

THE LEARNING ENRICHMENT FOUNDATION

MEASURING SOCIAL IMPACTS

Prepared for the
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INTRODUCTION

Across Canada, community-based organizations are engaging in diverse economic development activities with the goal of building profitable businesses *and* healthy communities with strong social indicators. They are practicing Community Economic Development (CED), which is growing in importance in communities throughout Canada. The Learning Enrichment Foundation (LEF), located in Toronto, Ontario, is a part of this movement, providing training, employment support, and childcare services along with social enterprise initiatives. As this sector grows, so does the interest in evaluating the impacts of CED activities. The following report describes the findings of impact research for the Learning Enrichment Foundation, through the social accounting lens of an Expanded Value Added Statement. This report was conducted on behalf of the Community Economic Development Technical Assistance Program (CEDTAP), which has been a funding partner of LEF.

ORGANIZATIONAL BACKGROUND

The Learning Enrichment Foundation was established in 1979 in an area with large numbers of new immigrants and one of the highest levels of poverty in the Greater Toronto Area. Since their original offerings of multicultural theatre and cultural activities for schoolchildren, LEF has expanded into a wide range of integrated programs and services serving thousands of clients every year. LEF's programs and services are designed to serve the special needs of their clientele, focusing on the areas of employment services, training programs, language and settlement services, childcare, and social enterprises.

To help those who are searching for work, LEF provides employment counselling, a technology help desk, computer access, a recruitment service for employers, and self-employment training and support through its

Action Centre for Employment. Other clients are engaged in training programs targeting employable and accessible occupations, such as childcare, industrial skills, IT Project Management, and the 'Wood Works' and Cook training program for at-risk youth. Those needing to improve their English can take Language Instruction for Newcomers to Canada (LINC), TOEFL, or general literacy classes. Workshops in budgeting and numeracy provide other kinds of life management skills.

Many of the 200 annual graduates of these training programs find employment in one of LEF's six social enterprises or eighteen Childcare Centres. For example, the neighbourhood Childcare Centres run by LEF employ graduates of their Early Childhood Assistant (ECA) training program. LEF's Food Services social enterprise kitchen employs graduates of their Cook training program, which provides 600 meals daily for the Childcare Centres, and lunches for LINC nursery children

LEF MISSION STATEMENT

The Learning Enrichment Foundation provides community responsive programs and services which enable individuals to become valued contributors to their community's social and economic development.

and LEF clients. In a partnership with the non-profit organization *Second Harvest*, they also provide 500 meals a day to agencies serving the homeless.¹

LEF also provides school-based programs to assist new immigrants and low-income members of the community. Fifteen 'Before & After School' programs and five 'Best Start' programs are intended to support children in transitioning to a school environment and encouraging them to stay in school. Over 1000 children are enrolled in LEF daycare programs. Through the daycares and LEF, an extensive series of workshops is also available free of charge to parents, covering such topics as behaviour management, stress in children, financial counselling, and community safety.

STUDY OBJECTIVES

The objective of this study is to examine and quantify some of the social impacts of LEF's programs and services which might otherwise go unrecognized. This study forms part of a series of case studies conducted on behalf of the Community Economic Development Technical Assistance Program (CEDTAP), Canada's largest non-profit granting agency in the field of CED since 1997. In addition to having made approximately 500 grants to CED organizations (including LEF), CEDTAP promotes activities that enhance the legitimacy and effectiveness of community organizations engaged in CED. Together, these case studies provide an opportunity to contribute to the body of knowledge on CED policy and practice, assist with policy advocacy in the sector, and better illustrate organizational impacts which may be unrecognized due to their lack of easily observed financial value. This report addresses one component of LEF's programming, which is childcare-related services.

Individuals interested in applying the Expanded Value Added Statement method to their non-profit or co-operative organization may also find this example useful.

METHODOLOGY

The primary evaluation tool utilized to meet the objectives of this research study is a form of social accounting called an Expanded Value Added Statement (EVAS), explained below. This method was created by Laurie Mook and described in [What Counts: Social Accounting for Nonprofits and Cooperatives](#) by Jack Quarter, Laurie Mook, and B.J. Richmond (2006). A logic model was also completed for LEF, to provide context for the study and to assist in identifying the program theory and the linkages between the different program areas. These tools provide different types of insights, and used together give a more complete representation of organizational activities and impacts.

The research for this report was conducted between January and April 2007 and in September 2007. Information was gathered through a review of LEF documents including financial statements, public relations material and organizational records. Components of the logic model and the EVAS were generated from this research, as well as from on-site interviews and correspondence with staff and management. Financial values that appear in the EVAS were estimated based on comparable activities within the Toronto area and the Ottawa-Carleton school board.

¹ LEF website, <http://www.lefca.org/index.php?module=ContentExpress&func=display&ceid=4&meid=-1>

LIMITATIONS

Given the size and complexity of LEF, the following EVAS provides only a partial examination of LEF's social impacts – those related to their Childcare Centres and other childcare-related services. More in-depth studies could provide more detailed information and analysis on the full social and economic impacts of LEF's activities. Proxy financial values which inform the EVAS are estimates only, based on information available at the time of research. It should also be noted that some social values are difficult to quantify and have not been incorporated into the EVAS. Some of these are described in the text box on page 10.

