

**Economic Impact of the Boys and Girls Clubs of
Greater Oxnard and Port Hueneme on the
Community:**

A Study of the Return in Investing In Our Children

Prepared for

**The Boys and Girls Clubs of Greater Oxnard
& Port Hueneme**

By

Jamshid Damooei, Ph.D.

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Jamahid Damooei, Ph.D
Professor of Economics and Chair
Department of Economics, Finance, and Accounting
Co-Director of the Center for Leadership and Values, CLU
Tel: (805) 493-3357
Email: Damooei@callutheran.edu

Executive Summary

The purpose of this study is to look into the economic impact measured in terms of cost saving as well as creation of income brought about by greater productivity of members of the community who benefit from the operation of the Boys and Girls Clubs of Greater Oxnard and Port Hueneme. Economic assessment is an important tool to measure the potential or effective costs and benefits of a program. It can only be meaningfully realized when it is conducted within an integrated framework, where pertinent analyses capture the full spectrum of the explicit and the hidden costs and benefits of that particular program.

It must be remembered that much of the life changing impacts of services provided by the Boys and Girls Club cannot be quantified due to the inability of having quantitative information in those areas. A complete account of the impacts, whether they can be measured in monetary terms or not, can be listed as follows:

- Total income, employment and tax impact of the clubs through their annual expenditure by using a regional input-output model.
- Impact of better education through reduction in high school graduation rates among youth who attend the clubs on a regular basis as opposed to others who do not benefit from such services within the same demographic setting of the population in the same region.
- Impact of clubs' enrichment programs that enable youth to resolve conflicts and become more peaceful with their own peers and others in their communities by reducing youth crime rates and the savings that it generates in the community.
- Lower teen pregnancy and teen childbirth and the economic benefits of such reduction.
- Learning healthy living and its impact in reducing obesity and related disease that leads to lower productivity and rise of long-term chronic diseases.

- The impact of staff and volunteer training programs that enable them to become more productive and the impact of such increased productivity.
- The impact of clubs' programs to allow parents to attend school in order to upgrade their skills and reach a higher level of productivity in the economy.
- The impact of clubs' services in taking care of the kids and allowing their parents to work outside their homes or hold on to their jobs and generate more regional income and less use of government benefits.
- Finally, economically hard to measure impacts that help the economy in a tangible manner through incalculable quality of life impacts such as:
 - Improving the quality of life by reduction of crime rates.
 - Helping program attendees and their families to appreciate arts and creative talents within their community.
 - Creation of a wider social network for parents to relate to others in their community that allows reaching a better sense of community and citizenship in the immediate society.
 - Building and promoting a greater sense of community within the region that can be mobilized in times of need.
 - Strengthening and promoting volunteerism and philanthropy in the region.

The study reviews a large number of recent studies and reports published by academic and non-academic institutions, published data, in-house reports and financial information and a series of surveys conducted for the purpose of this study or through yearly evaluation of the last four years of after-school programs offered by the clubs. The study used the IMPLAN model which is one of the most frequently used Input-Output regional economic impact assessment models in the nation to calculate the income, employment and tax impact of the clubs' operation in the county. The results and the methodology of calculation are explained in the study. A summary of it that is presented in the last part of the report is presented in two parts below:

**Economic Impact of the Boys and Girls Clubs of Greater Oxnard and Port
Hueneme in Monetary Terms**

Source of Economic Impact	Reasons for the Impact and Its Consequences	Estimate of the Amounts Saver or Earned
Reduction in teen childbirth: Annual costs saved	Learning the negative impact, saving the additional health cost to teen mothers, foster care, and Incarceration	Resulting in an annual saving of \$ 166,140
Reduction in teen childbirth: Lifetime economic impact of teen mothers to society	Avoiding reduced productively, lower educational attainment, and government assistance	\$ 7,990,000 lifetime economic cost avoided through reduction in number of teen mothers on annual basis
Higher rate of high school graduation	Increased rate of high school graduation measured by increase in passing of California High School Exit Exam (CAHSEE)	\$ 2,500,000 saved annually over working life of people entering labor market without a high school diploma as opposed to having a diploma
Contribution to increase to regional gross product	Their expenditure and the overall impact of their expenditure through a multiplier impact	\$ 6,955,409 through direct expenditure and its indirect and induced impacts measured by an Input-Output model.
Contribution to total tax revenue of federal, state and local government	Taxed paid through income, and other indirect and business taxes	\$ 1,224,154 annual tax payments through payroll, business taxes, directly indirectly and induced

**Economic Impact of the Boys and Girls Clubs of Greater Oxnard and Port
Hueneme in Non-Monetary Terms**

Source of Economic Impact	Reasons for the Impact and Its Consequences	Estimate of the Amounts Saver or Earned
Greater number of parents being able to work or hold on to their jobs	Being able to leave their children in BGCGOP for after-school or academic recess time	1530 parents on an annual basis are able to earn income and avoid being dependent on government assistance
Greater number of parents being able to go to school	Being able to leave their children in BGCGOP for after-school or academic recess time	1093 parents on an annual basis are able to go back to school and upgrade their skills and improve their families' economic wellbeing
Employment created through presence of BGCGOP	Jobs created directly, indirectly, and induced in full-time and equivalent of full time jobs	122 jobs created directly by the clubs (fulltime and fulltime equivalent as a result of economic activities of the club)

Finally, with all insufficiency and underestimation of the real cost in monetary terms, we can confidently say that in our community, investment in the Boys and Girls Clubs of Greater Oxnard and Port Hueneme brings in or saves for every one dollar spent four dollars every year when one looks ahead at the consequences of such social investment in our children over time. **It is hard to find a 400% return on any investment in our community, business or other areas.**

1. The Scope of the Project and the Areas of Study

The Boys Club of Oxnard was founded in 1954 by a small group of business people and community leaders who believed that Oxnard needed a place where young boys could go after school and in the summer for positive reinforcement and an open, accepting environment. The Boys Club of Port Hueneme opened in 1978. The two Clubs merged to become the Boys & Girls Clubs of Greater Oxnard and Port Hueneme (BGCGOP) in 1997. The primary focus of the Boys and Girls Clubs of Greater Oxnard and Port Hueneme is to help youth reach their fullest potential through a positive environment, lifelong learning, and quality programs dedicated to the arts, education, character and leadership development, and learning ways of healthy living and recreation. It strives to assist all youth who participate in the programs in achieving personal success and making a positive contribution to society. Its mission is to inspire and enable all young people, especially those who need the clubs most, to realize their full potential as productive, responsible and caring citizens. Such objectives are achieved through a myriad of economic, social, and educational services to thousands of families in the area.

The purpose of this study is to look into the economic impact measured in terms of cost saving as well as creation of income brought about by greater productivity of members of the community who benefit from the operation of the institution. Economic assessment is an important tool to measure the potential or effective costs and benefits of a program. It can only be meaningfully realized when it is conducted within an integrated framework; where pertinent analyses capture the full spectrum of explicit and hidden costs and benefits of that particular program into account. Following such structure for a comprehensive economic assessment of Boys and Girls Clubs of Oxnard and Port Hueneme, we need to focus on the pattern of activities in which the institution is involved in a regular and systematic manner.

1.1. Life Changing Transformational Aspects of the Program for Youth

Based on the latest annual report of 2007 Boys and Girls Clubs of Greater Oxnard and Port Hueneme, the total registered members of the clubs was 9209 and by adding an

additional 3067 that have benefited from the clubs' outreach, the total number of youth served reached 12,276. They receive a variety of services that are highlighted below:

- Become better educated. This can reduce dropout, increase graduation rates, and improve the rate of college attendance in the community.
- Learn the arts of healthy and active living through participating in the exercise and nutrition programs. This can reduce occurrences of obesity and other unfortunate onsets of chronic diseases among youth that mostly emanate from inactivity and unhealthy diets.
- Reach a higher level of emotional maturity and develop much needed and widely lacked social skills among young people that help them acquire greater social skills in dealing with their peers, own family members, and other people in their community.
- Learn how to resolve problems and avoid resorting to violence. This can save an enormous amount of resources that go to restrain them and incarcerating them for the protection of themselves and others around them. Harnessing a destructive force and turning it to greater involvement and better citizenship provides some of the highest return in such investments.
- Appreciate and discover their artistic talents. The impact of arts on youth is monumental and life changing.
- Become a more aware citizen with a better understanding of environmental needs and the present and future needs of our global economy.

