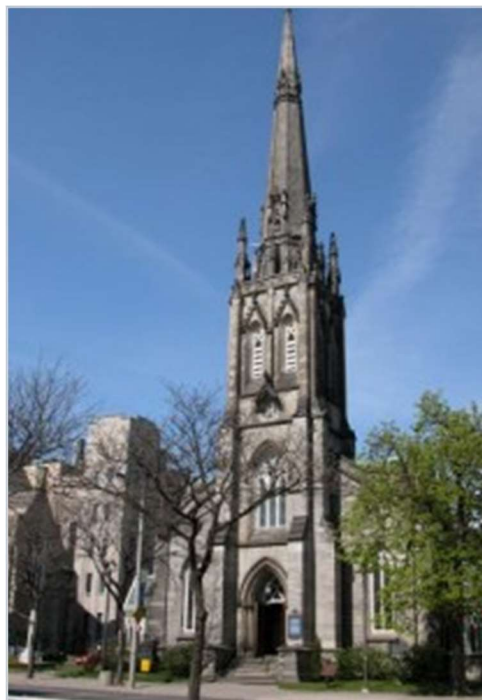




St. Paul's Presbyterian Church
Hamilton, ON



Prepared by: Mike Wood Daly B.Sc., M.Div., D.Min.

SPHAERA RESEARCH
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THE HALO PROJECT

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THE HALO PROJECT

EXECUTIVE SUMMARY

In Canada, the social, spiritual and communal value of local congregations has long been accepted. The economic value of these congregations to their surrounding neighbourhoods is a different matter entirely. While the economic valuation of “soft assets” has gained increasing traction in recent years within a number of social and service sectors, only recently have researchers begun to explore this question in the Canadian religious context. This study of St. Paul’s Presbyterian Church in Hamilton forms part of a larger strategic study currently being carried out for the congregation by Partners for Sacred Places and Regeneration Works to assist in developing a sustainability plan for the future.

This socio-economic study is based on a 2010 study carried out in Philadelphia by Partners for Sacred Places and the University of Pennsylvania’s School of Social Policy and Practice, and more recently in Toronto by

Sphaera Research. The study explores economic impact of the congregation on its surrounding community in seven broad areas including: 1) Open Space, 2) Direct Spending, 3) Educational Programs, 4) Magnet Effect, 5) Individual Impact, 6) Community Development and 7) Social Capital and Care.

“What if we could measure the economic value of what local congregations contribute to their surrounding communities?”

Using domestic and international studies

from related sectors, we present a case for applying financial benefit to many types of congregational activities that have previously been considered intangible.

It is important to note, that throughout our reporting, we have made a deliberate attempt to be conservative in at least three ways: 1) first if staff or program leaders were unable to estimate or document a particular service or activity we assigned a value of zero; 2) where supporting studies from other sectors suggest a range of value we have chosen to apply the lowest range value, and 3) we have elected to ascribe value only in situations where we can demonstrate clear cause and effect.

*Essentially the study asks:
“If St. Paul’s Presbyterian ceased to exist, what would it cost the City of Hamilton to replace the programs and services the congregation provides to the wider community?”*

Taking these factors into account, it is clear that St. Paul’s Presbyterian, despite what presents as a decline in attendance in recent years, continues to play not only a key spiritual role, but socio-economic one as well with a Halo Index of \$727,718.10. This represents a per capita index for every worshipper of \$13,231.24 (more than twice the national average). In 2016, congregational members offered 2,987 hours of direct community support and for every dollar the congregation paid out in annual expenses the community received \$2.28 in socio-economic benefit.



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OVERVIEW OF FINDINGS

St. Paul's Presbyterian Church is located at 70 James Street South in Hamilton, Ontario. Located in the heart of Hamilton's historic downtown the church building covers approximately 11,000 square feet and sits on a parcel of land covering approximately three-quarters of an acre. An additional building, known as the cottage, is situated on the north side of the building and occupies 1220 square feet. The property also highlights one of Hamilton's oldest cemeteries.

The congregation was originally established in 1830 when a group of Scottish immigrants formed St. Andrew's congregation with the name being changed to St. Paul's in 1873. The current building was constructed between 1854 and 1857 with additions being made to the building in 1886 and 1905. Of particular note is the building's steeple. Measured at 180 feet, it is believed to be the tallest stone steeple in Canada. The building is designated as both a

National Historic Site and Provincial Heritage Site.

The congregation employs one full-time minister and seven part-time staff which include a secretary, janitor, music director, and four sectional leads for the choir. A wide variety of individuals serve in more than 40 other volunteer support and leadership roles.

The active membership is listed as 115 with an average adult weekly attendance of 55.

Volunteers contribute a total of 6023 hours with approximately half (2,987 hours) of those hours dedicated directly to engaging some 1690 members of the wider community. The average volunteer contribution is 110 hours per worshipper.

Annual expenditures for 2016 were listed as \$318,727 with annual revenues of \$242,500.

ST. PAUL'S PRESBYTERIAN - HALO EFFECT

\$727,718.10

*For every dollar
the church spends
the community
receives \$2.28 in
economic benefit.*

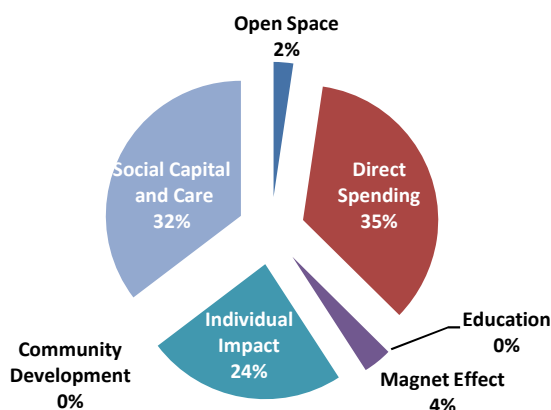


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Our study suggests that St. Paul's Presbyterian – Hamilton has an annual socio-economic impact of \$727,718.10. With an average worshipping attendance of 55 adults, this represents a per capita value of \$13,231.24. With annual expenditures of \$318,727 this means that for every dollar the congregation spends on operations and programs, the community receives \$2.28 in economic benefit!

The Halo Study explores 7 broad categories designed to assess a congregation's economic contribution to the common good:

Halo Categories

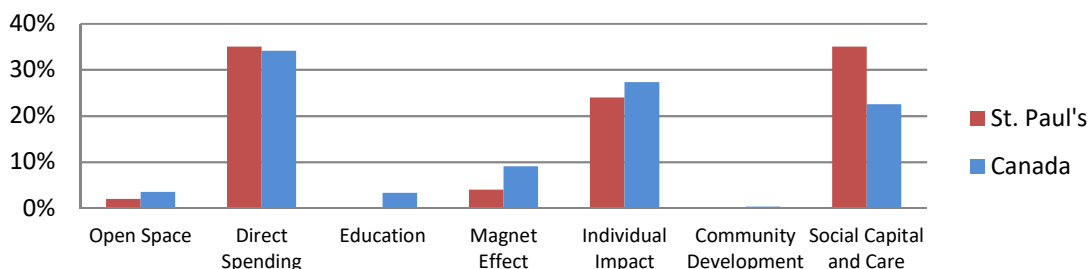


1. OPEN SPACE
2. DIRECT SPENDING
3. EDUCATION
4. MAGNET EFFECT
5. INDIVIDUAL IMPACT
6. COMMUNITY DEVELOPMENT
7. SOCIAL CAPITAL AND CARE

The congregation describes itself as predominantly Anglo-Saxon. Thirty percent of its members travel more than 10 km to attend worship and other congregational programs.

How do these figures compare to other congregations? In an ongoing national study, now totalling close to 30 congregations, St. Peter's ranked on par percentage-wise in the areas of Open Space, Direct Spending and Community Development, lower in Education, Magnet Effect and Individual Impact and higher in the area of Social Capital and Care.

St. Paul's - Hamilton / Halo Canada Project





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VALUATION

Several studies in recent years, both in Canada¹ and the United States,² have considered the contributions that faith communities or local religious congregations make to the cultural, spiritual, and social lives of their surrounding neighbourhoods. Faith-based organizations help people to explore and cultivate deeply held, centuries-old beliefs; to participate in rituals of meaning; to find comfort in their times of deep pain and sorrow; and to foster relationship in community. Communities of faith and places of worship are where people often gather to find

answers to life's biggest questions and to explore mysteries like, why are we here? Where do I belong? And what is the meaning of life? Even for people who would not describe themselves as people of faith, these communities act as incubators for commonly held social values. Through both primary and secondary involvement with community-based ministries congregations often find ways to extend their desire to serve beyond traditional congregational activities in ways that are of benefit to both participants and those who are not directly involved.³

In 2006, Imagine Canada published: *"Understanding the Capacity of Religious Organizations: A Synthesis of Findings from the National Survey of Nonprofit and Voluntary Organizations and the National Survey of Giving, Volunteering and Participating."*⁴ In it, the authors assert that: "religious organizations are well-established institutions with stable revenues. The key strengths of religious organizations appear to be their local community focus, and the strength that they draw from dedicated donors, volunteers and staff."

According to this same study, Canada has more than 30,000 religious organizations with more than 20 million members and annual revenues of \$6.8 billion. Interestingly, only 27% of these organizations say it is their members who benefit most from their activities. Most of them (69%) report that both members and non-members benefit most from their activities and services. The study reports that 1.3 million Canadians volunteered with religious organizations in the year 2000, contributing a total of 170 million hours. Canadians who report a religious affiliation, attend religious services weekly, or consider themselves to be religious are more likely than other Canadians to donate to non-profits and voluntary organizations. They also contribute, on average, more money.

Despite this qualitative acknowledgement, few studies have considered the economic benefit faith groups provide to their surrounding communities. The lack of "hard numbers", and the quantitative method needed to produce them, often puts congregations and their larger religious organizations at a disadvantage when pressed to "prove" their value in a wider context. At the very least, they lack a common language or "currency" when speaking of value with those who are not a part of the congregations themselves. In situations like these tools, such as the one employed in this study, that help provide a quantitative measurement of the contribution congregations make to their local economies, would be of great help.



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Congregations, and the neighbourhoods in which they find themselves; however, are not the only groups who stand to benefit from such a tool. Increasing revenue, cutting costs and increasing service efficiency sound as a hallmark of government at all levels. For example, the City of Toronto 2015 Auditor General's report highlights the role careful review of City Services can play; both in cost savings and efficiency of service provision, emphasizing that for every \$1 invested in audit resources, the return in relation to cost savings is about \$11.50.⁵ Identifying a tool that can articulate the previously hidden economic contributions of local congregations could significantly strengthen the capacity of City Planners and elected officials to further strengthen investment, reduce duplication of services and initiate creative partnerships with communities of faith to better serve the needs of all City residents.