The LEF logic model in this study presents a summary version of the main activities of the organization and the goals they are jointly contributing to. The many individual programs within LEF could be further described in terms of their specific inputs, activities, outputs, outcomes, and impacts.

FINDINGS

THE LOGIC MODEL

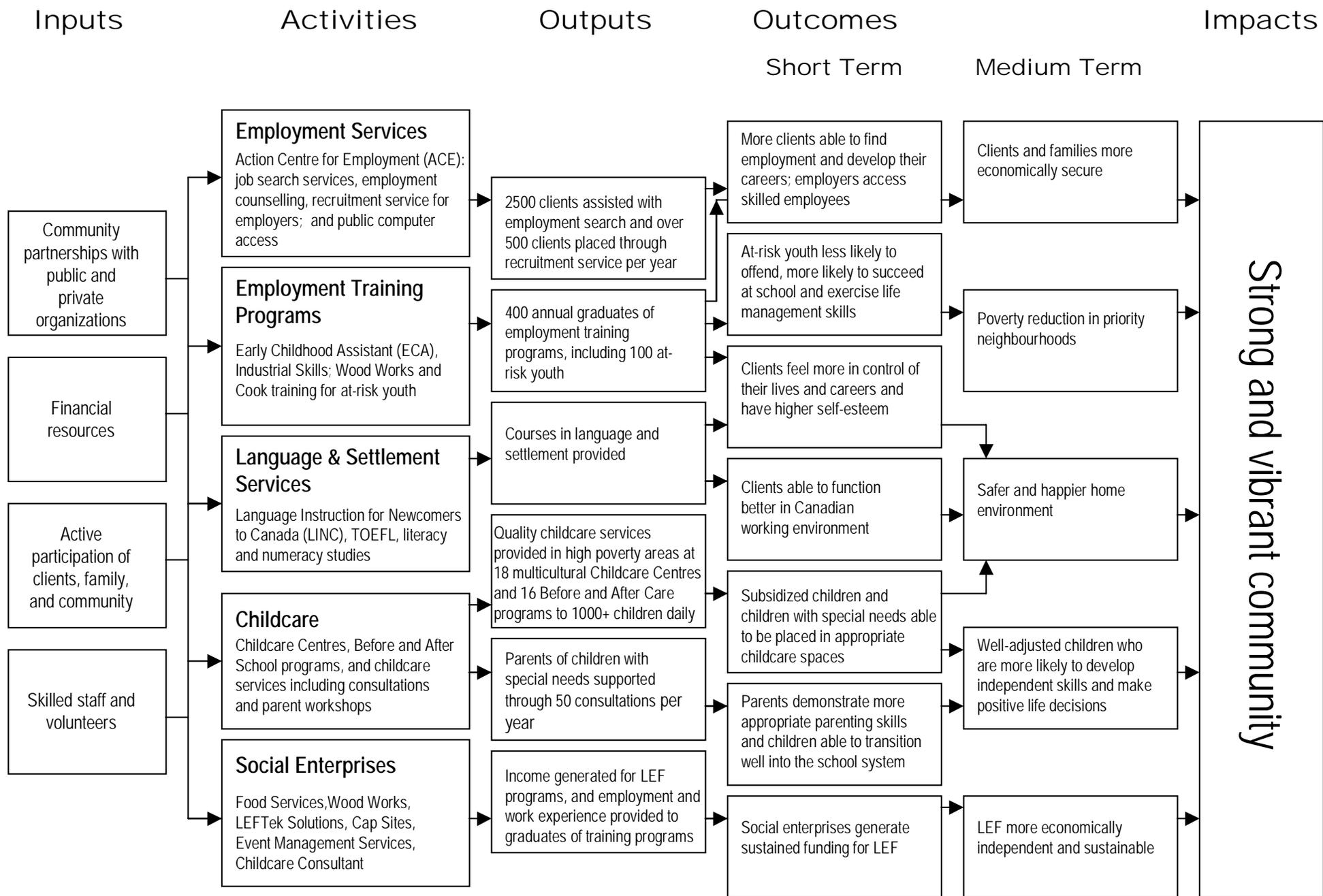
A logic model describes the 'theory of change' behind a program - the set of beliefs and assumptions that link the program's inputs and activities to desired results. A logic model articulates the often unwritten understanding amongst staff, funders, and other stakeholders about how the program works to achieve its goals. It can also be used as an evaluation tool to test whether program assumptions are borne out in reality, and how program strategies might be strengthened or adjusted. The most common form of logic model describes programmatic inputs, activities, outputs, outcomes, and long-term impacts.

LEF is a large organization managing a number of diverse programs, with revenues in 2006 of over \$11,550,000. Each program involves its own set of unique inputs, activities, outputs, outcomes, and long-term impacts. Since it is impractical to capture this level of detail for all programs in one logic model, the following logic model (Figure 1) presents a summary view of all the major programs of LEF and the overall strategy of the organization to achieve its mission - *to provide community responsive programs and services which enable individuals to become valued contributors to their community's social and economic development.*

The logic model on page 4 shows the five main areas of LEF's programming and many of the activities they encompass. These activities require a number of inputs and resources, seen in the first column, which include human and financial resources and various forms of community participation. LEF provides some of its programming through community partnerships with government and community agencies and the private sector.

