949	(\$34,949)	
Total return	\$703,446	\$433,470	\$225,428	\$658,898
Total investment	\$173,012		\$173,012	\$173,012
Net return	\$530,434	\$433,470	\$52,416	\$485,886
ROI	\$4.07		\$1.30	\$3.81

5 Year Projection

Cohort of 35	Funders	Participants	Taxpayers + Business	Society
Increased wages for riders	\$2,215,345	\$2,215,345		\$2,215,345
Increase wages for DTA employees	\$584,970		\$584,970	\$584,970
Increased tax revenue	\$494,175		\$494,175	\$494,175
Reduced public assistance	\$89,096	(\$89,096)	\$89,096	
Transportation costs saved		\$174,745	(\$174,745)	
Total return	\$3,383,586	\$2,300,994	\$993,496	\$3,294,490
Total investment	\$173,012		\$173,012	\$173,012
Net return	\$3,210,574	\$2,300,994	\$820,484	\$3,121,478
ROI	\$19.56		\$5.74	\$19.04

10 Year Projection

Cohort of 35	Funders	Participants	Taxpayers + Business	Society
Increased wages for riders	\$4,430,690	\$4,430,690		\$4,430,690
Increase wages for DTA employees	\$1,169,940		\$1,169,940	\$1,169,940
Increased tax revenue	\$988,350		\$988,350	\$988,350
Reduced public assistance	\$89,096	(\$89,096)	\$89,096	

Transportation costs saved		\$349,490	(\$349,490)	
Total return	\$6,678,076	\$4,691,084	\$1,897,896	\$6,588,980
Total investment	\$173,012		\$173,012	\$173,012
Net return	\$6,505,064	\$4,691,084	\$1,724,884	\$6,415,968
ROI	\$38.60		\$10.97	\$38.08

Discussion

The charts above attribute costs and benefits to categories of individuals impacted. When systems or policies change as a result of Big View efforts, investors, meaning foundations, individuals and/or taxpayers, can expect to receive a \$4 return for every \$1 invested. Over time, no additional dollars are invested into the change but the benefits compound, subsequently increasing the return.

The funder benefits from all positive impact (with the exception of transportation costs saved to the participant as that also represents decreased business for gas stations and/or taxi companies) and is also charged with the full investment of the program.

Participants benefit from personal increases in wages and savings in transportation costs but also lose the benefit of public assistance dollars and are assumed to be unaffected by increased DTA employee wages. It is assumed that the tax revenue increase they generate is negated by the increased taxes they pay and other than time and energy, they have no monetary investment in the services provided.

Taxpayers and businesses are affected in multiple ways. The DTA sees benefits in increased route revenue and their employees' increased pay. Increased tax revenue and a decreased reliance on public assistance adds to the benefits received. From a business standpoint, transportation savings for the participant means business loss so no dollar amount is attributed. Again, the full program cost is charged to this category with the assumption that taxpayers pay the program funds to operate Big View. Again, this is extremely conservative seeing as Big View's program budget is funded almost entirely from private foundations.

Participant and taxpayer/business are combined to reveal the total impact of the program on society as a whole.

Update

In 2014, our public policy forums focused on educational equity in Duluth public schools. Efforts to increase parent involvement, provide administrative transparency for disciplinary actions and foster a more inclusive environment were addressed. Today, Big View has a strong focus on employment barriers, employer partnerships, livable wage jobs and employment equity.

Success Rate

The community input efforts described above helped convince the DTA to add a third shift bus route to its schedule in 2013. These routes have proved to be self-sustaining and profitable. In

addition, our partnership allowed for increased access to transportation and increased employment rates for riders surveyed. For these reasons, we attribute this success at a rate of 100%.

A Summary of Key Findings

For every \$1 invested into Community Action, we provide \$14.45 in return.

The research findings presented above from a compilation of CAD FY 2013 budget paired with national, regional and community-based data provides a clear indication of the effectiveness of CAD programs. This correlates well with the SROI research findings nation-wide. Benefits clearly not only profit individuals and families directly participating in the agency programs themselves but the broader community by increasing the tax base and often expansively increasing our economic stability. Benefits not only are substantial over time but impressive in the short term as well.

Our study shows that CAD programs (on average) provide a return of \$14.45 for every \$1 invested after one year. Results exponentially increase over time. Consistently, CAD programs reduce reliance and receipt of public assistance, increase tax contributions and increase personal financial health. The combination thereof makes for a stable and potentially thriving economy.

The statements above briefly summarize many measurable outcomes that could derive from the use of SROI analysis. Arguably there are numerous qualitative benefits from participation in CAD programs including but not limited to: Increased confidence, aspiration to achieve lifelong goals, serving on public committees, more time with children or time to focus on health and well-being, a more stable and/or positive environment for families, etc.

Unlike a common yet stereotypical perception of government funded programs, opportunities at CAD do not simply hand out money to community members with low incomes but rather ask that participants engage not only in their own lives but the lives of their community members, plan for their futures, develop savings and build assets, work towards and achieve meaningful and gainful employment, and increase their health and well-being. Program opportunities support participants in moving themselves toward self-sufficiency and prosperity.

