

# ECONOMIC IMPACT REPORT SUMMARY

## The Boys & Girls Clubs of Los Angeles County Economic Impact Report Summary

During the summer of 2010, Boys & Girls Clubs of America – Los Angeles County Alliance commissioned a study by Damooei Global Research to understand the monetary and economic value of the Boys & Girls Clubs within LA County.

The report focused on several mechanisms and services through which The Boys & Girls Clubs within Los Angeles County creates economic value in the region. The study compared the aggregate budget (\$48.3M) of the Boys & Girls Clubs with the positive economic impacts that it generates in the community. This framework allowed for a cost-benefit analysis based on the economic impact on stakeholders including Club members, parents, and the community.

Using data collected through stakeholder surveys and a review of publicly available information, the report placed a monetary value on the five following areas considered for the study:

### 1. Increased High School Graduation Rates

#### Lifetime Gain from High School Graduation Multiplier



In the most recent class of graduating seniors, Boys & Girls Club members exceeded National and County average graduation rates resulting in increased total work-life earning of their members by \$185 million. In addition, one of the most promising findings of the survey of Club members (those who are high school seniors) was that four out of five (82.3%) indicate that they plan to attend college eventually after completing their high school. Critically, nearly 85 percent of parents surveyed directly credited their child's increased academic performance with their attendance at a Boys & Girls Club within Los Angeles County.

### 2. Reduction in Teenage Motherhood

#### Lifetime Savings from Prevented Teen Pregnancies and Births Multiplier



The United States of America has the highest teen birth rate among all the industrialized countries in the world with nearly 4 out of ten girls before age 20. When comparing similar communities nearly 34 teen childbirths occur per 1,000; but less than 3 childbirths per 1,000 occurs among females that are Boys & Girls Club members! Each Teen birth costs taxpayers and society \$114,474 and the Boys & Girls Clubs within Los Angeles County saves taxpayers and society a total of \$18,659,262.

### 3. Juvenile Crime Prevention

#### Criminal Justice System Savings Multiplier



Annually the State of California spends \$85,958 for arrest, and \$191,017 for arrest and detention per youth offender. The rate of crime spikes upward in non-school time and dramatically with the highest rate of violent juvenile crimes occur after-school hours to early evening.

The Boys & Girls Clubs within Los Angeles County reduces juvenile crime rates and generates a savings of \$82.9 million per year for taxpayers who support the criminal justice system.

### 4. Improved Parental Ability to Work and Go To School

#### Parental Earnings Multiplier



Through a survey of parents, the study determined that \$429.2 million of additional annual earnings are generated for the parents of Club members who can continue being productive in non-school hours while having the satisfaction of knowing that their children are adequately supervised working. The Clubs within Los Angeles County serve 35,643 families and over 87% of Club members parent(s) are employed and 78% of the parent(s) stated that the Club helps them keep their job; 44.7% state that the Clubs enables them to keep their employment resulting in a minimum annual earnings of \$429,192,148.

# ECONOMIC IMPACT REPORT SUMMARY

## 5. Value of Economic Output, Jobs and Tax Revenue

### Regional Output on the County Level



Just like any other organization or business providing services or producing goods, the Boys & Girls Clubs create tremendous business activity through their operating and capital expenditures that can be measured in terms of output, employment, and tax revenue. The study states that the economic output to the State of CA is \$84,499,909 and about 1213 jobs are created by the Boys & Girls Clubs within LA County.

In addition, the study also mentioned two additional findings that the Clubs have an economic impact but not added into the equation:

### Engages Volunteers to Reduce Costs for Paid Staffing

Volunteers across Los Angeles County donated 286,772 hours of their time to the Clubs, and this volunteer labor generated \$10,098,904 in economic output across Los Angeles County!

### Develops Healthy Habits

In 2009, the annual national "cost of obesity was \$147 billion and people who are obese spent almost \$1,500 more per year on health care than non-obese individuals. A vast majority (78%) of Boys & Girls Club members stated that their participation in sports and other physical activities help them become more physically fit and (73%) of the members exercise at least 30 minutes a day. The study also indicated that 60% of club members attended the Clubs due to sports programs which further underscores the value of the Clubs for the health and nutrition of youth.

## THE SUMMARY:

The Annual Return on Investment is at least **1642%** annually!



Taken separately, each of these economic impact results is impressive on its own. When these economic impact results are combined, however, the results are all the more impressive. Based on the study's findings in the above five areas, the economic impact of the Boys & Girls Clubs in Los Angeles County translates, at a minimum, to the following results:

For every \$1 invested, the Boys & Girls Clubs within Los Angeles County generate \$16.42 of positive economic impacts for the community. This tremendous rate of return is a testament to the vital role the Clubs play in shaping the lives and futures of Club members and their parents.

For a full copy of the report please visit:  
[www.BeGreatLA.org/2010Impact.asp](http://www.BeGreatLA.org/2010Impact.asp)

We are grateful for the support of the following for securing the necessary funds to conduct this study:  
The Boone Family Foundation  
The Carol and James Collins Foundation  
The Disney's VoluntEARS Community Fund  
The Pacific Youth Foundation

This study was co-authored by:  
Jamshid Damooei, PhD  
Professor of Economics and Chair Department of  
Economics, Finance, and Accounting  
Co-director, Center for Leadership and Values  
School of Business, California Lutheran University  
& Alidad Damooei, Vice-President of Damooei Global Research