The activities and programs of the organization produce a range of products and services that are identified in the logic model under 'outputs'. Outputs of LEF include assisting clients with their employment search, graduating clients from training programs, providing language and other courses, making childcare spaces available, completing consultations with parents, providing employment for some graduates of their training programs, and generating income to be re-invested in LEF.

The next column in the logic model describes LEF's 'outcomes', which refer to changes in participant's behaviour, knowledge, skills, status, functioning, or attitudes. As can be seen from the list of outputs, many of LEF's programs are interdependent and contribute to the desired outcomes



of increasing successful employment and careers amongst their clients. This is made possible by helping newcomers to adapt to a Canadian working environment, by providing quality childcare (including children with special needs and subsidized children from low-income homes), improving general parenting skills, and providing opportunities for at-risk youth.

Over the medium term, LEF aims to improve the economic security of clients and their families and improve the home environment and school attendance of vulnerable children. Through their six social enterprises they also hope to generate a more independent source of income for the organization as well as providing work experience for their clients and trainees. Ultimately, this series of activities, outputs, and outcomes is intended to contribute to a strong and vibrant community in the Greater Toronto region, particularly within their priority neighbourhoods.

A SNAPSHOT OF LEF'S CHILDCARE SERVICES

LEF offers a range of childcare services:

Childcare Centres: As of 2007, LEF operates 18 Childcare Centres, providing daycare for over 1000 infants, toddlers, and preschool and school age children per day. As well, school-age programs are available in the summer. These Centres are all in high poverty areas and are usually located at a school (either public or Catholic). The Centres are run on a non-profit basis, and typically charge cheaper fees than conventional daycare centres. 90% of families with children in the Centres are low-income families relying on government fee subsidies for daycare. LEF Centres, unlike some daycares, are able to accommodate these subsidy arrangements through their 'purchase of service' agreement with Toronto Children Services.

Most of the revenue from the Centres is used to cover staff salaries and benefits, with 20% being invested in improved programming and facilities for the Childcare Centres.² The Centres aim to provide excellent quality childcare services, and provide a multicultural environment with well-trained staff and good quality food from LEF's Food Services. Children with special needs benefit from the services of an LEF Early Childcare Consultant, included in their daycare fees. Most of the childcare assistant employees are graduates of LEF's Early Childhood Assistant Training program, and many parents with children in these facilities use other LEF services such as job search services or training programs.

The integrated nature of LEF's programs

Although this report focuses on childcare, the logic model visually demonstrates the highly integrated nature of LEF's programs. The social enterprises, employment services, employment training, and language and settlement programs provide complementary services to LEF's client population, and many individuals in LEF programs have participated in more than one area of programming.

This is clear as well in the case of childcare. The majority of childcare employees at LEF's childcare centres are graduates of their Early Childhood Assistant training program, and all trainees participate in a practicum at an LEF childcare centre. The childcare services draw clients to other LEF services. Parents with children in the daycare may, for example, also take English classes, participate in a training program, and then use the Action Centre for Employment to search for a job. "This may be a two-year process," describes Cheryl Oliver-Linton, LEF Childcare Manager, "but at the end of this the children are in an excellent quality program and parents have the time to focus on training and employment. To us it is a win-win situation for all."

² C. Oliver-Linton, personal communication, September 6, 2007.

Best Start: LEF incorporated 5 'Best Start' Centres in 2006 in high priority neighbourhoods as part of the 18 Childcare Centres. These programs are designed for children from two and a half to five years old. Being located at schools allows the Best Start Centres and the schools to provide a curriculum that is similar to kindergarten, allowing children the opportunity to be prepared to enter Grade One ready to learn.

Parent Workshops: Each Childcare Centre is responsible for providing a minimum of three workshops for parents per year (free of charge) according to needs identified in the community. Attendees are usually parents of children in the daycare or those involved with the associated school. Most of these workshops are facilitated by trained volunteers, and occasionally by paid professionals. Free childcare is provided by paid staff for parents enrolled in the workshops.

Public Workshops: LEF runs an extensive series of workshops for parents (free of charge), covering such topics as 'Healthy Eating', 'Challenging Behaviours', 'Kids Have Stress Too!', and 'Emergency First Aid'. These are open to the public, but attendees are usually families from the Childcare Centres or the associated schools. These workshops are also usually facilitated by trained volunteers, and free childcare is likewise provided for parents enrolled in the workshops.

Before and After School Programs: LEF runs 16 Before and After School programs located in public and Catholic schools. These programs aim to provide affordable childcare for families interested in care during the school year.

Consultation Services: LEF provides consultation services to the private and non-profit sector of the child care community. This includes assisting agencies to start up a daycare centre, or supporting non-LEF centres that do not meet the Day Nursery Act Regulations. Clients are charged varying rates, depending on their relationship to LEF.

Special events:

Annual Jamboree: Each year LEF organizes a jamboree, with over 700 children, family members, staff, and community partners in attendance. Free activities for children include slides, riding toys, water activities, arts and crafts, and a barbeque. This event is organized through a combination of staff time and on-site volunteers.

Health Fairs: LEF organized the first Health Fair in 2006 and two more in 2007, with plans to hold more of these special events in the future. Held at the schools with which their childcare centres are associated, the Health Fair offers the services of health professionals (for example, dentists, hearing specialists, public health professionals, optometrists, and children's behavioural specialists) for a few hours to children in the community. The event is largely educational and serves to inform and refer parents to appropriate services for their children. A few direct services such as hearing tests are also available. The event is organized with staff time, but the health professionals volunteer their time to LEF.