An Overview of 1 Year Projections:

Program	Funder	Taxpayers +Business	Society
Big View	\$4.07	\$1.30	\$3.81
Bridge	\$2.14	\$0.89	\$1.47
Employment	\$5.93	\$0.89	\$5.93
GED	\$17.14	\$8.84	\$9.76

JumpStart	\$7.84	\$4.98	\$7.84
MNSure	\$33.10	\$29.25	\$33.10
Tax Site	\$30.91	\$7.18	\$38.08
Averages	\$14.45	\$7.62	\$14.28

An Overview of 5 Year Projections:

Program	Funder	Taxpayers +Business	Society
Big View	\$19.56	\$5.74	\$19.04
Bridge	\$8.68	\$2.44	\$7.33
Employment	\$29.67	\$4.45	\$29.67
GED	\$63.56	\$22.08	\$48.80
JumpStart	\$19.39	\$8.31	\$19.38
MNSure	\$165.48	\$146.27	\$165.48
Tax Site	\$30.91	\$7.81	\$38.08
Averages	\$57.72	\$28.16	\$46.83

Implications

Based on this study and the existing nationwide body of literature on SROIs, we strongly encourage continued and increased financial support for the programs cited in this study as well as similar initiatives nationwide. Our research clearly suggests that benefits from CAD programs extend far beyond a participant’s time with us and far beyond the individual participating.

Despite the immeasurable benefits of CAD programs, similar offerings are often scarce, unavailable or inaccessible nationwide. Moreover, programs often have a limited number of openings for qualifying community members or lack resources necessary to expand their reach to all interested parties. We encourage legislative bodies and decision making authorities to take a closer look at the excess of advantages of social programs not only in Minnesota but throughout the United States. Much of the existing literature, including our study, clearly show that social programs facilitate participants’ self-sufficiency and more often than not produce a dramatic decrease in participants’ reliance on government aid.

Although it has been argued that social programs are expensive to operate and their results intangible, we believe they are a powerful and compelling investment where benefits multiply over time. We believe investing now will save higher costs later and we believe that all people have the ability to prosper with the right opportunities and the right support. We’re here to provide both.

Limitations

The information provided is solely based on Community Action Duluth’s program data. Information should not be generalized to like programs or nor to similar programs nationwide.

For consistency, program outcomes and budgets include fiscal year 2013 (FY 2013) which spans the dates of October 1, 2012 – September 30, 2013 with the exception of Big View. Whenever possible, data specific to program participants' long-term success is used from an agency-wide reporting system called Efforts to Outcomes (ETO). In some instances, longitudinal limitations and/or our reporting system did not provide us the opportunity to use exact data following the same participants over time. When this was not possible, the most local data available was used to create projected assumptions over time. In its entirety, this report and its findings err on the side of conservative assumptions.

Much of the information at the time of enrollment is self-disclosed by program participants. Notes are provided under statistics where discrepancy was found. Notes are also provided for statistics where not all participants and graduates were used for the calculation.

Statistical averages have been calculated using the data provide for FY 2013 unless noted otherwise. Consideration was taken for outliers in each data set in an effort to provide accurate information.

The processes of gathering information directly from participants may have resulted in social desirability bias as individuals may have wanted to portray their experiences in a more positive light. Attempts were made to account for this by emphasizing the use of conservative figures throughout.

The utilization of MFIP funds was difficult to assess in calculating the return for Big View programming, making results difficult to determine. Every effort was made to be as transparent and conservative as possible. The assumption is made that individuals receiving MFIP utilize assistance for an average of two years and completely transition off of assistance once obtaining employment. The figure used considers the total number of MFIP cases in 2011 (29,000) divided by the total number of unemployed Minnesotans during the same timeframe (210,000). It is entirely possible that some of the 29,000 individuals who were receiving MFIP were employed which would mean that MFIP utilization rates for those who were unemployed would be even lower than the 13.8% used below (US Department of Health and Human Services, 2011; Bureau of Labor Statistics, 2011).

Additional research should be done in this area, focusing on real-time data and following program participants and their families over the course of many years with the addition of control groups. Barriers to program completion or defined success should be examined more closely. Additional research should be done to augment Pew Center studies showing the effects of what the FOC model describes as “bundling services”, where individuals are involved in numerous program offerings with the intent of exponentially increasing their success. Finally, specific research should be done to analyze the benefit of increased credit scores through asset-building tools and loan products.

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lack thereof as a main contributor to poverty in Duluth. Over 3,500 Duluth residents were surveyed as a part of the planning process. Without these partnerships, this process of community-based change would not have been possible.

For access to full appendices, please contact us at 218-726-1665 .

Appendix A

WIPFLi Audit Fiscal Year 2013

Appendix B
Community Action Duluth Data
Efforts to Outcomes: Fiscal Year 2013

Appendix C
Community Action Duluth Data
Efforts to Outcomes: Fiscal Year 2015

Appendix D

Definitions

Appendix E

Calculations

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