1.2. Social/Economic Side-Benefits of the Program on the Greater Community: Employees, Volunteers, and Parents of Youth

Each branch has a core staff of trained youth development professionals. The institution provides regular and special training programs for its staff to learn and stay abreast with the knowledge of best practice in providing guidance and supervision while serving as role models and mentors. The following programs show the intensity and richness of the

institutional training and other human resource-related activities that take place on a regular basis:

- First Aid & CPR – County
- Mandated Reporting – County
- Cluster Training – County
- Volunteer Mgmt – County
- Character Counts – County
- Integriteach – Communiteach – County
- Darkness to Light – County
- Youth for Unity - BGCA
- Family Support – BGCA
- Human Resources – BGCA
- Program Basics – BGCA
- Youth Development Conference – BGCA
- Transitions workshop – CELPA
- Administrative Conference – BGCA
- National Conference – BGCA
- National Crime Prevention Conference – NCPA
- Exit Strategy Training - WIA
- Targeted Reentry Cluster Trainings – BGCA
- Performance Partnership – County
- Special Population Conference – VCSSO
- ISS Training – WIA
- Staff Retreat for Strategic Planning – BGCGOP
- VOS Training – WIA
- Healthy Returns Initiative Training – Cal Endowment
- Case Management Training - BGCA
- Title II Grant Training – California Standards Authority
- County Ventura Performance Training – WIA
- DMC Training – State of California

- Verbal Judo – TRE
- Gangs (Local) – Ventura County Probation Agency

These trainings enhance the level of knowledge and skills of the staff in becoming more productive in the economy regardless of the continuation of their services in the institution. Each branch has many volunteers who help to run various programs and they learn on the job and in doing so become more productive in the community as a whole.

The clubs provide opportunities for parents of those who attend various programs of the clubs to fulfill their own needs and become more productive and content in their own lives through the following productive and economically gainful opportunities:

- Learn certain skills through club programs (if any)
- Have the ability to attend their jobs as a result of having good and safe after-school programs for their children.
- Have the ability to continue their education as a result of having safe and high quality after-school programs.
- Enjoy special services that allow parents establish better relationships with their children, other parents, and school administrators and counselors.
- Being able to utilize professional services such as family counseling and other social services through large groups of clubs affiliates and collaborators.

Trainings offered by the Boys and Girls Clubs of Greater Oxnard and Port Hueneme enhance the level of knowledge and skills of the staff in becoming more productive in the economy regardless of the continuation of their services in the institution. Each branch has many volunteers who help to run various programs and they learn on the job and in doing so become more productive in the

1.3. Areas of Study

The objective of this study is to assess and to the extent possible calculate the overall economic impacts of Boys and Girls Clubs of Greater Oxnard and Port Hueneme in its full spectrum. This brings the following separate segments of the study with their specific

methodology of assessment. It must be added and remembered that much of the life changing impact of services provided by the Boys and Girls Club cannot be quantified due to the inability of having quantitative information in those areas.

- Total income, employment and tax impact of the clubs through its annual expenditure by using a regional input-output model.
- Impact of better education through reduction in dropouts and higher graduation rates among youth who attend the clubs on a regular basis as opposed to others who do not benefit from such services within the same socio-economic setting of the population in the same region.
- Impact of clubs' enrichment programs that enable youth to resolve conflicts and become more peaceful with their own peers and others in their communities by reducing youth crime rates and the saving that it generates in the community.
- Lower teen pregnancy and the economic benefits of such reduction.
- Learning healthy living and its impact in reducing obesity and related diseases that lead to lower productivity and rise of long-term chronic diseases.
- The impact of staff and volunteers' training programs in enabling them to become more productive and the impact of such increased productivity.
- The impacts of clubs' programs to allow parents attend school in order to upgrade their skills and reach a higher level of productivity in the economy.
- Finally, economically hard to measure impacts that help the economy in a tangible manner through incalculable quality of life impacts such as:
 - Improving the quality of life by reduction in crime rates.
 - Helping program attendees and their families to appreciate arts and creative talents within their community.
 - Creation of a wider social network for parents to relate to others in their community that allows reaching a better sense of community and citizenship in the immediate society.
 - Building and promoting a greater sense of community within the region that can be mobilized in times of need.
 - Strengthening and promoting volunteerism and philanthropy in the region.

The above list shows an ambitious plan of research that requires production of a significant amount of primary data in order to be able to make such a comprehensive assessment. While we were not able to measure and report a complete set of economic impacts as outlined in the previous segment of the report; however, it includes a comprehensive spectrum of economic impacts that BGCGOP brings to the region.

1.4. Basic Information about BGCGOP

The Boys & Girls Clubs of Greater Oxnard and Port Hueneme has a number of chartered Boys and Girls clubs serving youth in various locations of the city of Oxnard and Port Hueneme. A complete list of these clubs is given below:

- Harriet H. Samuelson Unit
- Squires Boys & Girls Club
- Port Hueneme Unit
- Martin V. Smith Youth Center
- Rio Rosales
- Haycox Elementary Extension
- Larson Elementary Extension
- Hathaway Elementary Extension
- El Rio Elementary Extension
- Rio Lindo Elementary Extension
- Rio Plaza Elementary Extension
- Rio Real Elementary Extension
- Rio Del Valle Junior High School Extension
- Rio del Norte Junior High School Extension
- Juvenile Justice Facility Branch
- Brad Unit
- Fred Williams Unit
- Parkview Unit

- Blackstock Unit
- E.O. Green Unit
- Rio Del Mar Unit
- Rio Vista Unit

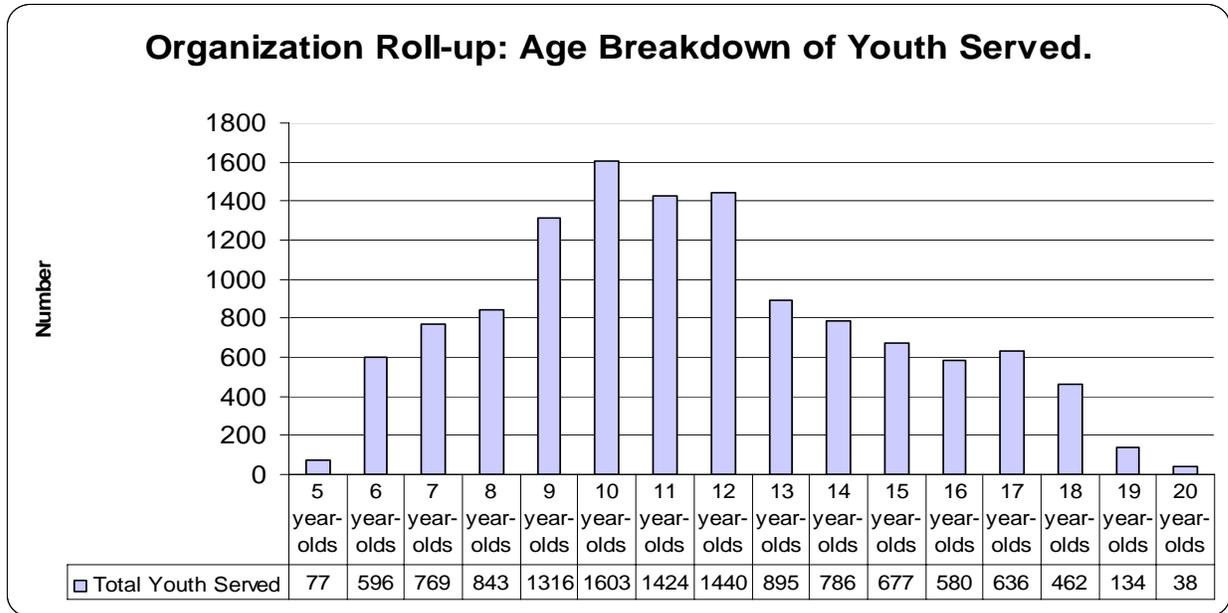
The organization serves more than 12,000 youth, ages 6-20. The Clubs offer a safe haven for many at-risk community youngsters who have daily access to social, educational, cultural and sports activities and provide quality programs year-round, six days a week. It offers specialized teen programs and dedicated sites. It never turns a child away due to economic hardship. It is a recognized leader in youth development with professional staff based in dedicated, youth-based facilities. BGCGOP is a member of the Boys & Girls Clubs of America, the largest and fastest growing youth development agency in the nation.