THE EXPANDED VALUE ADDED STATEMENT (EVAS)

Organizations create value through their activities, value which is often visible and quantifiable. Other values may not be formally recognized, or may be undervalued, especially when they are difficult to quantify. An Expanded Value Added Statement (EVAS) is a method of social accounting that attempts to capture these values and integrate them into conventional financial statements. To do so, an EVAS uses data from audited financial statements from the organization in question, combined with estimated monetary values for the social benefits that it provides. These social benefits make up the ‘value added’ of the Expanded Value Added Statement.

Value added can be seen as a measure of wealth: one that is created by an organization by adding value to external goods and services using labour and capital. Unlike for-profit companies, this form of wealth is created not for owners and shareholders, but for all organizational stakeholders including employees, clients, members, creditors, the organization itself, and society in general. The EVAS takes into account non-financial outputs such as donated services and the skills developed by volunteers, as well as the outputs used to create these values such as the value of volunteer time.³

The EVAS can help to make visible some of the services and contributions of the organization that are typically invisible in traditional accounting mechanisms. It presents a clearer picture of the real impacts of the organization’s programs, as well as calculating the distribution of these benefits to different groups of stakeholders.

AN EVAS FOR LEF’S CHILDCARE SERVICES

There are two components to an EVAS: calculating the value added created by an organization (in this case, of the childcare programs), and then calculating the distribution of total benefits to all the stakeholder groups. The EVAS has been calculated for one 12-month fiscal year, ending December 31, 2006. Since this report focuses on the childcare services, it uses the LEF *Schedule of childcare revenue, expense and allocation*, which is only one component of the overall organizational financial statements (see Appendix A).

Part I: The Calculation of Value Added by LEF

‘Value added’, as described above, is created by an organization by adding value to external goods and services using labour and capital. Therefore, to calculate the value added, we must first remove from our calculations the inputs of *external* purchases of goods and services that were invested in creating this value. To arrive at the figure of external purchases, we subtract costs related to capital and labour from total expenditures. In the case of childcare services, this includes employee wages and benefits (\$5,503,616) and amortization of capital assets (\$40,358). These are subtracted from the total childcare services expenditure of \$7,797,112, as shown in Table 1:

Table 1: Reconciliation of Expenditures on Audited Financial Statements to Purchases of External Goods and Services on the Value Added Statement

Expenditures per audited financial statements	\$7,797,112
Less: Employee wages and benefits	\$5,503,616
Amortization	\$40,358
Purchases of external goods and services:	\$2,253,138

³ Quarter, Mook and Richmond.

In Table 2 below, the Financial column contains numbers from the *Schedule of childcare revenue, expense and allocation*, showing a total expenditure on childcare services of \$7,797,112. External purchases of \$2,253,138 are then subtracted from total expenditures on childcare services, to arrive at a figure of \$5,543,974 as ‘value added created’, as can be seen in Table 1. These figures can be deduced for any organization based on their existing financial statements, but they do not reflect other, non-monetized social values created by the organization.

Table 2: Expanded Value Added Statement (Partial) for LEF for the Year Ended December 31st, 2006

Value Added Created		Financial	Social	Combined
Outputs	Primary	\$7,781,182	\$789,056	\$8,570,238
	Secondary	\$15,930		\$15,930
	Tertiary		\$1,250	\$1,250
	Total	\$7,797,112	\$790,306	\$8,587,418
Purchases of external goods and services		\$2,253,138		\$2,253,138
Value Added Created		\$5,543,974	\$790,306	\$6,334,280
Ratio of value added to purchases		2.46	0.35	2.81

The Social column expands on this existing financial data. It incorporates estimates of social value added that would not normally be quantified or included in a conventional accounting statement. It is often difficult to quantify these kinds of values, as there may not be a direct market price comparison, but in many cases estimates can be made by finding some kind of proxy (replacement) value in the market.

The EVAS categorizes these social factors into Primary, Secondary, and Tertiary values according to their relationship with the organization’s mandate, and who receives the benefits from these activities. Social value added factors that relate directly to this mandate and the services that the organizations provides, which benefit participants of the organization’s programs, appear under Primary. Secondary outputs are considered to be “indirect outputs that accrue to the organization’s members”,⁴ while Tertiary outputs benefit parties external to the organization. In any case, these factors all contribute to total outputs in the Social column.

LEF’s primary mandate is providing ‘community responsive programs and services which enable individuals to become valued contributors to their community’s social and economic development’. This is reflected in LEF’s childcare programming, which aims to ‘provide accessible and quality childcare to meet the needs of parents who must work or prepare for employment’.⁵ Social value added factors which we have identified and applied a financial value to are, in summary:⁶

⁴ Quarter, Mook and Richmond 115.

⁵ LEF Annual Report 2005-2006 4.

⁶ LEF offers other childcare-related services that do not appear in the above list, including free childcare offered to clients enrolled in LEF employment training programs, and the annual conference for the staff who oversee childcare for children whose parents are enrolled in LINC. These have not been included as these programs are not included in the Childcare budget (*Schedule of childcare revenue, expense and allocation*).