The purpose of valuation is to assess the monetary value of goods that the market does not price. Things like: happiness, well-being, rehabilitation, responsible parenting and neighbourhood pride.

Valuation can also be used to estimate the costs of specific social problems and the quantitative impact of non-profit organizations. It follows that the more complex the phenomenon being valued, the more difficult the valuation. For this reason, researchers have often limited their attempts to value congregations to one type of methodology or one type of contribution.

In 2013, Cnaan et al⁶ published the first extended study of valuation in congregations. Applying established valuations from a wide range of sectors in 12 congregations in the City of Philadelphia, their study revealed an accumulated "halo effect" or economic contribution of \$51,850,178. The estimate translates to an average value of \$4,320, 848 per congregation.

Even the smallest of the congregations studied; a Presbyterian Church with approximately 150 members, and an annual operating budget of \$260,000, was estimated to have an annual "halo effect" of \$1.5 million.

These numbers, as impressive as they are, tell us little about the potential economic impact of congregations in the Canadian context. To this end, in 2015 our researchers undertook a study of 10 Toronto congregations, using essentially the same methodology used in the Philadelphia study. Values were modified using a wide range of domestic studies to reflect more accurately the Canadian economy and social landscape. For a detailed description of the values applied please see Appendix A. This study revealed an estimated cumulative annual economic impact of \$45,405,126.57 on their surrounding neighbourhoods (www.haloproject.ca).

Philadelphia Halo Study

12 Congregations

\$52 Million

Toronto Halo Study

10 Congregations

\$45 Million



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METHODOLOGY

Our study of St. Paul's - Hamilton employs the same methodology used in our Toronto Pilot Study and the ongoing Halo Canada Project. In order to obtain our data, we distributed two separate questionnaires. First, we supplied an organizational template; designed to gather information on broad aspects of organizational identity and presence in the community, to senior clergy, administrative and lay leaders.

A separate questionnaire, designed more specifically to explore the economic impact of

individual programs offered by the congregation, was distributed to each program leader. In some cases, city records, locally published materials, and organizational reporting were also used to supplement data collection.

Once gathered, data was assessed according to the value matrix referenced in the previous section. A detailed discussion of how we arrived at the applied values is provided in Appendix A. For a complete discussion of our methodology and value matrix please visit www.haloproject.ca.

LIMITATIONS

It is important to note a number of limitations associated with this study. Research that relies on participants to "self-report" will always be open to the possibility of critique regarding the "subjective" vs. "objective" nature of the reporting. Self-reporting opens the study up to the possibility of over-reporting or exaggerated expressions of impact. To address this, we encouraged respondents to report only on impacts they had direct and/or tangible evidence of. To compensate for those instances where reporting may have been inflated, we elected to choose the most conservative valuations available. When respondents were unable to provide an estimate (or a response that did not accurately reflect our own observations) we assigned a value of zero, even if the real value was higher.

In some cases, we also found there to be no

currently available metric to apply value for some typical congregational activities.

The study does not measure the negative impacts resulting from organizational presence in the community. An example of where a congregation might have a negative impact involves a situation where a clergyperson, counselor or support worker directly contributes to helping a couple choose to stay together instead of divorcing. This also potentially limits the number of clients available to a local divorce lawyer.

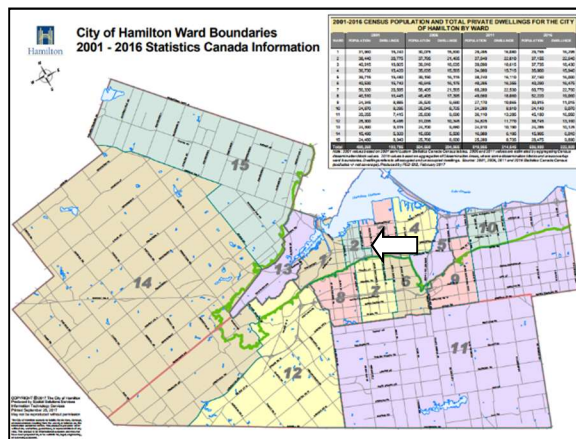
We also have not included any potential impacts (positive or negative) on neighbouring real estate values; crime rates; or impacts associated with loitering of young people or other community groups on business that might be associated with the congregational property.



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NEIGHBOURHOOD PROFILES

St. Paul's Presbyterian Church is located in the City of Hamilton, on James Street south, just south of Main Street. It falls within the Hamilton electoral district of Ward 2 which is bounded on the north by Hamilton Harbour, Queen Street to the west, the Clarendon Access and the Niagara Escarpment to the south, and Wentworth and Wellington Streets to the east.



The following demographic information is derived from the 2016 Census⁷.

The ward represents the city's downtown core and includes City Hall, Jackson Square retail centre, Gore Park, First Ontario Centre (arena) the Hamilton Farmer's Market, St. Joseph's Hospital, the Art Gallery of Hamilton and Hamilton Place. The north end of the ward highlights the Harbourfront and Pier 4 Parks as well as the Hamilton Waterfront Trail.

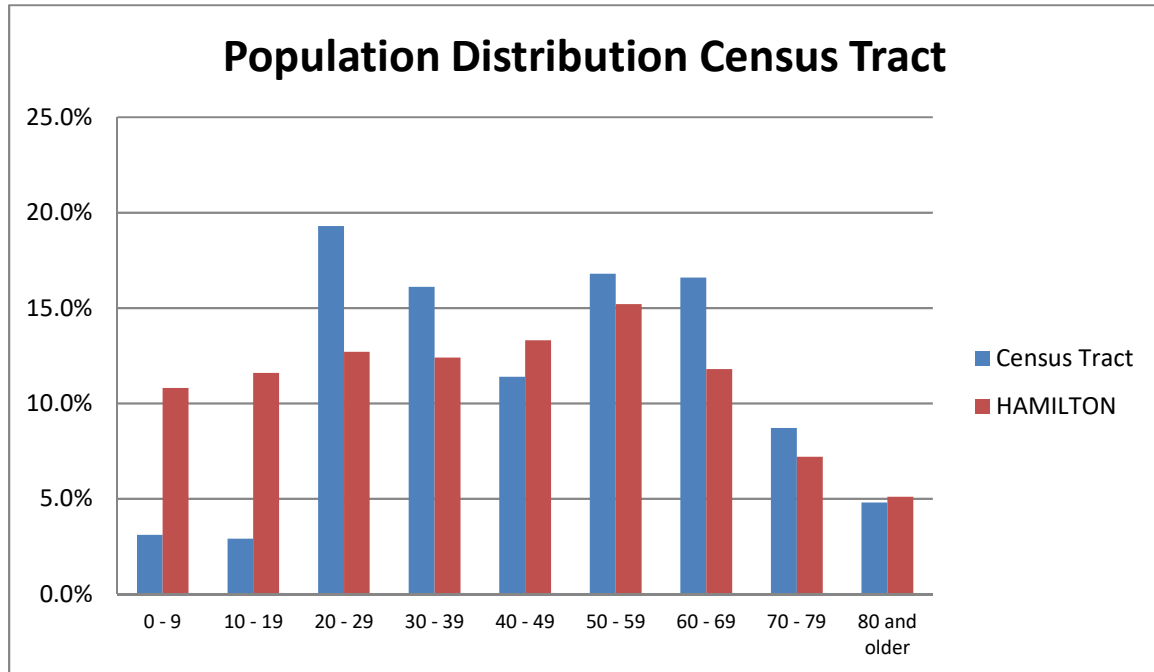
The census tract for the area immediately surrounding the church building has a population of 2,588 which represents approximately 0.4% of the entire population of the Hamilton metropolitan area. It has a population density of 18,189 residents per sq. km. compared to the 544.9 for the rest of the City area and covers an area of 0.32 sq. kms.

There is a total of 2,152 dwellings. As would be typical of a downtown area, approximately 29% were built prior to 1960 and 79% prior to 1980. Only 75 residential units (4%) have been built since 2006.

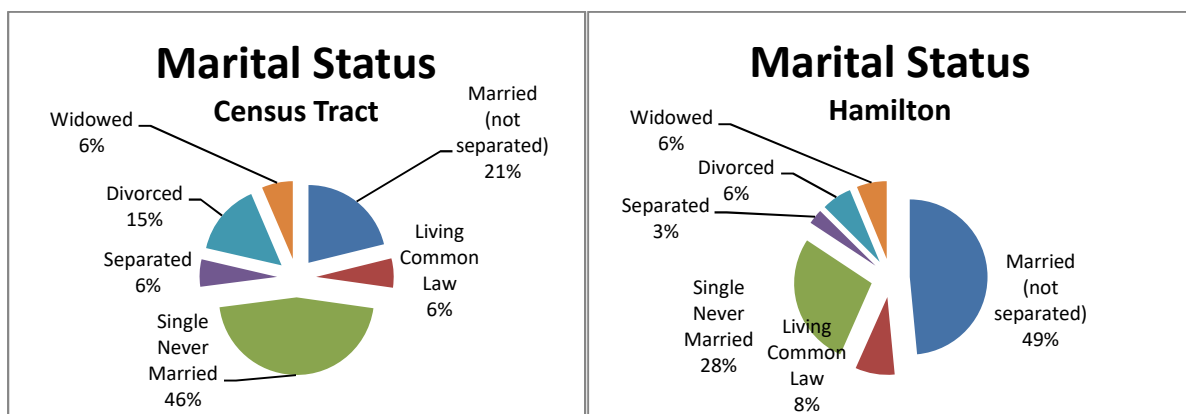
Population: According to the 2016 census, the population of the immediate tract area increased by 5% over the previous census in 2011. This compares to an increase of only 3.7% for the remainder of the Hamilton metropolitan area. 6.0% of these residents are children and youth aged 0 to 19 years, 74.1% are between the ages of 15 and 64, while 21.5% are 65 years of age or older. The average age is 46.8 compared to 42.1 for the Hamilton region as a whole. Relative to the rest of the city, the immediate neighbourhood has dramatically less children and youth, greater numbers of adults aged 20 to 39, moderately less 40-year-olds, moderately more residents aged 50 to 79 and about the same percentage of residents aged 80 and older.