A significant number of non-member youth also benefit from activities at the Club, which operates during after-school hours, on holidays and during summer break. Staff and volunteers provide a range of activities to engage and motivate youth. Three basic methods of approach are utilized: individual assistance, small groups and large groups and drop-in activities. Members participate in supervised programs while they build strong positive relationships with responsible, caring adults and role models. Through effective collaborations with schools, law enforcement agencies, city and county departments, and community- and faith-based organizations, BGCGOP is serving, on average, 1,300 youth each day.

The ethnic structure of BGCGOP membership based on year 2007 are:

- 72.10% Hispanic
- 9.25% Caucasian
- 5.28% Multi-Racial
- 9.84% African-American
- 3.19% Asian
- 0.36% Native American.

Some 53.34% of youth served are male and the remaining 46.66% are female. A complete breakdown of various age groups can be seen in the following chart.



Source: Organization Annual Report by Boys and Girls Clubs of Greater Oxnard and Port Hueneme.

Based on the existing information over a year, on average some 60% of the BGCGOP’s members live in households headed by a single female. The organization currently employs 23 fulltime 145 part-time staff members. 90% of the BGCGOP’s staff are minorities and 75% are fluent in Spanish.

During the school year some 95% of the registered members attend various locations of the clubs three or more time during a week. This means that some 8750 youth attend the clubs more than three days a week. The remaining 5% attend club facilities twice a week. BGCGOP provides many educational, professional and life enriching opportunities for its members to have a good start in their lives. These learning opportunities are:

- Character and Leadership Development
- Educational and Career Development
- Health and Life Skills

- The Arts
- Sports, Fitness and Recreation
- Specialized Program Initiatives
- Technology

Who are our members?

*18.6% are under 9 years old
47.1% are between 9 and 12
32.8% are between 13 and 18
1.5% are over 18 years old*

2. Methodology of Study and Components of Needed Data

The main purpose of this study is to show the impact of attending BGCGOP on the personal and social behavior of youth in terms of their interest and level of preparation to better perform academically, stay away from violence and circumstances detrimental to their mental and physical health, respect others, be able to deal with their personal and emotional problems and other challenges of their lives. The end result is to show that these groups of youth are able to graduate at higher rates, do not fall victim to teen pregnancy at the average prevailing rates in their respective community, be arrested at a much lower rate than the average prevailing rate in their respective communities, attend college at a higher rate, acquire healthy life styles and habits in terms of eating and physical exercise at young ages. In addition, this study intends to go further than what a number of other recent studies have shown and to the extent possible calculate the beneficial economic impact of the services provided by the BGCGOP on making the lives of parents of the youth and their own employees better in the community. Finally the study looks at the economic impact of the institution through its training and other regular functions, creating greater regional services measured in terms of income creation, jobs and regional tax payments using a regional Input-Output model.

In order to measure the difference between the performances of those who are attending BGCGOP and other youth in the respective community, we used the following methods to obtain the needed data. Detailed information about the way these methods were utilized will be provided in each pertinent section.

- Conducted a series of surveys and used the available in-house information to obtain current information on those who have been attending various branches of the clubs.
- We also used some of the historic data that have been gathered through our prior studies and evaluation of after school programs since 2004. After-school children and their families provide a relevant presentation of demographic structure of club members who attend various facilities throughout the year.
- We collected secondary data published by various sources of information on the specific status of youth within regional community.
- We calculated the differences between performances of those who have been attending BGCGOP with the average performance of youth in the respective community.
- We surveyed a large number of current studies on the social and economic cost of low academic performance, high school graduation, teen pregnancy, police arrest/juvenilia crimes and physical exercise/education, and financial and employment status of the club in order to calculate pertinent economic saving for the community as a whole.
- We also calculated the least possible increase in the ability of parents to earn more income as a result of having their children be taken care of by BGCGOP and have the opportunity to hold on to their jobs and or attend school to upgrade their skills and education for better paid employment.
- We used an Input-Out model (IMPLAN) to measure the regional economic impact of BGCGOP through direct, indirect and induced impact of the clubs' annual expenditure.

3. Various Economic Impacts

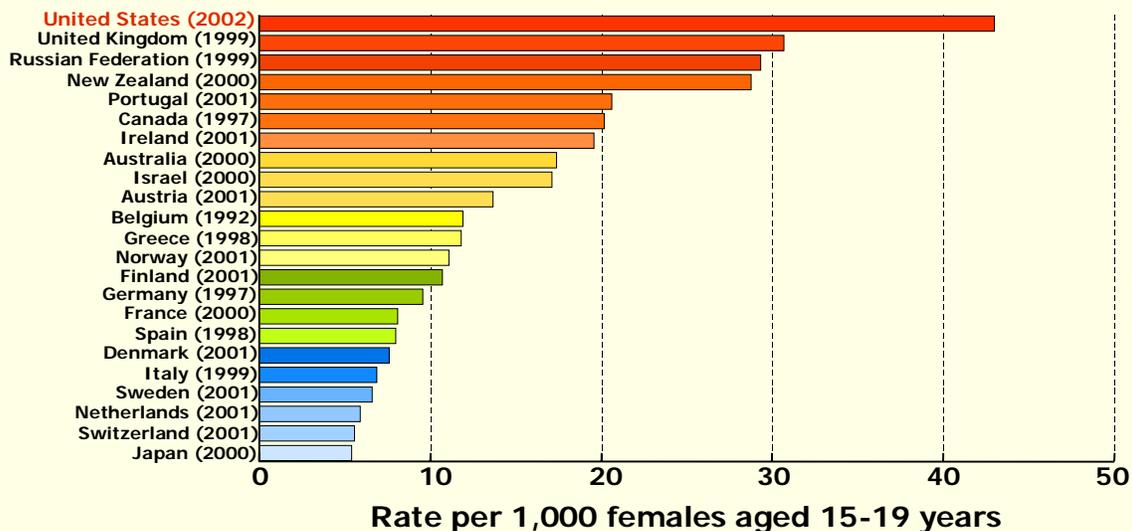
As mentioned earlier this study has an ambitious objective, which is to calculate the overall impacts of the club and its various functions to the extent possible in monetary terms. At the same time, as indicated before, it is clear that the overall impact at best is going to be an underestimation of the true overall impact simply because of the inability to convert much of the common good that the club brings to lives of thousands of people and families in monetary terms. The following highlight various components of this study in trying to measure all the impacts in terms of monetary saving or income generation over a period of time. Where possible the report provides the estimates on an annual basis or the life time of the person.

- Cost savings due to reduction in teen births.
- Increase in personal earning and national income as a result of higher graduation rates among the club members.
- Cost savings caused by reduction in juveniles crimes.
- Increase in personal earning and national income for increase in high school graduation.
- Reduction in health cost, increased productivity and life expectancy due to promotion of healthy habits and physical exercise.
- Increase in personal earning and national income because of allowing parents of children to have the needed time to continue their education and upgrade their skills and employment status in the labor markets (we used after-school data to calculate this impact).
- Increase in personal earning and national income because of allowing parents club of members to keep their employment (we used after-school data to calculate this impact)
- Overall direct and induced economic impacts generated from annual expenditure of the club in the region (Ventura County).

3.1. Cost Savings Due to Reduction in Teen Childbirth

The United States of America has the highest teen birth rate among all the industrialized countries in the world. Nearly four out of ten girls become pregnant at least once before coming to the age of 20. Teen pregnancy results in serious education and health problems for the mother and father. Teen mothers are more likely to have serious complications during pregnancy and delivery. Teen mothers and fathers are less likely to earn a high school diploma. According to recent reports, teen births have decreased; however, it continues to be a significant problem in California. In a 2006 report from the California Commission on the Status of Women, 83% of teen births happen to low income families and two out of three are Latinos. Many of these young women have lower educational attainment and 70% of them are school dropouts.¹

Teen Birth Rates: Selected Developed Countries and Most Recent Year



Source: United Nations Demographic Yearbook 2001, New York: United Nations, 2003.

¹ For more information see <http://women.ca.gov/UserFiles/922.FinalPublicPolicyAgenda.pdf>

According to recent studies, teen childbearing in the United States costs taxpayers (federal, state, and local) at least \$9.1 billion.² The same study shows the rate of teen births in California between the years 1991 to 2004 was among the highest in the nation. The cost measured in the reefered study is based on expenses in 2004. Using the same rate in 2004, the inflation adjusted cost will be in excess of this estimate, assuming that the rate did not subside drastically. Most of the costs of teen childbearing are associated with negative consequences for the children of teen mothers, including increased costs for health care, foster care, and incarceration.

