Societal Cost Impact Calculator
for
Social Enterprises in Vancouver that Provide Targeted Employment and Training

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with Funding Support from:
Can we design a societal cost calculator?

• That....
  • Relates existing empirical research to the activities that social enterprises are doing.
  
  • Is based on what social enterprises are typically able to collect.
  
  • Will be valuable in understanding relationships and connections between community level outcomes and activities
Challenges:

- Resources, time and expertise; methodological uncertainty.
- Methods out there assume fairly extensive collection of personal outcome data.

Opportunity:

- We actually already know a lot about impact.
- Wealth of empirical evidence and research about work and health and social outcomes, community indicators well developed, societal cost studies.
Employment upon Release from Prison and Recidivism

Employment and the use of Health Services for Mental Health Issues

Health Inequities and Social Determinants of Health
- Potential years of life lost - alcohol-related, medically treatable, drug induced and smoking-related
- New diagnoses of chronic and communicable disease (HIV, Hepatitis C, COPD).
- Hospital admission rates related to Trauma, Injury and Poisoning and the Toxic Effects of Drugs, the Circulatory system and the Respiratory System.

Direct Economic Impacts and Indirect and Induced Economic Effects
Unit Costs and Costing Methods

Costs of incarceration
Value of lost of property
Valuation of pain and suffering for victims of crime
Valuation of pre-mature death and disabilities (DALY)

Direct health treatment costs
Personal Income generation and associated Tax, CPP, EI, WCB premium generation

Changes in the public costs of social supports (optional)
# of people engaged (targeted employment)

# living with mental illness

# that have been recently incarcerated

Sales revenue

Other income (grant income)

Annual earnings

Tax, CPP, EI, WCB deductions

ALSO: Can add in change in the use of Social Supports (optional)
Example
Calculation based on the inputs of two work integration social enterprises in Vancouver

CALCULATOR INPUTS

- # of people engaged in 2014: 87
- Annual Sales Revenue: $1.5 million

CALCULATOR OUTPUT

<table>
<thead>
<tr>
<th>Summary</th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Public (tangible)</strong></td>
<td>$ 837,219</td>
</tr>
<tr>
<td>Avoided costs of incarceration, policing and courts</td>
<td>$ 20,491</td>
</tr>
<tr>
<td>Lower health care system costs</td>
<td>$ 339,039</td>
</tr>
<tr>
<td>Contribution to Income tax, CPP, EI</td>
<td>$ 477,689</td>
</tr>
<tr>
<td><strong>Private (tangible)</strong></td>
<td>$ 12,047,216</td>
</tr>
<tr>
<td>Additional personal earnings (target employees)</td>
<td>$ 1,586,433</td>
</tr>
<tr>
<td>Local economic activity</td>
<td>$ 12,039,749</td>
</tr>
<tr>
<td>Avoided cost of property loss from crime</td>
<td>$ 7,466</td>
</tr>
<tr>
<td><strong>Private (intangible)</strong></td>
<td>$ 1,423,918</td>
</tr>
<tr>
<td>Reduction in crime-related pain and suffering</td>
<td>$ 139,819</td>
</tr>
<tr>
<td>Reduction in premature death and disability</td>
<td>$ 1,284,099</td>
</tr>
</tbody>
</table>

In addition, if these people continue to be successfully employed, they will provide:

| Lifetime earnings                  | $ 8,399,670 |
| Cumulative contribution to Income tax, CPP, EI | $ 2,529,214 |
$10,000 Renovation or Cleaning Contract with a Social Enterprise

$4,700 in Additional Social Value
(above and beyond private benefits from service and local economic impact)
Annual Operating Grant, $10,000

Local economic impact, $83,686

Wages to marginalized individuals, $11,027

Reduction in premature death and disability; victim costs of crime, $8,926

Reduced health care and criminal justice costs, $2,499
What would the results be for.....

...all individuals who are marginalized currently engaged through employment/training/income opportunities in Vancouver?

...all the people who could benefit in Vancouver from social enterprise?
2 social enterprises
87 individuals; $1.5 million sales

Full potential ESTIMATE
7500 individuals; $380 million sales

Cost Savings, million
$13

$3,335

This is a really rough estimate but is based on the number of clients who were not successful in the Employment Program of BC (according to a recent evaluation) but who potentially could be engaged by a social enterprise with stronger client supports.