Primary impacts:

- **Training received** by clients of the Childcare Centres or the general public on a wide range of topics through **workshops and training sessions** provided free of charge:
 - **'Parent' and 'Public' Workshops**
 - A six-week **Babysitting Course** for children in Grades 5, 6, and 7
- **Financial savings** for families with children in LEF Childcare Centres, both in slightly reduced daycare fees and no additional costs for fieldtrips;
- The **annual Jamboree**, a special event for children in LEF's programs;
- The **volunteer time** used to prepare for and facilitate workshops and the volunteer time to organize the Jamboree.

Secondary impacts (indirect outputs that accrue to the organization's members):

- No social value added factors were identified as being secondary impacts. Since the LEF mandate is broad and includes many different kinds of services, most factors have been classified as primary impacts.

Tertiary impacts (benefiting parties external to the organization) were:

- The volunteer time to organize the school-based **Health Fairs** (one in the 2006 fiscal year). This event has been classified as a tertiary impact since it was open to the general public.

Estimates of value for these factors were input into the Social column of Table 2 (detailed calculations are available in Appendix B). Since there were no external purchases involved in creating these social values, no purchases have been subtracted. In this case, the social value added is estimated to be \$790,306. The Combined column is simply the addition of the Financial and Social columns, to arrive at the combined values from the financial data and the social value added figures, to create the final EVAS. This shows a total of \$6,334,280 in value added created.

Other social values which have not been monetized or included in the EVAS

There are other kinds of social values created by LEF's childcare services which have not been included in the EVAS, sometimes due to the difficulty in finding appropriate proxy market values, or because the information was not available. In other cases, these values (such as funding for professional development) are already included in the audited financial statements, and would be double-counted if they were included in the EVAS as a social value added. They are, however, worth highlighting.

- The LEF Childcare Centres aim to offer a **high level quality of care** and their presence **increases the available childcare spaces** in areas of high poverty.
- Childcare staff are encouraged (and funded) to undertake **regular professional development** training and improve their skills.
- Through LEF Food Services, LEF childcare centres are provided with **high quality food**, which also caters to children with allergies, religious restrictions, and vegetarian needs.
- **Parents of children are encouraged to be involved** in the childcare centres, offering input on the menu of food served, accompanying the children on fieldtrips, and preparing food for special celebrations.
- **Consultations** are provided by LEF staff to other community organizations and programs. These consultations are provided through paid staff time, but represent a valuable resource for other organizations with an interest in childcare (no consultation work was undertaken in 2006 due to other commitments).
- The services of the **Early Childhood Consultant** benefits children with special needs and their parents.
- The value of **referrals to health services** for parents from the community who attend an LEF Health Fair.
- **Volunteer out of pocket expenses** have not been calculated for this EVAS, although they can also be considered an added social value (organizations interested in tracking this can find advice on page 177-180 of Chapter 8: 'A Social Accounting Toolkit' in What Counts: Social Accounting for Nonprofits and Cooperatives by L. Mook, J. Quarter, and B.J. Richmond, 2006).

PART II: Calculating the Distribution of Benefits to the Stakeholders

The second part of the EVAS demonstrates how the value added of LEF’s childcare programs, described above, was distributed amongst their stakeholders. Stakeholders are considered to be groups with a “contribution to the viability of the organization and its values”⁷, but may also be considered to be any group with a specific interest in, or influence on, the organization. For the purposes of this EVAS, stakeholders are considered to include funders, members, clients, employees, the organization itself, any ‘providers of capital’, and society, including government entities.

The following groups of stakeholders have been identified as receiving value added benefits from LEF’s childcare programs. The amount of value added benefits they received, and their source, is summarized as follows (see Tables 4-8 in Appendix B for detailed calculations):

Table 3: Distribution of Value Added Created (Summary)

Stakeholders	Total Amount of Value Added Created (Financial and Social)	Sources of Social Value Added
Clients of childcare programs	\$ 736,831	Childcare fees saved ⁸
	\$21,405	Free training provided
	\$14,920	Value of volunteer time
	\$12,600	Value of special event (Jamboree)
	\$3,300	Free dinner at public workshops
	Total: \$789,056	
Employees of childcare programs	\$5,503,616	Wages and benefits
	Total: \$5,503,616	
Society	\$1,250	Health Fair (value of volunteer time)
	Total: \$1,250	
Providers of capital	\$40,358	Amortization
	Total: \$40,358	

A more detailed breakdown of benefits received – both financial and social - is shown in Table 9 in Appendix B.

⁷ Quarter, Mook, and Richmond 121.

⁸ The value of childcare fees saved is considered to be the difference between the market value of the services that LEF provides to its clients, and LEF’s ‘full-fee’ rates (what they charge non-subsidized clients - which is still lower than typical market rates). The majority (90%) of LEF’s clients, however, do not pay this full fee rate, since they qualify for daycare subsidies. Where daycare rates exceed the maximum subsidy provided by government (which is often the case), the parents must either pay the difference or seek alternative arrangements, such as those provided by LEF through their purchase of service agreement with Toronto Children Services. The maximum subsidy provided is typically less even than LEF’s ‘full-fee’ rates, but, in their case, LEF absorbs the loss of this difference between their ‘full-fee’ rate and the subsidized payment arrangements.