A break down of the cost across age groups and for various components of the total cost is rather alarming. Most of the costs of teen childbearing are associated with negative consequences for the children of teen mothers. On the national level, these costs include \$1.9 billion for increased public sector health care costs, \$2.3 billion for increased child welfare costs, \$2.1 billion for increased costs for state prison systems, and \$2.9 billion in lost revenue due to lower taxes paid by the children of teen mothers over their own adult lifetimes. The public sector costs of young teens (those aged 17 and younger) having children are particularly high. These births account for \$8.6 billion of costs, an average of \$4,080 per mother annually. This is the average for the nation as a whole. The average cost per mother for California in 2004 was \$4,224 for teens under 17 years of age. Because not all costs can be measured, and because the estimates themselves are constructed conservatively, it is certain that the full economic sector costs of teen childbearing are larger than those noted in this analysis.

Teenage birth is often calculated for teens under 17 or 19 years of age. In most studies it is calculated for 15 to 17 or 15 to 19 years of age. Kids who attend BGC&GOP are more in various age groups and depending on what the range of teen age is, the total number of female teens attending BGC&GOP may provide significantly different results. Using an average inflation rate of 3% per annum the estimated cost of a teenage child birth to tax

² This estimate was done in recent study by Saul Hoffman, professor of economics and chair of Department of Economics at Delaware University. For more information see the full study <http://www.buec.udel.edu/hoffmans/Research/By%20the%20Numbers.pdf>

payers will amount to \$4,615 in 2007.³ As the study shows, the cost estimates presented are divided into two broad categories:

- i. Those associated with teen mothers and their partners, and
- ii. Those associated with the children of teen mothers.

The public costs for teen mothers are measured as the difference in the taxes that they pay because their earnings are lower and the difference in the cost of public assistance they receive (TANF, Food Stamps, and housing assistance). The costs for fathers are also associated with lower taxes paid. For the children, the costs are those associated with publicly provided health care, foster care and other child welfare services, incarceration (for sons of teen mothers as adults), and lost tax revenue due to lower earnings when the children of teen mothers enter the labor force.

Studies show that reducing teen pregnancy will strengthen the future workforce. One of most important elements of building a strong workforce for the 21st century is to have a well educated workforce. Studies show that early teen pregnancy substantially reduces the opportunity of parents to continue their education. This will deprive the young parents to have stable and high paying jobs in the future. Teen parents and their children are less likely to graduate from high school. In fact, less than four of ten teen mothers who begin their families before age 18 ever complete high school education.⁴ A study by the National Campaign to Prevent Teen Pregnancy in 2002 shows that in the past 25 years the median income of people with a college education decreased in absolute terms (not inflation adjusted) by 30 percent, while median income of college graduate increased by 13%.⁵ The same study shows that half of teen mothers drop out of school before becoming pregnant. Some 52% of all mothers on welfare had their first child as a teenager. Teenage mothers are less likely to complete high school and only 1.5% earns a

³ It may be argued that since a significant amount of this cost is health care cost and rate of inflation for health related cost is higher than average, using average annual inflation may be an underestimation of the true cost.

⁴ For more information see <http://www.teenpregnancy.org/resources/data/pdf/notjust.pdf> , not just another single issue: Teen Pregnancy Prevention's link to other critical social issues, Feb. 2002.

⁵ Ibid.

college degree by age 30. This, in turn, influences their earning capacity and likelihood to live on welfare.⁶ To sum this up the sources of the short and long term costs are:⁷

- Less likely to complete high school.
- More likely to depend on welfare.
- The children of teen mothers are more likely to perform poorly in school.
- The children of teen mothers are at greater risk of abuse and neglect.
- The sons of teen mothers are 13% more likely to end up in prison and are more likely to commit more violent crimes.
- The daughters of teen mothers are more likely to become teen mothers themselves.

The economic costs to tax payers include:

- Public assistance expenditures.
- Lost tax revenues.
- Health care costs for children of teen moms.
- Criminal justice costs.
- Foster care costs

There have been a number of studies concerning the total cost of becoming a teen mother in the life time of a young woman in various states. The estimates differ from one another as the basic assistance to teen mothers differs from one state to another. There has not been a detailed study for the State of California. However, when the difference among what have been calculated in other states and mentioned in this study structurally, in essence, are not any different with the study for California. When looking at the structure of their calculation and local cost escalation we can conclude that those estimates may be lower when compared with our state. Ganderton, P. T. (2006), in his study shows that

⁶ Maynard, Rebecca, A, *Kids having kids: Economic costs and social consequences of teen pregnancy*, Published by John Wiley and Sons on behalf of Association for Public Policy Analysis and Management, 1999.

⁷ <http://www.richmondgov.com/tpp/background.aspx>

teenage mothers can expect to earn, after tax, between \$50,000 and \$120,000 less over a lifetime compared to mothers who delay until at least age 20. Overall, the economic impact on society is \$170,000 for each teenage mother.⁸ The basis of calculation in this study is for girls under 20 years of age.

Teen pregnancy and teen birth in Ventura County follow the same structure as in the nation. The following chart shows its breakdown in recent years in both the city of Oxnard and Ventura County as a whole in total and for each ethnic group.

Teen Pregnancy and Its Impacts

The United States has the highest rate of teen pregnancy in the Western Industrialized World. It is twice as high as Canada and four times as high as Europe. 83% of teen births happen to low income families and two thirds are Latinos. The economic impact on society is over \$4,000 per year in services for each teen mother and is expected to cost \$170,000 during their lifetime, including health care, foster care, welfare and contributing less taxes as the result of lower wages.

Teen mothers are:

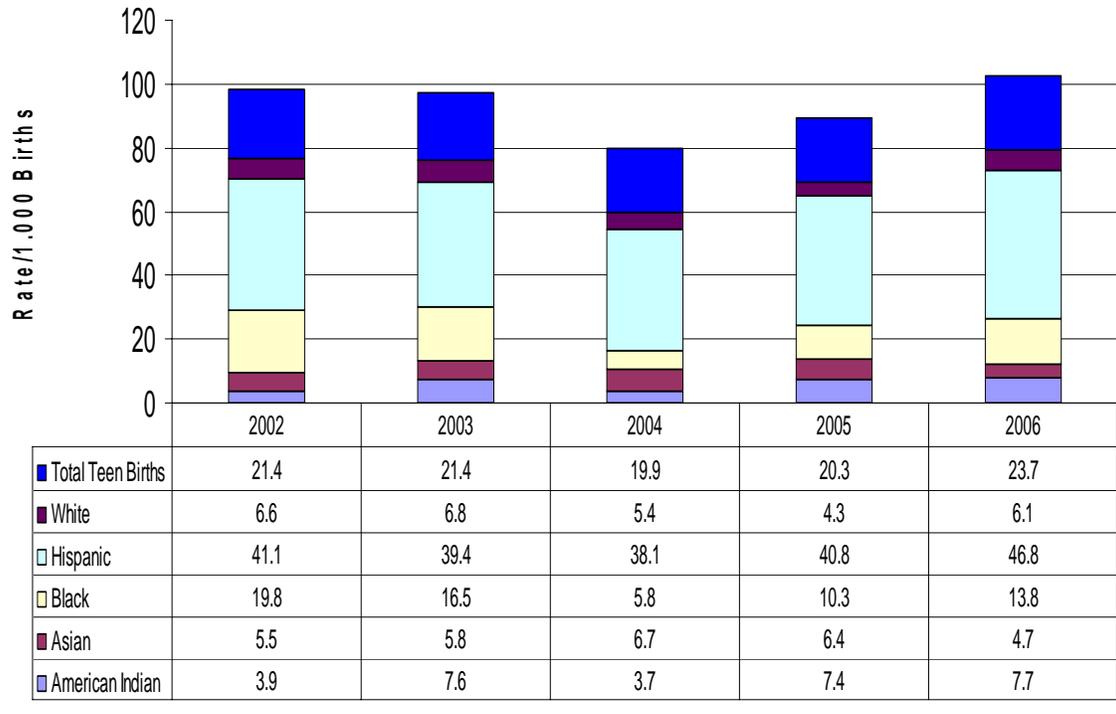
- *Less likely to finish High School*
- *More likely to depend on public Health Care*
- *More likely to depend on Welfare*
- *Will have reduced income potential*