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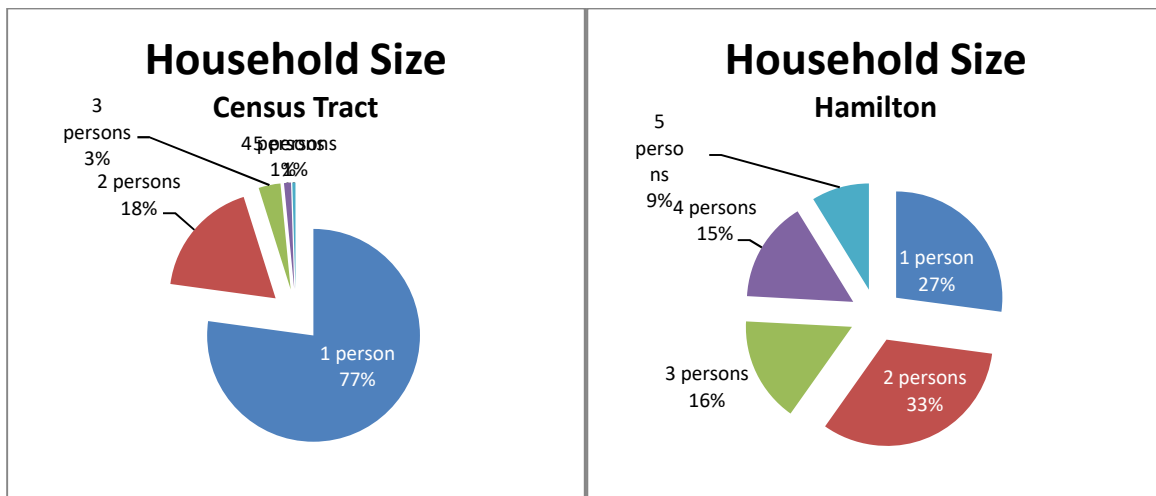
Family Characteristics: Single (never married) individuals represent by far the largest marital status category (as compared to the City of Hamilton where the largest group is married at 49%). Only 21% of census tract residents indicate that they are legally married. The number of divorced individuals is more than twice the city average (15% compared to 6%). The number of individuals living common law is roughly the same



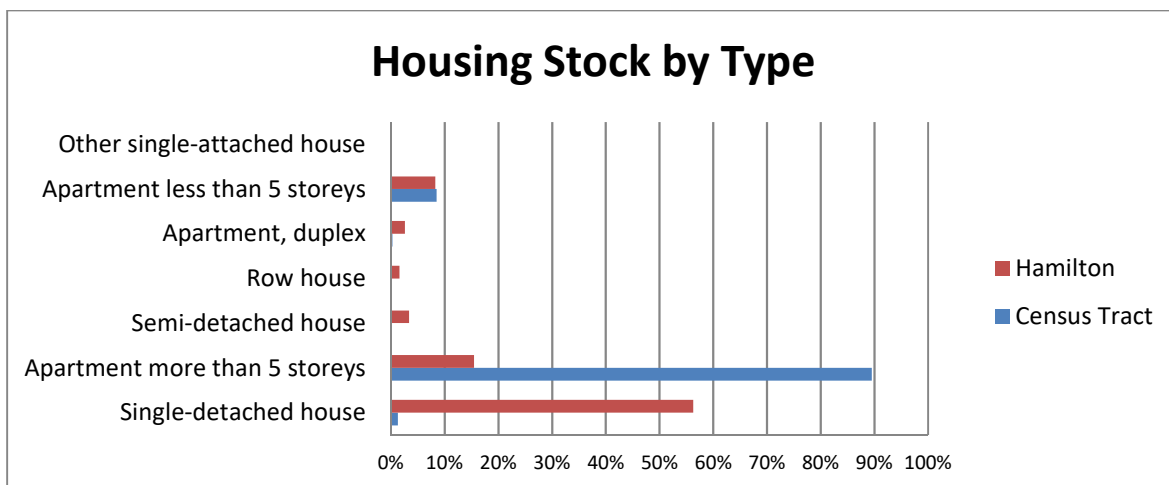


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Significant to the congregation's strategic plan will be a recognition that more than three-quarters of neighbourhood residents (77%) live on their own. Only 5 % of households have three or more residents. This stands in stark contrast to the city average for single households of 27%. Of the 315 households that are registered as being occupied by couples only 65 or 21% of them have children. It is also of particular note that of the 390 census families in the tract area, 18% are listed as single parent families. The average household size is 1.3. The average census family size is 2.3.



Housing: The 2016 census lists 1950 occupied dwellings in the immediate area around the church. The area is dominated by apartment dwellers (90% in apartments more than 5 storeys) and renters. Only 19.8% of the occupied dwellings are resident owned compared to 70.4% for the rest of the city. Single detached homes make up only 1% of the neighbourhood housing stock.





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Immigration and Cultural Characteristics: 36.4% of neighbourhood residents describe themselves as immigrants with 180 or 7.1% indicating they arrived in Canada between 2011 and 2016. 34% would describe themselves as belonging to a visible minority with the top 5 groupings being: Chinese (7.5% of the neighbourhood population), South Asian (7.5%), Black (5.9%), Arab (3.9%) and West Asian (3.6%).

*36.4% of
neighbourhood
residents identify as
immigrants.*

Mobility: The community is relatively mobile with 56.5% of neighbourhood residents having moved within the previous 5 years. This compares to 29.6% of residents in the Hamilton metropolitan area.

Education and Employment: According to the census tract information, the immediate community is moderately well-educated with 60.3% of those over the age of 25 having achieved a postsecondary degree, certificate or diploma (compared to 64.5% for the rest of the city. Moreover, 36% had achieved a University certificate, diploma or degree at the bachelor's level or above compared to 28.4% for the rest of the city.

and Service Occupations (23.7%), occupations in Law, Social, Community and Government Services (21%) and Business, Finance and Administration at 12.5%. 8.4% are self-employed and 6.1% work at home.

In terms of getting to work, 46.7% drive, while 27.7% use public transit. The majority of neighbourhood residents (30.9%) take between 15 and 29 minutes to commute to work.

With respect to employment, the figures highlight an area of concern for local residents. The participation rate of 46.5% is 18 points lower than the that for the rest of the city (64.5%) while the unemployment rate rests at 12.4% compared to 6.6% for the rest of the city. Of the nine representative employment categories put forward by Statistics Canada, the top three areas of employment for the census tract include: Sales

*53.1% of tenants live in
subsidized housing.*

*46.6% of tenants spend more
than 30% of income on shelter
costs.*

*51.5% of neighbourhood
residents fall below the after-tax
low-income measure.*



THE HALO PROJECT

Income and Shelter Costs: The average total household after-tax income for the census tract area in 2015 was \$31,407 with a median after-tax value of \$20,320. This is significantly lower than the averages for the metropolitan Hamilton area at \$80,008 and \$66,100 respectively. While this number is significantly lower due to the high number of single adults living in the area (in other words each household has fewer wage earners on average) it is also important to note that the median after-tax income of single person households (\$17,723) is also dramatically lower than figures for the rest of the city (\$32,898).

Significant for our understanding of the community and congregational planning are statistics relating to low-income individuals within the community. 51.5% of all residents in the census tract area fall below the after-tax low-income measure (compared to 13% for the rest of the city) and 43% of all households spend more than 30% on shelter costs (compared to 25.2% for the rest of the city). The average monthly shelter cost for the neighbourhood registers at \$599 per month compared to \$1,024 for the rest of the city. 53.1% of all neighbourhood tenants live in some form of subsidized housing.

HALO FINDINGS

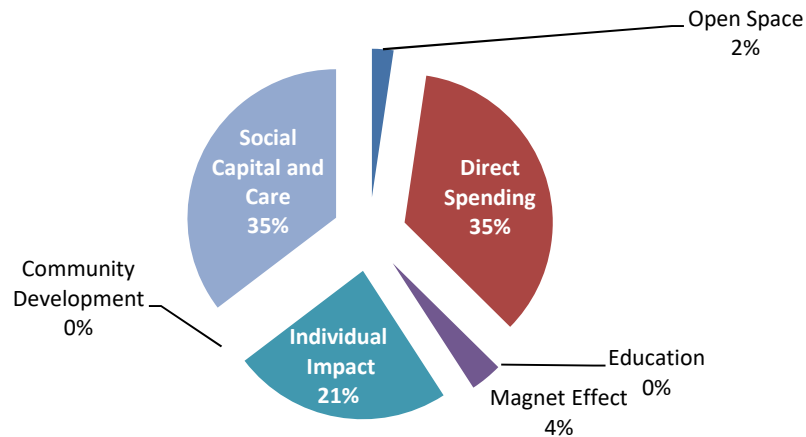
To date, the Halo Canada Project has completed studies for 27 congregations across the country. Together they have a cumulative impact of \$63,124,026.38. That works out to an average value of \$2,337,926.90 and a median value of \$1,883,080.82. Taking into account the average per capita figures for these congregations based on attendance, we arrive at a figure of \$5532.34 per worshipper.

Based on the information provided, we estimate the socio-economic impact of St. Paul's Presbyterian (Hamilton) to be \$727,718.10. When this value is broken down into the 7 broad areas of measured impact we observe that Social Capital and Care, as well as Direct Spending, each represent 35% of the congregation's entire Halo contribution. Individual Impact (24%) represents the next largest categories. Magnet Effect (4%), Open Space (2%) make-up the remaining 6%. There was no recognizable socio-economic impact in the areas of Education and Community Development.



THE HALO PROJECT

St. Paul's Presbyterian Church Halo Categories



1. OPEN SPACE

St. Paul's Presbyterian: \$17,131.00 - 2%

Halo Canada Project: 3.5%

Many congregations have open spaces that include: trees, lawns, gardens and other types of green space which have a positive impact on the aesthetic and environmental status of the neighbourhood. Several supporting studies suggest important economic impacts as well. In the Philadelphia study they measured the economic value to communities of the oxygen exchange provided by trees on the property.

In our study, we have restricted our consideration to the benefit of garden plots, play structures, less-than-market value charge for parking, and situations where municipalities are charging a management fee for storm-water run-off. There are also studies which demonstrate that property values are significantly enhanced when located next to large parcels of green space.

In the case of St. Paul's, we calculated a small amount of economic contribution made through parking made available to the public at less than surrounding market value.



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2. DIRECT SPENDING

St. Paul's Presbyterian: \$254,981.60 - 35%

Halo Canada Project: 34%

Studies have demonstrated that approximately 80% of congregational spending is spent within a 3 to 5 km radius of the building. Congregational budgets are spent mostly on salaries, music programs, social services, maintenance and upkeep, all of which tend to be local.

Most congregational staff also tend to live locally and therefore spend the bulk of their salary locally. By the mere fact that congregations exist in communities, they contribute to local economies through their purchasing power and employment capacity.