IMPLICATIONS

Based on the assumptions and calculations described in this report, LEF can be said to have **created \$790,306 in additional social value added** through their childcare programs in the fiscal year ending December 31st, 2006. The majority of this social value added (\$736,831) consists of **childcare savings** for LEF's childcare clients, based primarily on LEF's lower childcare rates. This represents a significant value for families in the high-poverty neighbourhoods in which LEF's childcare centres are located.

Another significant social value added factor was **training provided free of charge** to parents with children in LEF's childcare programs, which added up to an estimated **value of \$21,405**. These values have the additional benefit of improving parenting practices and home life, something that we have not attempted to quantify.

Another significant beneficiary is childcare employees, who receive wages and associated benefits from their employment, amounting to \$5,503,616 (which appears in the conventional financial statements). What is not obvious from this number, but which represents an important benefit to employees, is the higher rates of pay that LEF offers to its childcare employees, as well as a strong benefits package and an annual budget for professional development training.

The childcare sector (both private and non-profit) also benefit from consulting services offered by LEF's experienced staff. While some clients are charged full-market rates for these services, others are charged lesser rates, and this difference represents a social value added to the sector. However, this has not been included in the EVAS as no consultation work was undertaken in 2006 due to other commitments.

CONTRIBUTION OF VOLUNTEER TIME

Some of these values were created through the contribution of time and expertise by volunteers. Based on the information provided, **volunteers contributed at least 1,130 hours** to LEF in 2006, from the parents of children in daycare to the health professionals who attended the LEF Health Fair. This volunteer time had a conservatively estimated **value of \$16,170**. It is likely that this number would increase if volunteer hours could be fully accounted for.

RATIO OF VALUE ADDED

Using the numbers in Table 1, a ratio can be formulated which suggests how much value the organization generated for every dollar expended on goods and services – or, in other words, how LEF's childcare programs transform grants and other sources of income into added value. This ratio is determined by 1) taking the difference between total outputs and purchases of external goods and services (which results in the Value Added Created figure) and 2) dividing that figure by purchases of external goods and services. Using this ratio, it is estimated that **LEF's childcare programs generated \$2.81 for every dollar spent on goods and services** (as found in the Combined column). The **social value added component of this was \$0.35**, indicating a significant contribution of social value added for every dollar received by LEF from grants and other sources.

A NOTE ON THE AVAILABILITY AND CREATION OF CHILDCARE SPACES

Although it does not appear as a financial value *per se* in the EVAS, subsidized childcare spaces play a special role in high-poverty neighbourhoods. According to the City of Toronto Child Care Service Plan 2005 – 2009, only 28% of children with parents in the workforce have access to licensed child care in Toronto (7). Moreover, they note that licensed child care spaces would need to almost

triple to meet the existing needs of the population. Given the high proportion of children living in poverty in Toronto, child care fee subsidy spaces would need to more than double to achieve the equitable access called for in the Plan (9).⁹ The presence of LEF childcare centres increases the number of subsidized childcare spaces and contributes to more equitable access to childcare.

RECOMMENDATIONS

RECOMMENDATIONS FOR FURTHER RESEARCH

The childcare budget is the largest of LEF's programs, but there are several other programming areas at LEF that could be examined using similar methods to those in this study. This would provide a more complete representation of the social value added that LEF brings to the community. An interesting variation on this method could be to assess the social value added over the lifespan of one project or programming area from the time of its establishment to the present. Similarly, it might be informative to compare the results of an EVAS year-over-year, for the same program or for the organization as a whole, which would demonstrate consistency or variation over time, and perhaps provide a more reliable basis of results for comparison.

In terms of future research on LEF's other programs, staff have suggested examining the value to companies of receiving employees who have completed targeted job training at LEF. Specifically, the resources that companies save by not having to extensively train their new employees could be calculated, as well as how much companies gain in productivity and job retention.

RECOMMENDATIONS FOR LEF

In addition to core program information such as numbers of children in care, LEF already keeps track of some statistics such as the number of attendees in their workshops. Where available, this kind of information was invaluable to this report. Promoting a culture of tracking this type of information in multiple areas would contribute to demonstrating the scope of the impacts that LEF provides.

As with many non-profit organizations, LEF does minimal tracking of volunteer hours. Volunteer hours contributed to an organization represent a significant social value, and also demonstrate community involvement and commitment to LEF's programs. Since it is more difficult to retroactively track hours, LEF could consider implementing some simple volunteer tracking systems within any of their programs that utilize significant volunteer time.

CONCLUSION

Calculating social value added is an important exercise in evaluating the contribution that a non-profit organization makes to the community. While the organization may have an implicit understanding of the kinds of benefits they create, but cannot quantify them, it may be difficult for them to communicate this knowledge effectively with external interest groups or the surrounding community. In other cases, an organization may not be aware of the full extent of their impacts, or the contribution made to the organization itself from volunteer labour. An Expanded Value Added Statement can help to articulate and quantify these kinds of social value in a way that can be

⁹ Toronto City Council.

represented to external parties such as funders, partners, and the local community. Of course, there will still be intangible but important values that cannot be quantified and will not be recognized by an EVAS.

In the meantime, CED organizations and other non-profits and co-operatives can benefit from using the Expanded Value Added Statement model to quantify the social value added that they contribute to every dollar that they receive from grants and other sources. As shown in this case study of the childcare programs of the Learning Enrichment Centre, considerable value is created with each dollar that the organization receives. Quantifying these values through an EVAS allows the organization to communicate the full extent of their work, the transformation of each dollar that they receive, and the value that they provide to the community.