Their children:

- *Are more likely to perform poorly in school*
- *Are at greater risk of abuse and neglect*
- *The sons of teen mothers are 13% more likely to end up in prison and commit violent crimes*

⁸Ganderton study was done for New Mexico; however, much of his calculation can be related and used as good proxy for the national level. We also looked at a number of other studies for searching the latest information on teen pregnancy and childbearing. To arrive at a long term cost over the life time see http://www.health.state.nm.us/phd/fp/teen_pregnancy.htm
<http://www.thenationalcampaign.org/costs/pdf/states/california/fact-sheet.pdf>
http://www.health.state.nm.us/phd/fp/teen_pregnancy.htm#_ftn5
http://www.usa.gov/Topics/Reference_Shelf/Data.shtml
<http://usasearch.gov/search?v%3Aproject=firstgov-web&query=Economic+cost+of+teen+birth>
http://www.health.state.nm.us/phd/fp/economic_impact06.htm
http://info.sen.ca.gov/pub/07-08/bill/asm/ab_1501-1550/ab_1511_cfa_20070602_170429_asm_floor.html
<http://women.ca.gov/UserFiles/922.FinalPublicPolicyAgenda.pdf>
<http://www.thenationalcampaign.org/costs/tables.aspx>

**Teen Birth Rate/1,000 Births by Mother's Ethnicity for Residents of Ventura County
(2002-2006) (Rate/1,000 Births)**



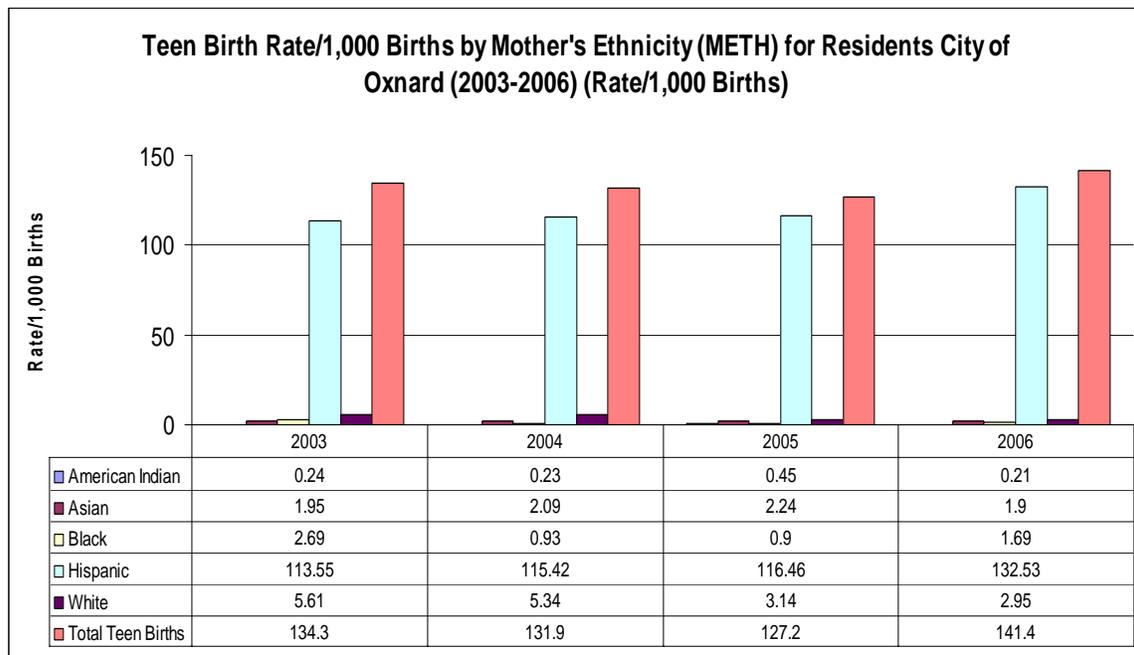
Data Source: California Automated Vital Statistics System (AVSS), EpiBC, State of California, Department of Finance, Race/Ethnic Population with Age and Sex Detail, 2000-2050. Sacramento, California, July 2007.⁹

The above chart shows that there has been a temporary decline in the overall rate of teen birth in the year 2004, but it climbed up again and in 2006 it stood at a level even higher than the early years. The chart also shows that the rate is considerably higher among Hispanic teens and it has been on a significant rise in recent years.

The demographic makeup of the registered members of BGCGOP is not the same as Ventura County as a whole and there is a much greater proportion of Hispanic youth in Oxnard than in Ventura County as a whole. We therefore looked for teen birth statistics for the city of Oxnard. The following chart shows the existing information during recent

⁹ Please be aware that the overall height of the stacked chart does not show the rate of total teen birth in Ventura County, it is a method of showing the comparative status of various rates across different ethnicities and overall. For more information see <http://www.cdph.ca.gov/data/informatics/tech/Pages/AVSS.aspx>

years. As evident in the chart the rates of teen birth among various ethnic groups in Oxnard are very different compared with the county as a whole. Since the extent of the difference is very significant, it only makes sense to use the local ethnic distribution to calculate an estimated rate of teen pregnancy that can fit the ethnic breakdown of BGCGOP and use that as a measure of teen birth rate in the community at large from where BGCGOP draw its members.



Data Source: California Automated Vital Statistics System (AVSS), EpiBC, State of California, Department of Finance, Race/Ethnic Population with Age and Sex Detail, 2000-2050. Sacramento, California, July 2007.

The above chart provides important information about the severity of teen birth as a social and economic problem in city of Oxnard but the method of calculation of data is different with what is presented for Ventura County. The latter chart shows that out of every 1000 births how many are teenage mothers and how they are distributed among various ethnic groups. Strictly speaking the rates are not teen birth rates as a rate per 1000

teen mothers in each ethnic group and therefore we used the ethnic teen birth group for the county and fitted it within the ethnic group of club members.¹⁰

Using a rate 42.23 per thousand we calculated the total number teen mothers saved from becoming teen mothers.¹¹

***Nationally, almost 4% of teenagers (from 15 to 19) become pregnant each year.
As a percentage of total births:***

- ***Thousand Oaks is 3%***
- ***Oxnard is 14%***

***Nationally 12% of all teen women will become pregnant before their 18th birthday!
The pregnancy rate for girls that have been involved in BGCOP is Zero percent***

Using the number of teen mothers saved we calculated two set of costs that are presented in the following tables.

**Annual Cost Saving as a Result of Reduction in Teen-Childbirth
Brought about BGCOP Positive Influence**

Approximate number of teenage girls between ages of 15 to 17 attending BGCOP for more than 3 days a week	Rate of teen childbirth in a comparative community in lives per thousand	Rate of teen childbirth among girls ages 12 to 17 who attend BGCOP	Total number of reduction in teen childbirth due to positive influence of BGCOP	Estimated cost of a teenage child birth to tax payers in the State of California in 2008	Total costs saved to tax payers due to positive influence of BGCOP
845	42.23	0.00	36 teens saved	\$ 4615	\$ 166,140 Annually

Source: Annual Report of Boys and Girls Clubs of Greater Oxnard and Port Hueneme, California Automated Vital Statistics System (AVSS), EpiBC, State of California, Department of Finance,

¹⁰ Ethnic breakdown of club members are (see the earlier part of this report) 72.10% Hispanic, 9.25% Caucasian, 5.28% Multi-Racial, 9.84% African-American, 3.19% Asian, and 0.36% Native American. By using a weighted average rate method we calculated a rate for teen birth for groups resembling the groups attending BGCOP. This rate is 42.23 per thousand births.

¹¹ We used the ethnic structure of the pertinent age group of the girls attending BGCOP and calculated the weighted average of the group based on Oxnard ethnic teenage birth rate and the result was 42.23 per thousand.

Race/Ethnic Population with Age and Sex Detail, 2000-2050. Sacramento, California, July 2007.

Calculation of the author.