Thirty-five percent of St. Paul's Halo Effect comes from Direct Spending. This figure is almost exactly on par with other congregations in the study. This comparison is particularly significant for a congregation with a more than century-old building since aging buildings most often carry greater management and maintenance costs.

A helpful baseline of effectiveness in the area of direct spending is to compare the congregation's Spending Index of \$2.28 to the national average of \$2.94. This means that for every dollar the congregation spends, its socio-economic impact is approximately 30% lower than the average congregation nationally.

3. EDUCATION:

St. Paul's Presbyterian: \$0.00 - 0%

Halo Canada Project: 3.3%

Many faith communities offer various forms of educational programming to the wider community, both as a means of maximizing use of space in their buildings and to provide a much-needed service in the community. However, in both the Toronto pilot and the ongoing national study, this

category appears to play a minor role in many congregations relative to other categories. We also found this to be the case at St. Paul's with no socio-economic impact in this area.

Magnet Effect measures the extent to which congregational programs and services attract people from outside the community to the congregation's neighbourhood. Conferences, weddings, funerals, arts events, community and religious festivals, seminars all provide opportunity to attract individuals from outside the neighbourhood. Studies suggest that when people travel more than 10 km to attend church or attend programs or services offered by a local congregation they spend an average \$20 per person on things like gas, groceries, and meals.

4. MAGNET EFFECT

St. Paul's Presbyterian: \$25,088.00 – 4%

Halo Canada Project: 9%



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Currently, St. Paul's ranks lower than other Halo congregations in this area. As a downtown congregation, a significant portion of this impact is generated by the worshippers who travel more than 10 km to attend worship and other programs. Similarly, many of the individuals who are active as volunteers need to travel to support the programs in which they are involved. Encouraging program leaders to track not only numbers of volunteer hours, but how far volunteers travel to offer support, could help to increase impact reporting in this area.

Other significant contributions come from the congregation's liturgical role in conducting weddings, baptisms and funerals and the contributions visitors to these events make to the social economy. As the congregation plans for the future, it will be important to explore ways in which the congregation can fully maximize the "destination role" community institutions like churches can assume for both worshippers and program participants, and the economic benefit this creates.

5. INDIVIDUAL IMPACT

St. Paul's Presbyterian: \$442,206.20 – 24%

Halo Canada Project: 27%

This category represents an area that faith communities often associate with things like pastoral counselling, clergy-care, parish health nursing and other forms of counselling support.

At only 24%, this category falls just below congregations in the national study (27%). It is important; however, to point out that a lower score in this area does not necessarily mean that significant pastoral care is not being carried out. It may be that it is being carried out but is being directed largely at the congregation itself. It may

also be that it is being carried and directed at the wider community, but that it is not being recorded in ways that can be reflected by this study. For example: It may be that some of the categories such as ending alcohol abuse, preventing criminal involvement, and ending abusive relationships are being addressed but not reported on by some programs due to privacy concerns or other issues.

Our suspicion is that the congregation's impact in this area is higher than is being reported. That said, it may be helpful, as put forward in our recommendations, for the congregation to establish means of tracking some of these very impactful areas moving forward.

6. COMMUNITY DEVELOPMENT

St. Paul's Presbyterian: \$0.00 – 0%

Halo Canada Project: 0%

Community Development typically represents an area that many local congregations could be participating in but where our studies, to date, have shown little evidence. While this may seem surprising to socially minded congregations, part of the low value in this category may stem from the narrow definitions we have adopted for this study. In our matrix, Community Development represents the role congregations might play in offering job-training, participating in housing initiatives, operating lending programs and micro-financing, as well encouraging small business and non-profit development.

Community Development typically represents an area that many local congregations could be participating in but where our studies, to date, have shown little evidence. While this may seem surprising to socially minded



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St. Paul's, like many other congregations, has little to no impact in this area. As such, it perhaps represents the single largest area of opportunity for expanding the congregation's socio-economic impact. With 7% of neighbourhood residents identifying as recent immigrants, 53% of neighbourhood residents living in subsidized housing, an unemployment rate almost twice that of the rest of the city, and more than three-quarters of residents living on their own and looking for some form of supportive community there is ample opportunity to explore increased Halo impact in many of these areas.

7. SOCIAL CAPITAL AND CARE

St. Paul's Presbyterian: \$257,167.50 - 35%

Halo Canada Project: 23%

This final category captures how a congregation uses its building space, its volunteer hours and the social value of its in-kind support. Where the congregation may hold a perception of low level community impact, this category highlights a particular strength for St. Paul's. Through

direct use of its own space particularly its intended community use of the cottage space adjacent to the church building as well as the congregation's contributions of volunteer time to the community, St. Paul's contributes more than a quarter of a million dollars in socio-economic benefit through this category representing 35% of its total contribution. This is approximately 12% higher than other congregations participating in the national study.

DISCUSSION and RECOMMENDATIONS

Local congregations, like St. Paul's Presbyterian Church, are good for the common good! More than just providing a community of spiritual nurture and support; they have far-reaching economic benefit for the communities they serve.

Our findings clearly challenge the assertion that Places of Faith are merely self-serving clubs. On the contrary, even smaller congregations act both as community-service providers and economic catalysts

St. Paul's Presbyterian Church - Hamilton

Halo Effect: \$727,718.00

Per capita contribution: \$13,231.00

2,987 Community Volunteer Hours

1690 Community Members Served

Spending Ratio: \$1 to \$2.28



THE HALO PROJECT

for the communities in which we find them. Their economic indicators remind us that local congregations do not exist in isolation from society in general. The people who make up local congregations ARE MEMBERS of the local community. They are integral parts of the social fabric. They live, shop and raise their families in these communities. The idea that they are separated somehow from their neighbourhoods, simply because they are part of a community of faith, does not hold weight.

Staff, worshippers and community volunteers connected with St. Paul's should feel affirmed in the good work they are doing. Their total economic contribution of approximately \$0.73 million certainly falls below the current national average of \$2.3 million. The congregation's per capita index however, based on numbers of regular worshippers, of \$13,231.24 is about 2.5 times the national average. Apart from the satisfaction gained through seeing people's lives changed for the better; the people of St. Paul's can feel bolstered by the economic benefit their time, energy and experience contribute to the common good. Where poverty costs the Province of Ontario more than 13 billion a year, (approximately \$3,000 per household per year),⁸ these contributions are not insignificant! Framed in this context, every worshipper at St. Paul's Presbyterian Church is helping to alleviate the poverty of more than 4 Ontario households.

Finally, while the goal of this study is to create snapshot of what is – it is also intended as a tool to pursue what can be. Accordingly, our findings suggest several points of consideration for increasing effective ministry and strengthening community economic impact.

#1

Increasing Economic Impact Through Spending Does Not Necessarily Mean More Effective Ministry:

It is possible to increase a congregation's economic impact simply by increasing its spending. This does not necessarily mean more ministry or outreach. It may mean more overhead or occupancy costs. And so, while spending more may increase a congregation's Halo Index; the impact achieved may not end up benefitting those who need it the most. The

purpose of this study; is not to find ways to increase economic impact at all costs. For example, adding or diversifying in-house and outreach programs may increase the number and value of services that can be reported on; it may also undermine the congregation's capacity to maintain its current ministry strengths. The most effective means of determining cost-effectiveness is to examine spending vs. impact. St. Paul's Presbyterian currently has a spending ration of \$1 to \$2.28. In other words, for every dollar the congregation spends on annual expenses the community receives more than twice that amount in socio-economic impact.

#2

Review the Zero Impact Areas: St. Paul's had four categories in which it had little or no economic impact. Zero reporting can arise for several reasons: 1) There may be little or no opportunity for impact in a particular category due to lack of physical or human resources, 2) There may be little or no opportunity for impact in a particular category due to lack of identified need within a community; or 3) There may be inaccurate or insufficient record keeping to report in certain categories.



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Educational Impact is one area that highlights the idea of little or no opportunity due to lack of physical or human resources. While St. Paul's owns a relatively large facility; it currently is not optimized to offer childcare or to accommodate a small alternative school on a regular basis. There may be other examples where the current space, designed for a different generation and type of community engagement, is preventing or limiting further contributions of economic benefit.

Community Development represents another area that had little or no impact. It is also an area that through demographic investigation and community partnership could potentially increase the congregation's socio-economic impact significantly. Employment and entrepreneurship training are two examples of where this might be possible.

Open Space – while much of the outdoor space is limited in terms of potential use our economic findings would suggest that more effective use could be made of the existing parking space particular in the area of revenue generation. The current arrangements are providing parking to the community at considerably less than market value and could offer an additional source of revenue to the congregation.

#3

Review the Significant Impact Areas: Areas of significant impact usually suggest areas of strength. It is here that congregations are typically doing well and meeting identified needs. Articulating areas of strength can help organizations reflect on whether greater resources are required to respond to greater need *or* whether because resources can be directed towards other areas currently demonstrating lesser impact.

We see an example of how this comes into play in the case of volunteers. Volunteer Canada suggests that we can attribute \$24 to every volunteer hour contributed. Seeing community members, who are not currently a part of congregational life, as volunteer assets for programs offered in association with the congregation, can also create added benefits. Seeking volunteers from outside the faith community can help take pressure off members of the congregation who may have “maxed-out” emotionally or physically over their years of volunteer support. Volunteer support, whether it is for congregational or community programming, is no easy task. It takes energy. And it's easy to burn-out. Congregations will often be surprised at the number of community individuals who would be willing to partner with and offer volunteer support to programs offered by the congregation to the community. The larger a congregation's volunteer pool, the easier it is to spread around the time commitment required from each person. Secondly, seeking volunteer support outside the traditional congregational base creates a point of relational and ministry contact with people in the wider community. Working alongside people from the neighbourhood often creates an entry point for local residents to see that people that belong to faith communities aren't as different as they might have initially thought. This, too, is good for the common good.



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#4

Implement a Rigorous Tracking Plan: We encourage each congregation that participates in a Halo Study to review their strategies for tracking impact. There is little doubt that St. Paul's has a significant impact both spiritual and socially in the lives of many. Maintaining records with an eye for economic impact; making sure to accurately reflect volunteer engagement, along with use of space and in-kind resources, can often help to elevate a congregation's Halo Index simply through more accurate reporting. The lack of tangible reporting with respect to things like in-kind donations can represent one area where increased tracking could be of benefit. If we intend to use these figures in ways that help us understand congregational impact and to communicate this impact to the wider community, it behooves us to report on every impact available to us. This becomes increasingly important when we try to communicate our impact and develop partnerships with non-faith partners in the community.