APPENDIX 1

LEARNING ENRICHMENT FOUNDATION
SCHEDULE OF CHILDCARE REVENUE, EXPENSE AND ALLOCATION¹⁰
(for the year ended December 31, 2006):

Revenue	
Client fees	1,417,175
Subsidy fees	4,774,925
Fundraising, donations and other	13,612
Grant and contribution agreements	1,605,680
	<hr/> 7,811,392
Expenses	
Advertising and promotion	19,140
Bad debts	5,500
Business travel	5,432
Employee benefits	805,451
Food prepared on premises	17,864
Fundraising	4,048
Insurance	1,116
Legal fees	0
Office and general	69,693
Program related	251,330
Repairs and maintenance	161,266
Rent	23,830
Telephone	33,761
Training and development	15,930
Wages	4,698,165
Amortization	40,358
	<hr/> 6,152,884
Allocation of Expenses	
Administration	826,150
Building	104,559
Food services	713,519
	<hr/> 7,797,112
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<hr/> 14,280

¹⁰ Akler et. al. 6.

APPENDIX 2

CREATING THE EXPANDED VALUE ADDED STATEMENT

The following calculation of value added is based on the Expanded Value Added Statement (EVAS) method created by Laurie Mook and described in What Counts: Social Accounting for Nonprofits and Cooperatives by Jack Quarter, Laurie Mook, and B.J. Richmond (2006). There are two main components to the EVAS: calculating the value added, and then calculating the distribution of total benefits to all the stakeholder groups. The preceding report describes a summary of these steps and their results. Detailed explanations of the proxy values and calculations, where not provided in the body of the report, are described below.

Financial information from the *Schedule of childcare revenue, expense and allocation* for 2006 indicates that the childcare programs received \$7,811,392 in revenue from fees, donations, grant and contribution agreements. This revenue, minus the \$14,280 excess of revenues over expenses, and the \$15,930 spent on Training and Development, was applied to the Financial column of Table 2 (see main section of the report) under Primary outputs. The \$14,280 in Training and Development expenses was added to the Financial column under Secondary outputs, for total outputs of \$7,797,112. Purchases of external goods and services were then subtracted from this figure (see Table 1) to arrive at ‘value added created’ (\$5,543,974).

PART I: THE CALCULATION OF VALUE ADDED BY LEF

In the main body of the report, ‘Part I: The Calculation of Value Added by LEF’, identifies a number of primary, secondary, and tertiary social values resulting from LEF’s childcare programs. Financial estimates of these values were created as follows:

Primary impacts

Training received by individuals who are clients of the Childcare Centres or are associated with the schools at which the Childcare Centres are based, provided free of charge and almost always facilitated by volunteers:

Table 4: Value of training provided and the related contribution of volunteer labour

TRAINING PROVIDED	CLIENTS SERVED	ESTIMATED VALUE PER CLIENT	TOTAL VALUE OF TUITION	STAKEHOLDER RECEIVING BENEFIT
Babysitting Course for youth in Grade 6+ (12 hours)	One course per year Average # of attendees: 15	\$59 per person per workshop ¹¹	\$885	Clients
‘Public’ Workshops (3 hrs each)	26 workshops conducted Average # of attendees: 12	\$20 per person per workshop ¹²	\$6,240	Clients
‘Parent’ Workshops (3	3 per year per	\$20 per person	\$14,280	Clients

¹¹ Cost of similar course offered by Ottawa-Carleton Continuing Education Program.

¹² Cost of a similar one-day course offered by the Ottawa-Carleton and Catholic School Boards.

hrs each)	Childcare Centre @ 14 Centres Average # of attendees: 17	per workshop ¹³		
Subtotal:			\$21,405.00	Clients
VOLUNTEER LABOUR TO PROVIDE TRAINING	VOLUNTEER HOURS	ESTIMATED VALUE PER HOUR	TOTAL VALUE OF VOLUNTEER LABOUR	STAKEHOLDER RECEIVING BENEFIT
Babysitting Course, Volunteer Facilitators	2 facilitators @ 18 hours each (6 hrs prep and 12 hours in session) = 36 hours	\$20 ¹⁴	\$720	Clients
'Public' Workshops, Volunteer Facilitators	1 facilitator @ 5 hrs each (2 hrs prep and 3 hrs in session) for 26 workshops = 130 hours	\$20	\$2,600	Clients
'Parent' Workshops, Volunteer Facilitators	1 facilitator @ 5 hrs each (2 hrs prep and 3 hrs in session) for 42 workshops = 210 hours	\$20	\$4,200	Clients
Subtotal:			\$7,520.00	Clients
TOTAL:			\$28,925	Clients

Financial savings for families with children in LEF Childcare Centres, both in slightly reduced daycare fees and no additional costs for fieldtrips:

Table 5: Childcare savings related to LEF's lower program fees

FINANCIAL VALUE	CLIENTS SERVED	ESTIMATED SAVINGS PER CLIENT	TOTAL VALUE OF SAVINGS PER YEAR	STAKEHOLDER RECEIVING BENEFIT
Lower daycare fees	Based on 261 days in care per year ¹⁵			Clients
Infants	50 infants X \$7.32 savings per day	\$1,911 per year	\$95,526	Clients
Toddlers	80 toddlers X -\$1.59 (higher fees per day)	\$415 per year ¹⁶	-\$30,560	Clients
Preschool	407 children X \$.19 savings per day	\$50 per year	\$20,183	Clients
School age Summer Programs	144 children X \$2.11 per day	\$551 per year	\$79,302	Clients
Lower fees, Before and After School Care	550 children enrolled for 5	\$5 per day ¹⁷ X 5 days X 40	\$550,000	Clients

¹³ Cost of a similar one-day course offered by the Ottawa-Carleton and Catholic School Boards.