As pointed out before the annual cost is one important aspect of the cost savings. It should be added that the overall economic impact on the society in the lifetime of a teenage mother (less than 20 years of age) is estimated at \$170,000 for each teenage mother. Once again this is based on teen mothers less than 20 years of age, which means the total number of teen mothers saved due to the influence of a nurturing environment is likely to be higher than 100 that is estimated and reported in the above table. Moreover the estimate of \$170,000 is based on calculation for New Mexico and it can be assumed that the estimate for California is likely to be more. However, since there has not been any similar study carried out for California we will use the estimate for NM bearing in mind that this is an underestimation of the true lifelong cost of teen childbearing.

**Lifetime Cost Saving Per Year for Reduction in Teen-Childbirth
Brought about BGCGOP Positive Influence**

Approximate number of teenage girls between age girls between ages of 15 to 19 attending BGCGOP for more than 3 days a week	Rate of teen childbirth in a comparative community in lives per thousand	Rate of teen childbirth among girls of ages 12 to 17 who attend BGCGOP	Total number of reduction in teen childbirth due to positive influence of BGCGOP	Cost Saving for the society in the lifetime of a teenage mother (under 20 years of age)	Total annual saving of a lifetime economic cost of mothers with less than 20 years of age due to influence of BGCGOP
1111	42.23¹²	0.00	47 teens saved	\$ 170,000	\$ 7, 990,000

Sources: Ganderton, P. T. (2006). The Economic Cost of Teenage Childbearing and Parenting in New Mexico: New Estimates. NMDOH, Santa Fe, NM. 87502 and Calculation of the author based on The Boys and Girls Clubs of Greater Oxnard and Port Hueneme for year 2007.

¹² Our calculation of 42.23 per thousand is based on teenage girls, less than 17 years of age. This means that the rate is likely to be higher than the mentioned rate if the age category is further extended to girls under 19 years of age. This shows that we have intentionally underestimated the total number of girls saved through the intervention of BGCGOP.

3.2 Increases in Personal Earnings and National Income As a Result of Higher High School Graduation Rates

One of the most important indicators of school performance is the high school graduation rate. This indicator is often included in both the federal and state accountability systems as another way to judge the performance of schools alongside the more common indicator based on student test scores.¹³

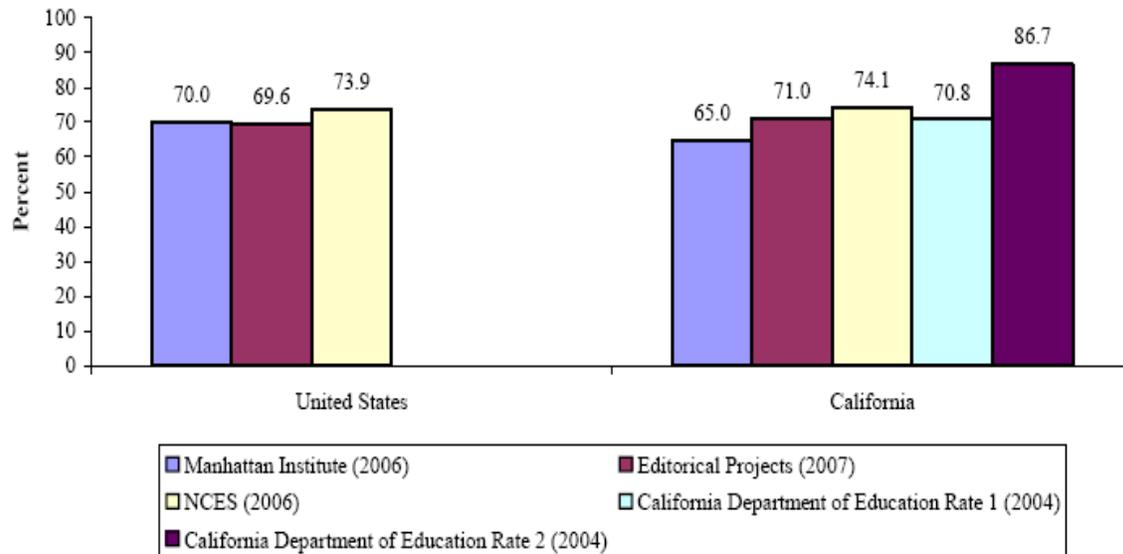
Calculation of high school graduation rates is not easy. The simple understanding of it as the term implies is very different with the actual calculation of it. It is often defined as percentage of students entering 9th grade who are likely to graduate in four years from high school. The definition is straight forward but the calculation of it is very hard because of limitation of current student data system that is unable to calculate the numbers of students who graduate, transfer, or drop out of school in a four-year period. We need longitudinal student data systems that can overcome these limitations.

According to the research carried out by the California Dropout Research Project conducted in UCSB, California has yet to set up a system that is capable of accurately measuring the dropout rate.¹⁴ The following chart presents the complication in calculation of high school graduation based on compilation of data and the method of calculation.

¹³ For more information see “What is California’s High School Graduation Rate?”, by Russell W. Rumberger (2007), California Dropout Research Project, UC Santa Barbara.

¹⁴ Ibid.

Alternative Public High School Graduation Rates for 2002-03,
United States and California



Source: Russell W. Rumberger (2007), California Dropout Research Project, UC Santa Barbara.

The California Department of Education computes two different graduation rates, based on two different formulas:¹⁵

- The first rate is based on the number of ninth-graders enrolled four years prior to graduation.
- The second rate is based on a formula approved by the National Center for Education Statistics (NCES). This system estimates ninth-grade enrollment from dropout figures.
- The second rate is the one California uses for state and federal accountability, but the first rate is more similar to other estimates, and is considered more accurate.¹⁶

¹⁵ See: Gary Orfield, Daniel Losen, Johanna Wald, and Christopher B. Swanson, *Losing our future: How minority youth are being left behind by the graduation rate crisis* (Cambridge, MA: The Civil Rights Project at Harvard University, 2004). Contributors: Urban Institute, Advocates for Children of New York, and The Civil Society Institute. Retrieved August 31, 2007, from <http://www.civilrightsproject.ucla.edu/research/dropouts/dropouts04.php#reports>

¹⁶Also see: http://www.manhattaninstitute.org/html/cr_48.htm
<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2007024>
http://www.edweek.org/media/ew/dc/2006/ca_SGB06.pdf
<http://data1.cde.ca.gov/dataquest/>

Students who drop out of high school earn less, have more health problems and are more likely to face unemployment and depend on government assistance in their lifetime. The more important and less known cost is what happens to high school dropouts who at least drop out of school once. Do they go back to school to graduate, will they ever continue their education to college or get a certificate and upgrade their skills and chance of getting better jobs? What are the long-run economic consequences of high school dropouts? This research question was taken up by the National Education Longitudinal Study to investigate the subsequent educational attainment and earnings of a nationally representative sample of students who were tracked from the time they were eighth-graders in 1988 through 2000, when most of the respondents were 26 years old.¹⁷ The calculation is presented in the following chart.

The study clearly shows that those who ever dropped out of high school by age 26 ended up earning much less in every category. The study shows that only 1% of those who ever drop out managed to receive a Bachelor's degree, as opposed to 38% of those who never drop out of high school.

The economic cost of dropping out of school is not limited to the inability to earn a higher income. They face a much higher rate of unemployment, live shorter, have greater dependency on government assistance and are more likely to be using government sponsored medical care. Steven H. Woolf et al (2007) argue that giving the health of educated people to everyone would save more lives than investing on medical advances. They are so convinced about the finding of their study that they make the following assertion.¹⁸

“Higher mortality rates among individuals with inadequate education reflect a complex causal pathway and the influence of confounding variables. Formidable efforts at social change would be necessary to eliminate disparities, but the changes would save more

¹⁷ See Susan Rotermund (2007), California dropout project, UC Santa Barbara Gervirtz Graduate School of Education:, Statistical Brief # 5.

¹⁸ See Steven H. Woolf et al (2007), giving everyone the health of educated: An examination of whether social change would save more lives than medical advances The American Journal of Public Health, Vol.97. No. 4.

lives than would society's current heavy investment in medical advances. Spending large sums of money on such advances at the expense of social change may be jeopardizing public health."

The economic cost of dropping out of school is not limited to the inability to earn a higher income. They face a much higher rate of unemployment, live shorter, have greater dependency on government assistance and are more likely to be using government sponsored medical care.