#5

Review Demographic Data as Part of Strategic Planning: Finally, keeping services and programs impactful requires informed strategic planning. Taking time to review publicly available demographic information can assist greatly in ensuring that community ministries are responding to real as opposed to perceived needs. For example, census and other demographic data are publicly available through Statistics Canada as well as the City of Hamilton Ward Profiles. Information can be accessed down to the nearest census tract by postal code, document trends in age distribution, housing, immigration, cultural make-up, income, employment, education and economics. This information can often help congregations anticipate need and local advocacy. Targeted demographic data can also support the task of volunteer recruitment and donor appeals. Development strategies that objectively document current need alongside rigorous impact reporting have proven to be most effective in creating partner interest and support.

CONCLUSIONS

St. Paul's Presbyterian has been a spiritual and economic hub in the downtown Hamilton for close to two centuries. It currently contributes close to a quarter-million dollars to the common good. Its members offer close to 3,000 hours in community volunteer service and for every dollar the congregation spends the community receives \$2.28 in economic benefit.

The suggestions offered in this report arise from information shared with our research team. We suspect that some areas of impact have gone under-reported. As such, the Halo value of \$727,718.00 that we have put



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forward is likely a conservative minimum.

It is also important to note that some areas of congregational presence offer community value but are difficult to assess monetarily. For example, one thing the Halo metric does not measure well or at all is demand or need for space. It can measure the economic value to the community of space that is used. Very often, particularly in dense urban areas and in small town or rural areas, a church (or other place of worship) is the only community space available. User groups would sometimes be willing and able to pay more than the congregation seeks for use of space but has no “real” access to the “types” of space that suits its programs best. As a result, if the worshipping community ceased to exist, it may not be possible for the community user group to continue, simply because it cannot find other suitable or even available replacement space in the community.

Part of the ongoing task for St. Paul’s will be to learn how to see itself as a spiritual community that is not only a community-service provider but an economic engine for the community in which it finds itself. The congregation’s engagement with the wider neighbourhood has real and tangible effects on the personal and communal economics of those they serve. Any ongoing strategic planning should include opportunities for staff, lay leaders and denominational officials to ask how congregational programs and services are contributing to the local economy and economic well-being of its neighbourhood. In other words, how can St. Paul’s Presbyterian incorporate a ministry of economy that takes into account the common good of all?

Finally, it is important to note that this study does not give a final or complete indication of the value of St. Paul’s Presbyterian Church. As suggested above, the value of a local congregation is never just about money. But it can be an important part of it. This study simply offers an additional way of articulating the relationship between congregation and community; an economic one. As we continue to add additional congregations to this study, we expect to refine, validate and in some cases even dispute some of the assumptions and determinations made in this study. Future studies may include additional categories, while others may be eliminated. What this study does is affirm St. Paul’s Presbyterian as a strong and essential contributor to the common good of the community it serves. The cumulative data it contributes to further affirms the belief that articulating the value of local Places of Worship and the economic contribution they make to their surrounding neighbourhoods is not only possible but important to our understanding of the relationship between faith and community and how this relationship contributes to the health and vitality of communities as a whole. Clearly, congregations like St. Paul’s Presbyterian Hamilton are good for the common good.



APPENDIX A – Rationale for Applied Values

A. Open Space:

- 1a. Green Space: Many congregations have trees, lawns, gardens and other green spaces on their property, each of which has positive impact on the esthetic and environmental status of the neighbourhood.^{1, 2}

To monetize some of this value in our study we relied on satellite images and property data available from the City to measure green space. This allowed us to assign value based on a storm-water management fee introduced by the City in 2017. The City Water Department has proposed a change however for the upcoming 2017 budget year that would see a storm water management fee of \$94.00 per 267 m² applied to impermeable property area (roof, asphalt and concrete areas, etc.) Assuming that the City will approve this proposed change and that the cost will be similar to the figure above, we have used this figure to estimate the relative savings that congregational green space offers to the City.

The Philadelphia study also sought to include a detailed valuation of tree contributions to pollution reduction and water runoff control making use of a tool developed by the US Forrester Service.³ When considering the time intensive nature of collecting these measurements in more than 50 congregations; that only 4 of 12 congregations in the Philadelphia study reported economic contributions of over \$1000 in this category; and that only two reported contributions of over \$5,000, it was decided to also eliminate this item from the matrix.

In addition to the concrete methods identified above, other studies⁴ document how green spaces and recreational areas can have a positive effect on the value of residential properties located close and in turn generate higher tax revenues for local governments. This impact depends on the distance between the residential property and the green space as well as the characteristics of the surrounding neighbourhood. A recent study conducted in Dallas – Fort Worth showed that houses within 500 feet of a green space with an average size over 2 acres showed a percentage added value of approximately 8.5%, while those located within 100 feet had a percentage added value of almost 25%.⁵ Another study of three neighbourhoods in Boulder, Colorado suggests that property values decrease by \$4.70 USD for each foot away from a greenbelt area.⁶ While the extent of these valuations is significant and recognized anecdotally, attributing index values to these components are beyond the scope of this study.

- 1b. Garden Plots: Some congregations add value to their green space by making them available for garden plots. Peleg Kramer⁷ cites a New York study which measured the value of produce from 43 gardens (over 17,000 pounds of food) at approximately \$52,000 USD (\$66,638 CDN) for an average of roughly \$1550 CDN. There was no indication of the size of these community gardens. In order to err on the conservative side, we estimated that an average garden plot would yield \$775 dollars' worth of food annually.
2. Recreation - Children's Play Structure: Currently the City of Toronto, Parks, Forestry and Recreation enhances/replaces existing Toronto playgrounds under its play enhancement program. Playgrounds being enhanced/replaced under this program currently have a Capital Budget of \$150k each. This is a global budget that includes: professional and technical service fees, testing and permit costs (as required), management fees, construction/installation costs and applicable taxes. Typically, the playground equipment cost (including installation) accounts for \$50-70k of that global budget. This range can vary from playground to playground based on a wide number of factors. Where play structures are present, we anticipate that on average they would not be of the size and scope of City facilitated structures. To maintain a conservative estimate, we estimate an avg. cost of \$30,000 for commercially installed structures with a life span of 25 years. This would equate to an average yearly valuation of \$1200.

¹ Curran, Deborah (2011), Economic Benefits of Natural Green Space Protection (The POLIS Project on Ecological Governance and Smart Growth BC) Available from: <http://www.smartgrowth.bc.ca/Portals/0/Downloads/Economic%20Benefits%20of%20Natural%20Green%20Space%20Protection.pdf>

² Lindsay, Lois (2004), "Green Space Acquisition and Stewardship in Canada's Urban Municipalities", Evergreen. Available from: <http://www.evergreen.ca/downloads/pdfs/Green-Space-Canada-Survey.pdf>

³ US Forrester Service (2010), iTree. Available from: <https://www.itreetools.org/>

⁴ Kerr, Jacqueline (2011), "The Economic Benefits of Green Spaces, Recreational Facilities and Urban Developments that Promote Walking", in Quebec en Forme Research Summary 4:2. Available from: http://www.quebecenforme.org/media/5875/04_research_summary.pdf

⁵ Miller, A., (2001), "Valuing Open Space", Land Economics and Neighbourhood Parks. Cambridge, MA. Massachusetts Institute of Technology Centre for Real Estate.

⁶ Walker, Christopher, (2004) "The Public Value of Urban Parks". (The Urban Institute: Washington DC) Available from: <http://www.urban.org/research/publication/public-value-urban-parks>

⁷ Kramer, Peleg, (2012), "Quantifying Urban Agriculture Impacts, One Tomato at a Time", Triple Pundit May10, 2012. Available from: <http://www.triplepundit.com/2012/05/quantifying-urban-agriculture-impacts-one-tomato-time/>



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3. **Recreation – Sports Field:** The Philadelphia study based their valuation on a U.S. Corps of Engineers Study,⁸ which estimated the annual benefit to direct users of sports fields/facilities at a minimum of \$5000 USD (apr. \$6500 CDN) annually. We were unable to identify a similar Canadian study and as a result used the following calculations. Parks and Recreation for the City of Toronto books outdoor diamonds and fields in 2-hour blocks. These facilities are available on a seasonal or spot rental basis. Average charge is approximately \$25 per hour. We estimated that a soccer field / baseball diamond / cricket pitch on congregational property might be used an average of 1 hour per weekday and 2 hours per weekend day from April to October (252 hours) at \$25/hr. for a total annual valuation of \$6300.
4. **Parking:** Congregational parking lots are used most often by members coming for worship or other congregational events. In some cases, congregations may offer this space for a fee to monthly or daily users. In many cases, however, parking is offered free of charge as long as it is not considered 'regular' use. To estimate the value of these lots in the Toronto study, we considered how much it costs to park in civic lots in the City of Hamilton. While rates vary widely, particularly in the downtown core, an average 'Green P' lot in mid-town Hamilton currently charges \$2.00 with daily rates ranging from \$6.00 to \$9.00
5. **Property Tax:** Typically, faith communities are not taxed on their properties. However, one of the participants in our initial phase study is located in the downtown core and has a long-term lease arrangement with a developer for an office tower that was constructed on the property. This arrangement provides significant benefits to the city through taxation and as such provides a "halo" impact. To calculate the value of this impact we researched an article that states: that in 2012 the average commercial tax assessments were \$31.85 per \$1000 of assessment.⁹ We also discovered through a public rental website that the property includes 240,000 square feet. Assessments are usually determined on the basis of rental income, but construction costs can also serve as a proxy. Altus Group¹⁰ estimates construction costs for buildings 30 storeys and taller to be between \$265 and \$365 / sq. ft. Following the lowest cost scenario, an equation based on the variables stated above produces an annual tax assessment of \$2,025,660.