¹⁴ Average wage per childcare worker.

¹⁵ Savings per day on based on LEF fees compared to fees of other typical childcare programs.

¹⁶ This is a negative number as LEF charges slightly more for Toddlers than other programs.

¹⁷ Other programs charge typically \$5 or more per day for Before and After School programs than LEF. (C. Oliver-Linton, personal communication, September 24 and 28, 2007).

	days/week for 40 weeks	weeks = \$1000 per child		
Fieldtrips	551 children eligible for fieldtrips	\$30 per year ¹⁸	\$16,530	Clients
TOTAL:			\$730,981	Clients

Free childcare and other benefits for parents enrolled in LEF's parent and public workshops:

Table 6: Childcare savings and other benefits related to LEF's workshops

CHILDCARE AND OTHER BENEFITS	CLIENTS SERVED	ESTIMATED VALUE PER CLIENT	TOTAL VALUE OF SAVINGS	STAKEHOLDER RECEIVING BENEFIT
Free childcare at 'Parent' and 'Public' Workshops	234 children during the year @ 3 hours per child	\$25 for 3 hours of babysitting	\$5850	Clients
Free dinner at Public Workshops	330 in total during one year	\$10 ¹⁹	\$3,300	Clients
TOTAL:			\$9,150.00	Clients

- The value of the service provided from the **Jamboree** and the associated volunteer time:

Table 7: Values related to the Jamboree

SPECIAL EVENTS	CLIENTS SERVED	ESTIMATED SAVINGS PER CLIENT	TOTAL VALUE	STAKEHOLDER RECEIVING BENEFIT
Jamboree: activities and lunch provided	700 children and adults	\$10 comparable admission fee and \$8 comparable lunch, per person	\$12,600	Clients
Subtotal:			\$12,600	Clients
VOLUNTEER LABOUR TO ORGANIZE JAMBOREE	VOLUNTEER HOURS	ESTIMATED VALUE PER HOUR	TOTAL VALUE OF VOLUNTEER LABOUR	STAKEHOLDER RECEIVING BENEFIT
Jamboree: On-site volunteers	133 parents and 15 ECA students @ an average of 5 hrs each = 740 hours	\$10	\$7,400	Clients
Subtotal:			\$7,400.00	Clients
TOTAL VALUE FOR JAMBOREE:			\$20,000	Clients

¹⁸ The amount other childcare programs charge for fieldtrips per year. (C. Oliver-Linton, personal communication, September 24, 2007).

¹⁹ Estimated price for purchasing an equivalent meal.

Tertiary impacts (benefiting parties external to the organization) were:

- The volunteer time to conduct the school-based **Health Fairs** (one in 2006):

Table 9: Value related to the Health Fair

VOLUNTEER LABOUR TO ORGANIZE HEALTH FAIR	VOLUNTEER HOURS	ESTIMATED VALUE PER HOUR	TOTAL VALUE OF VOLUNTEER LABOUR	STAKEHOLDER RECEIVING BENEFIT
Health Fair: volunteer Health Professionals	5 health professionals: Optometrist, dentist, public health professional, hearing tester, and children's behavioural specialist for 2.5 hour event for a total of 12.5 hours	\$100 on average	\$1250	Society/general public
TOTAL:			\$1250.00	Clients

PART II: CALCULATING THE DISTRIBUTION OF BENEFITS TO THE STAKEHOLDERS

Table 10 shows how the 'value added' of LEF's childcare programs (described above), was distributed amongst their stakeholders. The main stakeholder groups of LEF who received value added benefits from the childcare programs in 2006 are listed below:

Employees: The wages and benefits received by staff in 2006 were \$5,503,616.

Clients of Childcare Programs: Clients of LEF's childcare programs received a total of \$789,056.37 in value added benefits, from a combination of savings on childcare fees, free workshops, the Jamboree, the volunteer labour to create these values, and food provided at some events.

Society: The general public benefited specifically from the Health Fair, which was open to the public.

Providers of Capital: Providers of capital benefited from amortization of \$40,358 in 2006.

Table 10: The Distribution of Value Added (Detailed)

Stakeholders	Distribution of Value Added	Financial	Social	Combined
Employees of childcare	Wages and benefits	5,503,616.00		5,503,616.00
Clients of childcare	Childcare fees saved		736,831.37	736,831.37
	Free workshops provided		21,405.00	21,405.00
	Value of all volunteer time		14,920.00	14,920.00
	Special events (Jamboree): value of service provided		12,600.00	12,600.00
	Free dinner at public workshops		3,300.00	3,300.00
			789,056.37	789,056.37
Society	Health Fair: value of volunteer time		1,250.00	1,250.00
Providers of capital	Amortization	40,358.00		40,358.00
Value Added Distributed		5,543,974.00	790,306.37	6,334,280.37

AUTHOR'S NOTE

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