Educational Attainment and Earned Income in 2000 for 1988 Eighth-Graders

Ever Dropped Out of High School (19%) \$19,410	High School Diploma (19%) \$19,649	→	No Post-Secondary Education (40%) \$20,160 Some Post-Secondary Education (34%) \$19,989 Certificate/License (15%) \$15,306 Associate's Degree (5%) **** Bachelor's Degree or Higher (4%) ****		
		GED (43%) \$20,228	→	No Post-Secondary Education (41%) \$19,067 Some Post-Secondary Education (41%) \$20,024 Certificate/License (14%) \$23,793 Associate's Degree (4%) **** Bachelor's Degree or Higher (1%) ****	
			No High School Diploma (38%) \$15,910	→	No Post-Secondary Education (85%) \$15,588 Some Post-Secondary Education (8%) \$20,024 Certificate/License (6%) \$23,793 Associate's Degree -- -- Bachelor's Degree or Higher -- --
				→	No Post-Secondary Education (13%) \$23,526 Some Post-Secondary Education (33%) \$23,845 Certificate/License (8%) \$22,181 Associate's Degree (8%) \$24,425 Bachelor's Degree or Higher (38%) \$29,533
	Never Dropped Out of High School (80%) \$26,003	High School Diploma (100%) \$25,904	→	No Post-Secondary Education (13%) \$23,526 Some Post-Secondary Education (33%) \$23,845 Certificate/License (8%) \$22,181 Associate's Degree (8%) \$24,425 Bachelor's Degree or Higher (38%) \$29,533	

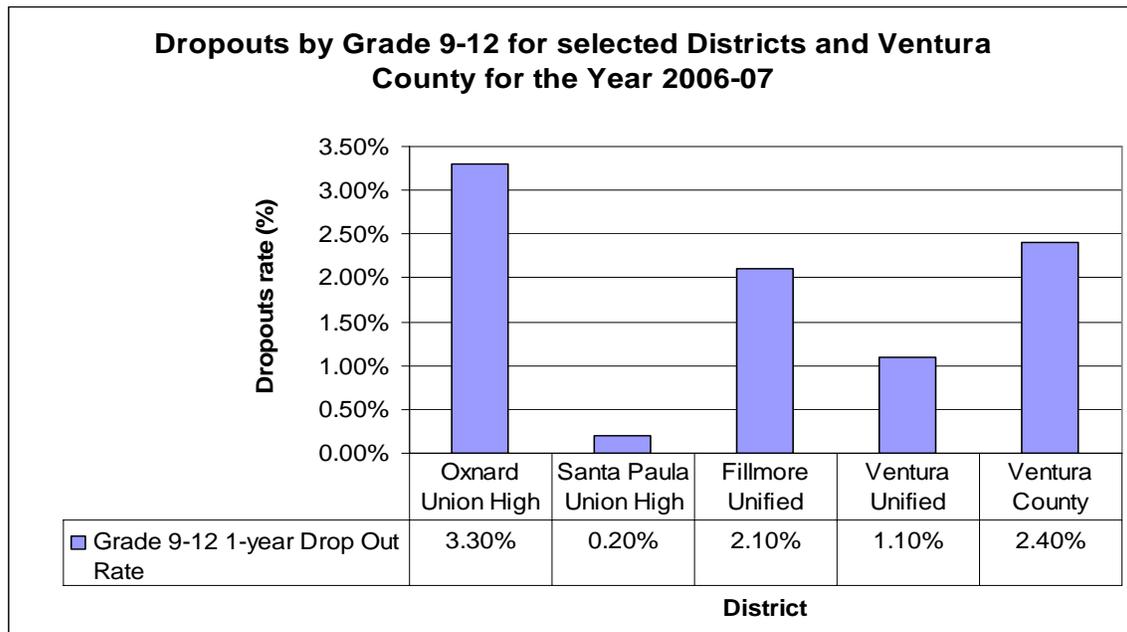
**** indicates that the sample was too small to provide reliable estimates

Source: Susan Rotermund (2007), California dropout project, UC Santa Barbara Gervirtz Graduate School of Education, Statistical Brief # 5

In a comprehensive study for calculation of the cost of school dropouts, one has to include all sources of differential costs stemming from lower pay, higher unemployment, shorter life expectancy, more medical expenses, and government assistance. Finding an accurate basis requires estimation of a reliable rate of dropouts both at the state and BGCGOP level. Unfortunately our existing database and sampling method would not

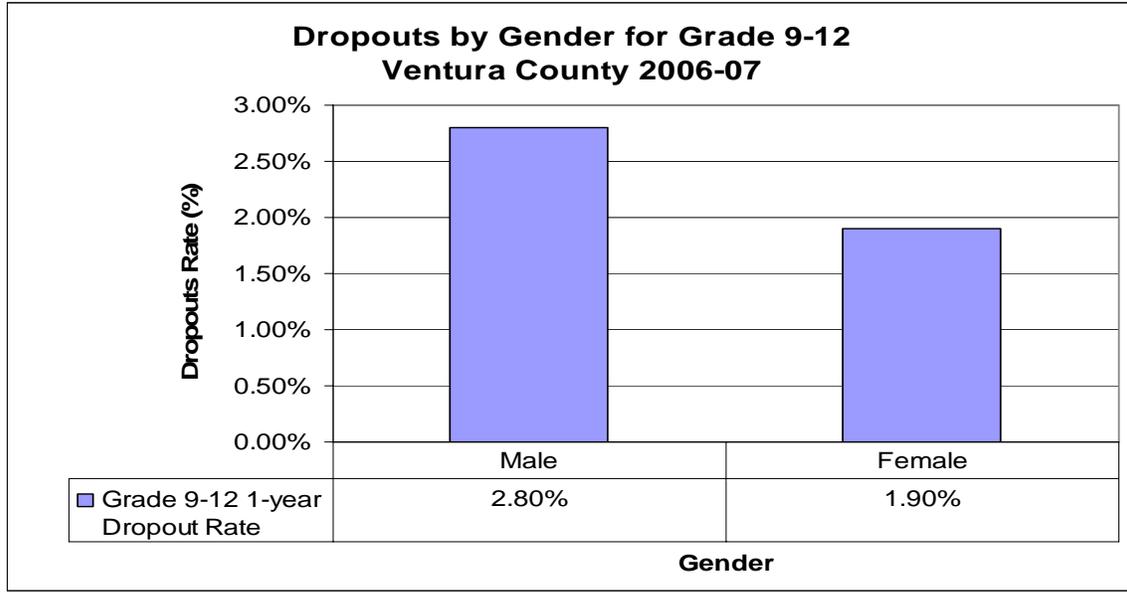
give us the needed information and therefore we concentrated on partial calculation of the cost of not completing higher school than comparative rates of dropouts.

The pattern of school dropout in Ventura County is not any different with what can be seen at the national or the state levels. The following chart shows the rate of school dropout in a number of important and relevant areas for the purpose of this study.



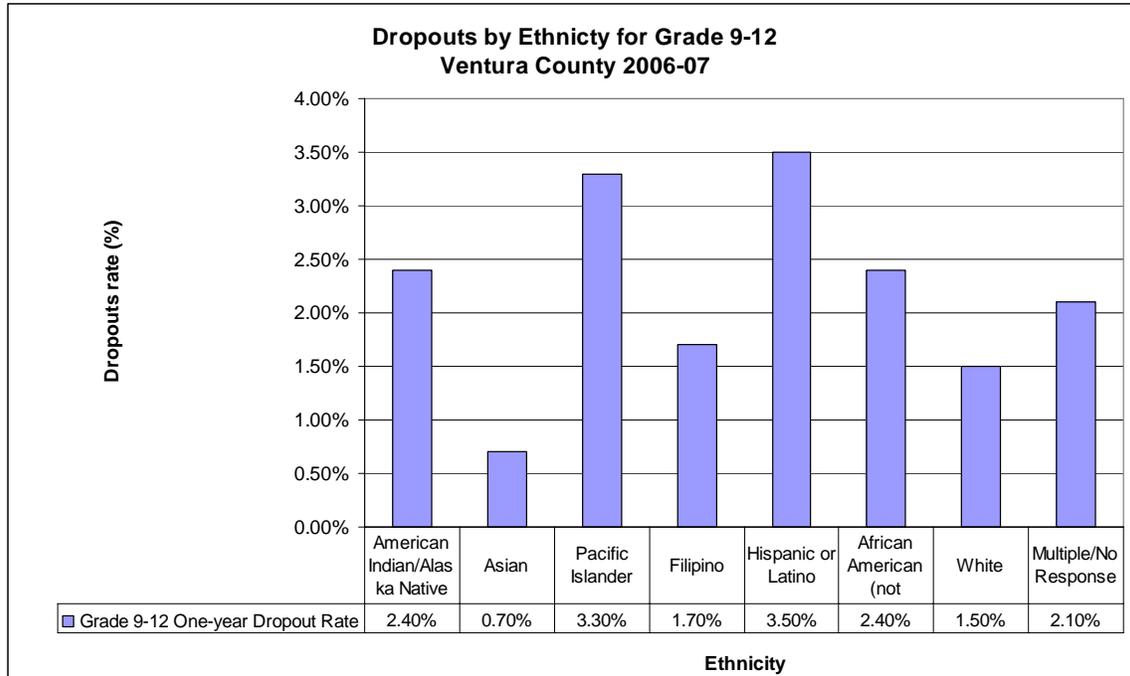
Source: California Department of Education <http://dq.cde.ca.gov/dataquest/>

The pattern is very different showing a big difference among different communities in the county. Oxnard Union High has the largest number of enrollment and the highest rate of dropout among the group depicted. The following chart looks at the gender distribution of school dropouts in the County.