B. Direct Spending

6. **Operational Budget:** In 1999, Chaves and Miller¹¹ provided the first systematic review of congregational budgets, and found that congregations tend to save very little of the income they receive. Typically, congregations spend as much as they receive in revenue. As such, their total expenditures can largely be seen as economic contributions to their local community. Congregational budgets are spent mostly on salaries, music programs, social services, maintenance and upkeep, all of which tend to be local expenditures and thus provide stimulus to the local economy.¹² Most congregational staff tend to live locally and therefore spend the bulk of their salary locally. A certain portion of the salaried budget is, of course spent outside the community, as are certain non-salaried portions of the budget such as organizational contributions, international development, and disaster relief but these amounts tend to be relatively small proportionally speaking. To take this fraction into account we estimate (in-line with the Philadelphia study) that the congregation's base-level contribution to its local economy is 80% of its annual operating budget.
7. **Other Budgets:** Some congregations maintain more than one budget. For example, congregations might hold separate budgets for music, youth programming, or men's' and women's' groups. To ensure that all budgets were included, we asked specifically for these additional budgets (excluding capital budgets which are identified below as a separate category). We applied the same thinking as above and counted 80% of each separate budget as a contribution to the local economy.
8. **Capital Projects:** Because of their very specific nature and often limited time frame, capital budgets are almost always separate from the operating budget. Constructing a new building or undertaking major renovations often require different kinds of strategic planning and fund-raising. In these kinds of situations, it is often necessary to engage architects and contractors from outside the community. In order to account for this reliance on "out-of-neighbourhood" services, we estimated that only 50% of capital campaign or building budgets are spent locally.
9. **Special Projects (not included above):** Some special projects involve applications to foundations, government organizations, religious organizational offices and business. While some of these grants may be intended to address internal congregational needs, it would appear the vast majority of these types of grants are intended to address the wider community. In keeping with items 6 and 7 (above,) we estimate that 80% of each of these types of funding be seen as a contribution to the local economy.

⁸ US Army Corps of Engineers (2010). "Recreation: Value to the Nation". Available from: <http://www.corpsresults.us/recreation/recreation.cfm>

⁹ Perkins, T., (2012). "Developers Decry High Commercial Property Taxes." In Globe and Mail Oct 15, 2012. Available from:

<http://www.theglobeandmail.com/report-on-business/developers-decry-high-commercial-property-taxes/article4611934/>

¹⁰ Altus Group (2014). "Construction Cost Guide – 2014". Available from: http://www.altusgroup.com/media/1160/costguide_2014_web.pdf

¹¹ Chaves, M. and S.L. Miller (1999). "Financing American Religion." Walnut Creek, CA: Altamira

¹² Nnaan, R., Bodie, S.C., McGrew, C.C. and J Kang, (2006), "The Other Philadelphia Story: How Local Congregations Support Quality of Life in Urban America." Philadelphia, PA: University of Pennsylvania Press



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C. Education

10. Nursery School / Day Care: In order to value this contribution we measured the money that child-care programs save parents by allowing them to work full time. According to the Canadian Centre for Policy Alternatives, Toronto has the highest rates in Canada for infant child care (\$1676) as well as the highest toddler fees at (\$1324). We took the average of these two figures which equates to \$1500 per month.¹³ This puts the average yearly cost of childcare at \$18,000. A parent who is therefore able to work full-time (40 hrs./wk., earning minimum wage (Ontario - \$11.40/hr.) for 50 weeks a year earns an annual income of \$22,800. If we subtract from this the average yearly childcare cost of \$18,000, we find a net benefit of \$4,800 per child in care. While this number only takes into account parent's net savings, we acknowledge that extra income increases the family's ability to contribute to the local economy. Furthermore, working parents pay higher taxes than non-working parents adding further economic benefit (although our estimate does not account for this increase in tax revenue).
11. Alternative Schools: Where congregations offer independent or alternative schools, they are often separately incorporated with their own budget and management board. Funding generally comes through tuition, organizational funding and/or special donations to the school. It should be noted that the parents of children at a private school such as this pay both tuition and local educational taxes. As a result, there are additional savings/value to the public: taxes are paid and services are not made use of. For the purposes of this study, we assessed only the value the school board saves by not having these students enrolled. Statistics Canada (2010) reports that the average cost of education per student in the Province of Ontario is \$1,783. For those congregations offering private forms of education we used this figure as an equivalent and multiplied this value by the number of students enrolled.¹⁴

D. Magnet Effect

- 12-21. Conferences, weddings, funerals, religious festivals and rites of passage and other events often attract significant numbers of visitors to the congregational site. These visitors often spend significant amounts of money while in the neighbourhood. In total, we identified 10 areas that contribute to "Magnet Effect". In the Philadelphia study, Cnaan et al (2013) attempted to differentiate between the numbers of people who might travel overnight for an event vs. those who were simply making daytrips into the community. In our study, we elected not to include overnight stays, believing these estimates would be too difficult to verify. Instead, we opted to make use of Ontario Ministry Tourism estimates that place the average same day visit spending to be around \$82. Applying the same rationale used by Cnaan et al (2013) to apply this value to only 1 in 4 visitors, we settled on an average value of \$20 per visitor. We then applied either reported estimates of those travelling greater than 10 km to each event or applied the corresponding percentage of worshippers who travel more than 10km to worship as a proxy.
22. Members Expenses While in the Neighbourhood: As illustrated in sections 12-21, visitors to the neighbourhood are estimated to spend an average of \$20 per visit. If the individual, or family, simply drive in and out of the neighbourhood, their financial contribution will be minimal. But if they purchase gas, buy groceries, visit a local resident or go shopping at a nearby mall their spending will increase significantly. In the Philadelphia study, estimates of this daily value were confirmed with over 30 interviews of members who commute from outside the neighbourhood to attend services. As a result, we applied the same \$20 amount per person for those travelling greater than 10 km to worship. (This does not take into account times when they may have driven in to attend mid-week meetings or programs).
23. Volunteer Expenses While in Neighbourhood: same as above, \$20 per visitor.
24. Urban / Suburban Collaborations: The value of partnership between urban and suburban congregations can be considerable.¹⁵ Urban and suburban collaborations are one means through which resources (both human and financial) can be transferred between communities. As a minimum estimate, we totaled the volunteer hours spent annually in urban/suburban collaborations and applied the Government accepted estimate of \$24/hr.¹⁶

¹³ Macdonald, David and Martha Friendly (2014). "The Parent Trap: Child Care Fees in Canada's Biggest Cities." Canadian Centre for Policy Alternatives: Ottawa. Available from:

https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2014/11/Parent_Trapping.pdf

¹⁴ Statistics Canada (2009/2010). "Expenditures in public and elementary schools per capita by province and territory, 2005/2006 to 2009/2010." Available at: <http://www.statcan.gc.ca/pub/11-402-x/2012000/chap/edu/tbl/tbl20-eng.htm>

¹⁵ Slutz, T., "Urban Suburban Partnerships" The Polis Centre. Vol. 1 No. 11. Available from: <http://www.polis.iupui.edu/ruc/printable/157.asp>

¹⁶ Volunteer Canada. Found at: <https://volunteer.ca/value>



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E. Individual Impact

25. **Suicide Prevention:** Assessing the value of life is a difficult topic socially, let alone in financial terms.¹⁷ It is commonly assumed that the two key costs of suicide and attempted suicide are lost income and cost of health care. This assumption excludes the notion of attributing a value to the grief of family and friends. The Canadian Mental Health Association reports that the cost of suicidal death ranges from \$433,000 to \$4,131,000 per individual depending on potential years of lost life, income level and economic impacts on survivors. The estimated cost of attempted suicide ranges from \$33,000 to \$308,000 per individual depending on the level of hospital costs, rehabilitation, family disruption in terms of lost income, and support required following the attempt.¹⁸ While it is difficult to assess whether or not preventing a suicide over the course of a year prevents suicide in subsequent years, we followed the assumption offered by Cnaan et al (2013) that it can conservatively be estimated that preventing someone from committing suicide for one year saves a 20th of the cost of suicide. Using their model, we added \$33,000 (the lowest estimate of the cost of attempted suicide) and 5% of \$433,000 (the lowest estimated cost of a successful suicide) to arrive at a value of \$54,650. It should be noted that this figure does not include an economic value for the cost of grief, emotional trauma, and other personal suffering.
26. **Helping People Gain Employment:** Many congregations are active in helping congregational members and/or community residents gain full-time employment. In order to assess this value, we used Ontario's current minimum wage of \$11.25 at a conservative estimate of 35 hours/week over a total of 50 weeks per year. This equates to a total of \$19,687.50.
27. **Crime Prevention:** Some congregations also report that they have been active in preventing congregational or community members from going to prison. Cnaan et al (2013) report that this should be seen as a distinct from the general influence congregations may have as examples of "moral influence" (i.e. promoting good behaviour, social cohesion and respect for the law). In this section of the study, however, we are focusing on direct impact, examples of crime prevention where clergy or other members of the congregation were directly responsible for preventing this kind of outcome. Statistics Canada reports that it costs an average of \$357 each day to maintain an adult in federal prison and \$172 to imprison someone in Provincial Correctional Facilities.¹⁹ To arrive at an appropriate index we took the average of the two (\$264.50) and multiplied the figure by 365 for a total of \$96,542.50. To this figure, Cnaan et al. added a figure of \$5,000 in minimum taxes that the government no longer receives from the imprisoned person, bringing the total to \$101,542.50. We applied this value each time a congregation reported directly preventing someone from going to prison.
28. **Helping End Alcohol and Substance Abuse:** Many faith communities are also active in helping people end alcohol and substance abuse. While there may be indirect assistance offered by being connected to a faith community, as well as membership in affiliated support groups such as AA, our study involved only direct counselling from clergy or other congregational staff. We asked each clergy team to identify the number of individuals they believed they had had a direct role in ending a person's alcohol or substance abuse. Then in order to value this contribution we reviewed the literature on economic cost of these factors on society. In 2002, it was estimated, that the economic costs to society of substance abuse have reached \$39.8 billion in Canada²⁰. Of these economic costs, approximately \$24.3 billion was due to labour productivity losses, including short-term and long-term disability and premature mortality. Health Canada estimates that social costs for alcohol and substance abuse are comprised primarily of health and enforcement costs. In terms of alcohol related costs, they estimate \$165 (health) and \$153 (enforcement) for a total of \$318 per occurrence. With respect to substance abuse they estimate \$20 (health) and \$328 (enforcement) for a total of \$348. This leaves us with an average value of \$338 per occurrence.²¹ It should be noted that these figures are considerably lower than the estimate of \$15,750 put forward by Cnaan et al (2013).
29. **Enhancing Health and Reducing the Cost of Illness:** The Canadian Institute for Health Information reports that the average health costs per person are \$6105 annually.²² It has also been reported that early diagnosis (particularly in the area of dementia and diabetes which represent two of Canada's greatest public health challenges) can reduce health costs by as much as 30%.²³ Taking these figures into account we applied an index value of \$1831 in situations where congregations have through some means been able to assist with early diagnosis or access to health care. While this is often difficult to assess it is most clearly evident in

¹⁷ Robinson, J.C., (1986). "Philosophical Origins of the Economic Valuation of Life." Millbank Quarterly 64(1):133-155

¹⁸ Canadian Mental Health Association (2016). *Mental Illness in Canada: Statistics on the Prevalence of Mental Disorders and Related Suicides in Canada*. Found at: http://alberta.cmha.ca/mental_health/statistics/

¹⁹ Statistics Canada (2015). "Adult Correctional Statistics in Canada 2013/2014". Available from: <http://www.statcan.gc.ca/pub/85-002-x/2015001/article/14163-eng.htm>

²⁰ Rehm, J., Baliunas, D., Brochu, S., Fischer, B., Gnam, W., Patra, J., Popova, A., Sarnockinska-Hart, B., and B. Taylor (2006), "The Costs of Substance Abuse in Canada. Canadian Centre on Substance Abuse: Ottawa. Available from:" <http://www.ccsa.ca/Resource%20Library/ccsa-011332-2006.pdf>

²¹ Thomas, G and C. Davis, (2009), "Comparing Risks of Harm and Costs to Society." Visions 5(4):11 Available from: <http://www.heretohelp.bc.ca/visions/cannabis-vol5/cannabis-tobacco-and-alcohol-use-in-canada>

²² Canadian Institute for Health Information (2015). "Health Spending Data". Available from: <https://www.cihi.ca/en/spending-and-health-workforce/spending>

²³ Barchester Foundation, (2010). "Early Dementia Diagnosis Could Reduce Costs by 30%" Available from: <https://www.barchester.com/news/early-dementia-diagnosis-could-reduce-costs-30>



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situations where a Parish Health Nurse or some other Medical or Mental Health Professional is part of the congregational staff.

30. Exercise Programs: Katzmarzyk and Jansen (2001) estimate that inactivity accounts for 2.6% of the total annual Canadian Health Cost. In 2016, that value was estimated to be \$219 Billion. 2.6% of that amount is 5,694,000,000 or approximately \$5.7 billion. Canada's population in 2016 was 36,268,378 which equates to \$156.70 per person. As a result, we applied \$157 to every person who the congregation involved in a regular program of physical activity.
31. Musical Instruction: The Royal Conservatory of Music cites that Music Instruction offers significant health and social benefits from social engagement to stronger neural connectivity, higher IQ's, better memory attention and better motor coordination.²⁴ While there are significant economic impacts to be accrued from each of these benefits we determined them to be beyond the scope of this paper. Instead, we merely included the difference in cost between accessing these programs in the community or through church or community sponsored programs operating out of the congregational location. Where the program charged more than the community we apply a value of zero. Where it is less, we applied the difference. In the case of St. Peter's Erindale, we applied \$15 per individual in most cases.
32. Teaching Children Pro-Social Values: Cnaan et al (2013) point out that one of the reasons families with young children join faith a community is to ensure that their young children receive a moral education, are taught social values and learn something of the value of civic engagement. Regardless of religious tradition, communities of faith offer educational programs and children's activities that encourage social responsibility, moral commitment, and respect for authority. These programs are difficult to value. For the most part, the costs for these programs are embedded within congregations' general budgets. Cnaan et al contacted some groups who did charge for youth programming and devised a formula which suggests the value of teaching a young person pro-social values is \$375 per year. We were unable to identify similar programs in the Canadian context. One way of valuing this role would simply be to apply the current CDN exchange rate to the figure proposed by Cnaan et al. This would produce a value of \$484.25. Another way would be to ascribe a modest value of \$10 per week which would equate to an annual value of \$520 (very close to the proposed exchange rate (to err on the conservative side we elected to go with \$484.25 per identified child 12 years and under).
33. Promoting Youth Civic Engagement: Several studies support the economic value of teaching youth civic behaviour.²⁵ They contend that religious participation, as well as participation in other forms of extra-curricular activities is a significant predictor of political and civic involvement and that these youths are less likely to engage in risky behaviours that bear cost to society. Sinha et al²⁶ are careful to note that congregational influence represents only one of many factors including parental care, school input as well as peer influence. In terms of ascribing economic value to this dynamic, the clearest offering we were able to identify is put forward by Cohen and Piquero.²⁷ They suggest that the potential benefits of encouraging civic behaviour is similar to that of dissuading a young person from adverse societal behaviours such as truancy, drug use, criminal activity and abusive behaviour towards peers. They conclude that the monetary value of "saving" a high-risk youth is between 2.6 and 5.3 million dollars (US). With a midpoint of approximately 3.95 million over a 50-year lifetime, the annual savings is approximately \$79,000 (USD) or \$102,013 (CDN). However, not all youth are "high-risk" and so we reduced the estimate by 75% (1 in 4). Furthermore, faith communities are not alone in helping youth avoid illegal or risky behaviours. Parents, teachers and other organizations all have a role to play in supporting them. And so, we reduced the figure by another 75%, arriving at a final estimate of \$6379 (CDN) annually for each identified youth between the ages of 13 and 18.
34. Helping Immigrant and Refugee Families Settle in Canada: The Ontario Council of Agencies Serving Immigrants reports that it costs an average family of three approximately \$55,000 - \$65,000 a year for living expenses. Many faith communities are involved in sponsoring refugee families from abroad.²⁸ This includes not only covering these costs for a period of up to one year but assisting with: helping to find suitable long-term housing, helping to learn English or French, assisting with job search, helping them to learn about Canadian culture and values, and helping them to access services and programs within the community. Assuming that there are costs beyond the minimum average "hard" cost of \$55,000 we took the difference between the two estimated values to apply a valuation of \$60,000 per family (in this case regardless of family size).
35. Preventing Divorce: Clergy sometimes are able to support married partners in ways that help to prevent divorce. In order to

²⁴ Royal Conservatory of Music (2014). "The Benefits of Music Education: An Overview of Current Neuroscience Research". Available from: https://www.rcmusic.ca/sites/default/files/files/RCM_MusicEducationBenefits.pdf

²⁵ Smith, E., (1999). "The Effects of Investments in the Social Capital of Youth on Political and Civic Behaviour in Young Adulthood: A Longitudinal Analysis." Political Psychology, 20(3), 553-580

²⁶ Sinha, J.W., Cnaan, R., and R.J. Gelles, (2006). "Adolescent Risk Behaviours and Religion: Findings from a National Study." Journal of Adolescence, 30(2):231-249

²⁷ Cohen, Mark and Alex Piquero (2007), *New Evidence on the Monetary Value of Saving High Risk Youth* (Vanderbilt University School of Law and Economics). Pp. 1-58. Found at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1077214

²⁸ Janzen, R., (2016) Unpublished Manuscript. "Canadian Christian Churches as Partners in Immigrant Settlement and Immigration." Centre for Community Based Research: Waterloo. pp. 1-31



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measure this impact, we asked clergy to indicate the number of married partners that they could reasonably state would likely have separated or divorced without their direct influence. In Canada, an uncontested divorce will cost approximately \$1,000. However, a recent poll of 570 Canadian lawyers indicates that cost for a contested divorce ranges from \$6,582 to as much as \$86,644, with the average running about \$15,570.²⁹ It is recognized, however, that the prevention of divorce by a ministry professional such as Pastor, Rabbi or Imam or any designated members of a congregation may not be permanent. Couples may simply be postponing divorce until a later date. For this reason, we followed the example of Cnaan et al, counting the figure of \$15,570 as being applicable if the couple stayed together for another 20 years. Dividing by 20, we estimate the value of preventing a divorce for one year is worth approximately \$780.

36. **Helping End Abusive Relationships:** In 2013, Justice Canada released a report indicating that domestic violence and spousal abuse costs the country at least \$7.4 billion a year.³⁰ Drawing on almost 50,000 instances of spousal abuse reported to police, and a 2009 Statistics Canada phone survey which estimated that 336,000 Canadians were victims to some form of violence from their spouse. Dividing the estimated cost by the number of victims yields an annual per victim cost of \$22,023. As with divorce, it is possible that prevention may not be permanent. Applying the same 20-year logic model, dividing by 20, we estimate the value of helping end an abusive relationship for one year to be worth approximately \$1100.

F. Community Development

37. **Job Training:** Congregations, particularly in urban settings, are often involved with individuals in need of job training. In 2006, Cnaan et al conducted a census of congregations in the City of Philadelphia, in which they asked about the cost of congregational-based job training programs. The reported average cost was approximately \$10,000 per program. Our study chose to address this question differently; on the basis of per individual cost. To approximate an appropriate value, we explored other publicly offered programs. The YMCA in Toronto offers courses that provide one-with-one counselling, assessment tools such as Myers Briggs and Emotional Quotient Inventory, detailed interpretation of the assessment results and follow-up sessions for ongoing support and guidance. Depending on the amount of time these programs range and length of ongoing support these programs range from \$470 to \$610 to \$870.³¹ Assuming that most individuals would choose the middle category we settled on a figure of \$610 per individual for job-training programs.
38. **Housing Initiatives:** Housing programs are amongst the most demanding types of projects that congregations can undertake. They require substantial amounts of funding, long-term commitment, and the support of a wide variety of partners and stakeholders. In cases where congregations have undertaken these commitments we propose calculating direct costs for construction pro-rated over an assumed 50-year life-span. In addition to this, Toronto Community Housing Identifies a market value rate of \$1060 per family-sized unit.³² In order to attribute an approximate value to society for Housing Initiative Involvement we adopted the following equation: (cost / 50 years) + (number of units created x \$1060/month or \$12720) minus rent paid and government subsidies applied.
39. **Lending Programs:** Faith based organizations, including local congregations, have a rich tradition of involvement in developing the social economy of Canada.³³ One such example is where faith-based organizations have been involved in lending programs to assist families in extreme need or to facilitate small business and micro-industry. In cases where congregations have undertaken this kind of support, we propose basing value on the actual amount of funds loaned.
40. **Small Business and Non-Profit Incubation:** Some faith communities are involved in helping incubate or initiate small business or micro-enterprises. Cnaan et al³⁴ found that the average investment of congregations who were involved in incubating small businesses was \$30,000. In our study, we chose to use employment generated. Innovation, Science and Economic Development Canada identifies a micro-business as 1 to 4 employees.³⁵ We assumed that any start-up business would likely fall within this category. We estimated an average number of 2 employees unless specifically stated. Again, using the minimum wage calculation for two individuals we arrived at a total annual value of \$39375 for the creation of a small business. This estimate is conservative and does not take into account the investment of the owners or taxes generated.

²⁹Vaz-Oxlade, Gil (2013). "Keep Divorce Out of Court." MoneySense. Available from: <http://www.moneysense.ca/columns/super-saver/keep-divorce-out-of-court/>

³⁰ Zhang, Ting and Josh Hoddenbagh, Susan McDonald, Katie Scrim, (2009), *An Estimation of the Economic Impact of Spousal Abuse in Canada, 2009*. Government of Canada: Department of Justice. Found at: http://www.justice.gc.ca/eng/rp-pr/cj-jp/fv-vf/rr12_7/index.html

³¹ YMCA Career and Employment Training. Found at: <https://ymcagta.org/employment-and-immigrant-services/career-planning-and-development-services>

³² Toronto Community Housing (2016), *TCHC Annual Budget 2016*. Found at: http://www.torontohousing.ca/webfm_send/13077

³³ McKeon, B., Madsen, C., and J. Rodrigo (2009), "Faith-Based Organizations Engaged in the Social Economy in Western Canada." The BC- Alberta Social Economy Research Alliance pp. 3-34

³⁴ Cnaan et al (2006)

³⁵ Innovation, Science and Economic Development Canada (2013), "Key Small Business Statistics – August 2013." Available from: <https://www.ic.gc.ca/eic/site/061.nsf/eng/02808.html>



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G. Social Capital and Care

Most faith communities, regardless of tradition provide space for social programming that benefits people in the wider community. For the most part, their operating budget covers at least part of the cost of these programs. For example, the cost of clergy and staff time, utilities and building maintenance are generally included in operating budgets. Some additional costs; however, are not covered. They include the following three items: space value, volunteer time, and in-kind support.

41. Value of Social Program Space: We asked congregations to complete program templates for each program they provide or support that is open to and provides some touch-point with the wider community. Following Cnaan et al, we followed the replacement method which assumes that if a public or private organization was to provide this program, they would have to rent an equivalent space. Following this method, if a faith community provides its social program space for free, then the value of the space represents an economic contribution to the local community.³⁶ If the congregation rents out the space at below-market value, then we applied the difference between market value and what was received in fees. To determine market value costs for use of space we relied on information published by the Hamilton District School Board: Classroom \$6/hr.; Cafeteria \$35/hr.; gym \$60/hr.; auditorium \$90/hr. In each case a \$25 administrative fee applies. In situations where groups have continuous and/or exclusive use of space we have approximated based on market value of roughly \$1000/month per 100 square feet.

NOTE: The figures represented above do not account for any security, technical, or client support services that are often provided and/or required by the Peel District School Board in addition to the rates indicated above.

42. Value of Volunteer Time: Volunteers serve as a major resource for all congregations.³⁷ According to the 2011 United Nations State of the World's Volunteerism Report, "...volunteerism benefits both society at large and the individual volunteer by strengthened trust, solidarity and reciprocity among citizens, and by purposefully creating opportunities for participation."³⁸ In 2010, Statistics Canada conducted the most detailed study of volunteerism in Canada to date. Notably, for this research, Stats Can observed that 21% of people who attended religious services once a week were considered top volunteers, compared with 10% of people who attended less frequently (including adults who did not attend at all). Moreover, the Stats Can study revealed that almost two-thirds of Canadians aged 15 and over who attended religious services at least once a week (65%) did volunteer work, compared with less than one-half (44%) of people who were not frequent attendees (this includes people who did not attend at all). The study also revealed that, volunteers who are weekly religious attendees dedicated about 40% more hours than other volunteers: on average, they gave 202 hours in 2010, compared with 141 hours for other volunteers.³⁹ We considered volunteer work in two areas: a) operating the congregation, b) providing social programs. As with the earlier question, involving volunteer hours spent in urban/suburban collaborations we attributed a value of \$24 to these hours spent.⁴⁰ This does not take into account the many volunteer hours, that members of faith communities are likely to contribute on their own time in other community organizations.
43. Social Program In-Kind Support: Many congregational programs directed towards the community are supported through various types of in-kind support. A typical example would be a food or clothing drive. Sometimes these involve one-time events or supporting ongoing programs. Other types of in-kind support include transportation, school supplies and household items. For each social program the congregation reported on we asked them to estimate the amount of in-kind support they provided. We added these estimated costs across the various programs to estimate an annual contribution.

It should also be noted that in some cases, a benefit for some may be a detriment to others. Cnaan et al⁴¹ cite the example of where a member of the clergy may help to prevent a divorce which may benefit that family but might undermine the business of local divorce lawyers. Our study does not attempt to measure.

³⁶ Cnaan et al (2006).

³⁷ Cnaan et al (2006)

³⁸ United Nations Volunteers. (2011). "State of the World's Volunteerism Report: Universal Values for Global Well-being." Found at: www.unvolunteers.org/swvr2011.

³⁹ Statscan (2011). "Volunteering in Canada." Available from: <http://www.statcan.gc.ca/pub/11-008-x/2012001/article/11638-eng.htm#a13>

⁴⁰ Volunteer Canada. Found at: <https://volunteer.ca/value>

⁴¹ Cnaan et al (2013)



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APPENDIX B - St. Paul's Presbyterian Halo Values

Type of Contribution	Source of Data	Value	Reported value
<u>OPEN SPACE</u>			
1a. Stormwater Fees Savings	Satellite Images	\$94.00 per 267 m2	
1b. Garden Plot	Congregation	\$775 per garden	
1c. Park / Cemetery Value	Congregation	\$824 per hectare	
2. Recreation - Children's Play Structure	Congregation	\$1,200	
3. Recreation - Sports Field	Congregation	\$6,300	
4. Parking	Congregation	As reported	\$17,131.00
5. Taxes	Congregation	as reported	
TOTAL: \$17,131.00			
<u>DIRECT SPENDING</u>			
6. Operational Budget	Congregation	Times 80%	\$254,981.60
7. Other Budgets	Congregation	Times 80%	
8. Capital Budgets	Congregation	Times 50%	
9. Special Projects	Congregation	Times 80%	
TOTAL: \$254,981.60			
<u>EDUCATION</u>			
10. Nursery School / Day Care	Congregation	No. of students times \$1,091 per month	
11. Alternative Schools	Congregation	No. of students times \$1,783 per month	
12. Music Instruction	Congregation	\$30/month	
TOTAL: \$0.00			
<u>MAGNET EFFECT</u>			
13. Conferences	Congregation	\$20 per visitor	
14. Weddings	Congregation	\$20 per visitor	
15. Funerals	Congregation	\$20 per visitor	
16. Baptisms	Congregation	\$20 per visitor	
17. Confirmation	Congregation	\$20 per visitor	
18. Bar/Bat Mitzvah	Congregation	\$20 per visitor	
19. Family Events	Congregation	\$20 per visitor	\$1,500.00



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20. Artistic Performances	Congregation	\$20 per visitor	
21. Religious / Community Festivals	Congregation	\$20 per visitor	
22. Museum/Exhibit	Congregation	\$20 per visitor	\$7,000.00
23. Members Expenses While in Neighbourhood	Congregation	\$20 per visitor	\$16,588.00
24. Volunteer Expenses While in Neighbourhood	Congregation	\$20 per visitor	
25. Volunteer Hours - Urban/Suburban Collaborations	Congregation	\$24 per hour	
TOTAL: \$173,350.00			
<u>INDIVIDUAL IMPACT</u>			
26. Suicide Prevention	Congregation	\$54,650 per prevention	
27. Helping People Gain Employment	Congregation	\$19,687.50 per individual	
28. Crime Prevention	Congregation	\$101,540 per occurrence	\$101,540.00
29. Helping End Alcohol and Substance Abuse	Congregation	\$338 per occurrence	
30. Enhancing Health and Reducing Cost of Illness	Congregation	\$1831 per occurrence	\$3,662.00
31. Exercise Programs	Congregation	\$157 per occurrence	
31.2 Music Instruction	Congregation	\$30/month	
33. Teaching Children Pro-Social Values	Congregation	\$484	\$2,904.00
34. Promoting Youth Civic Engagement	Congregation	\$6,379	\$44,653.00
35. Helping Immigrant and Refugee Families Settle	Congregation	\$60,000 per family	\$20,591.00
36. Preventing Divorce	Congregation	\$780	
37. Helping End Abusive Relationships	Congregation	\$1,100	
TOTAL: \$173,350.00			
<u>COMMUNITY DEVELOPMENT</u>			
38. Job Training	Congregation	\$610 per individual	
39. Housing Initiatives	Congregation	Actual cost divided by 50 years + no. of units created times \$1060)	
40. Lending Programs	Congregation	Actual amounts loaned	
41. Small Business and Non-Profit	Congregation	\$39,375 per small business created	



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TOTAL: \$0.00			
<u>SOCIAL CAPITAL AND CARE</u>			
42. Value of Social Program Space	Congregation	\$25 booking fee Classroom: \$6.00 Kitchen \$35 Gym \$60.00 Auditorium \$90.00	\$44,382.50
43a. Value of Volunteer Time - Congregational Operations	Congregation	\$24 per hour	\$71,676.00
43b. Value of Volunteer Time - Social Programs	Congregation	\$24 per hour	\$72,864.00
44. Social Program In-Kind Support	Congregation	Estimated Value	\$68,245.00
TOTAL: \$257,167.50			
			\$727,718.10



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ENDNOTES

¹ Bearman, L. and S. Lefebvre (eds), (2014). *“Religion in the Public Sphere: Canadian Case Studies”*. University of Toronto Press: Toronto

² Vidal, Avis C., (2001), “Faith Based Organizations in Community Development”, (U.S. Department of Housing and Community Development). To link to this article <http://www.huduser.org/portal/publications/faithbased.pdf>

³ Friesen, Milton, and Cheryl Clieff (2014). “Strengthening Vital Signs Through Urban Religious Communities—Calgary City Soul.” Cardus. <https://www.cardus.ca/research/socialcities/calgary/>.

⁴ Brownlee, B., Gumulka, G., Barr, C., and D. Lasby, (2006). *“Understanding the Capacity of Religious Organizations: A Synthesis of Findings from the National Survey of Nonprofit and Voluntary Organizations and the National Survey of Giving, Volunteering and Participating.”* Imagine Canada: Ottawa Available from: http://www.imaginecanada.ca/sites/default/files/www/en/library/misc/understanding_capacity_religious_orgs_report.pdf

⁵ City of Toronto, (2015), *“Auditor General’s Office – 2015 Operating Budget”* Available from: [Auditor General’s Office – 2015 Operating Budget](#)

⁶ Cnaan, R.A., Tuomi Forrest, Joseph Carlsmith & Kelsey Karsh (2013): *“If you do not count it, it does not count: a pilot study of valuing urban congregations”*, Journal of Management, Spirituality & Religion, DOI:10.1080/14766086.2012.758046. Available from: <http://dx.doi.org/10.1080/14766086.2012.758046>

⁷ Statistics Canada (2016) *“Census Profile, 2016 Census”* Available from : <http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/search-recherche/results-resultats.cfm?Lang=E&TABID=2&G=1&Geo1=&Code1=&Geo2=&Code2=&SearchText=L8P+2Y8&wb-srch-pc=search>