Source: California Department of Education <http://dq.cde.ca.gov/dataquest/>

The rate of dropout among female students in Ventura County is considerably lower than male. In most communities there is a significant difference in the rate of school dropouts among various ethnicities. The cause of such difference in part may be due to the economic issues related to ethnic differences. The following chart shows the pattern of school dropouts across ethnic divide.



Source: California Department of Education <http://dq.cde.ca.gov/dataquest/>

Hispanics register the highest rate of dropouts in Ventura County. Asians have the lowest rate. Hispanics also form a large number of students attending school in the county. Demographic prediction shows an increase in the proportion of Hispanic students in the years to come. This will indicate a greater necessity for finding better approach in lowering dropout rates among all the ethnicities in general and Hispanic students in particular.

High School Graduation:

Nationally, the high school graduation rate is 80%.

In California, the percentage of teens who pass the high school exit exam is 75%.

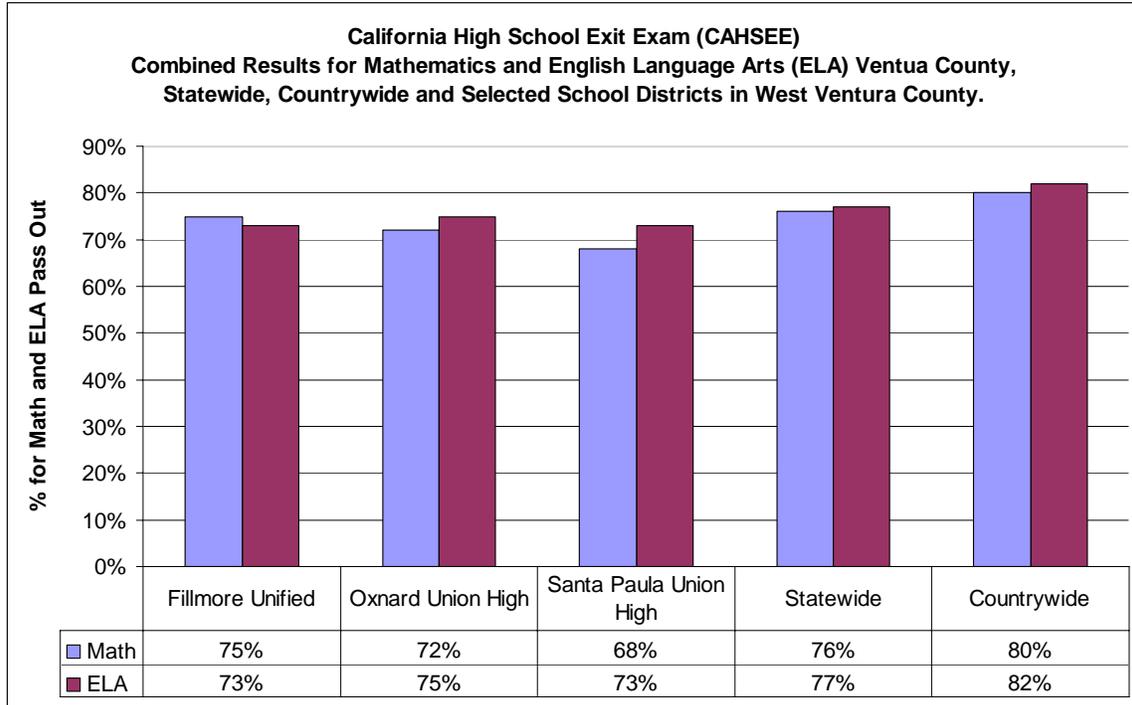
In Oxnard/Port Hueneme, the high school graduation rate is 53%.

The percentage of teens who participate in BGCOP who have passed the high school exit exam is 95.7%.

There was no longitudinal data set to calculate the rate of school dropout among those who attended BGCOP from 9th to 12th grade. Instead we used rate of passing the high school exit exam as an indicator of how many students among the senior class of

BGCGOP pass their test compared with the county and other areas that have similar demographics with those who attend the club.

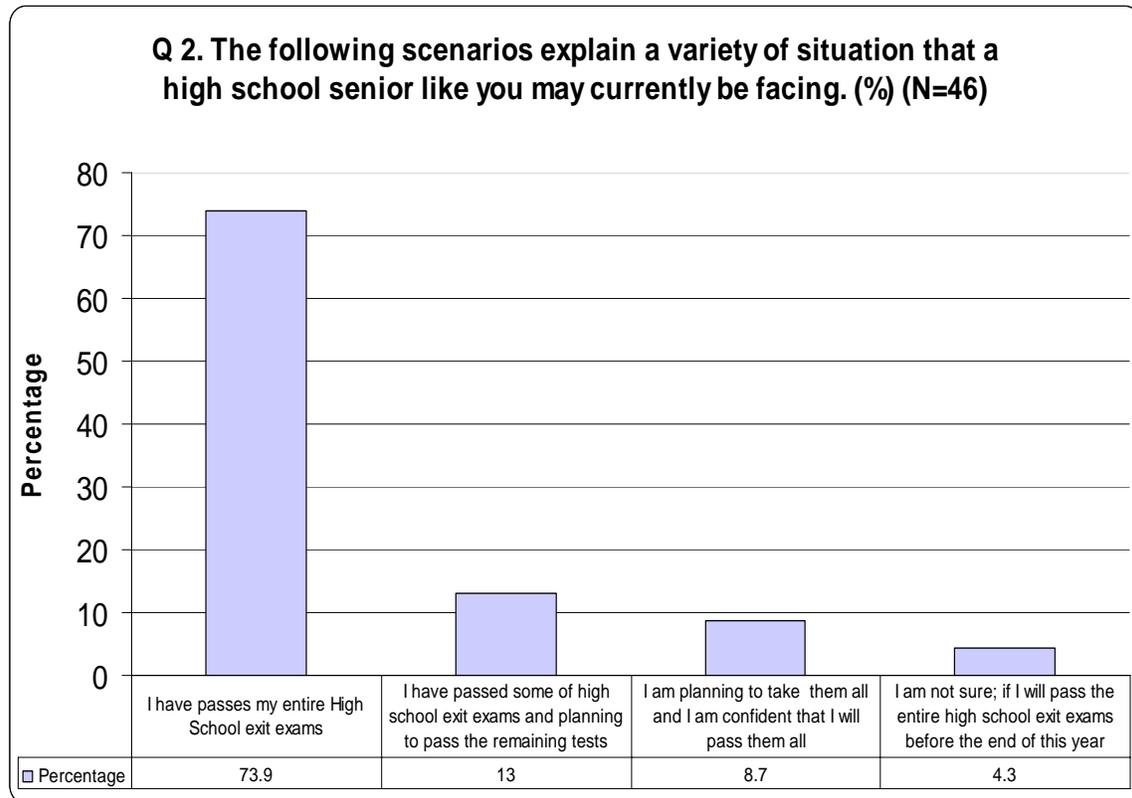
The following chart shows the rate of high school exit exam success in the county and in the similar BGCGOP communities.



Sources: California Rand Corporation and California Department of Education

Countywide the rate of success is considerably higher than the rate in the selected similar communities reported in the chart. In order to make a comparison between the district’s and county’s CAHSEE data and the one related to BGCGOP we had to find the status of seniors and their rate of success in passing the California High School Exit Exam. The situation is further complicated since such exam can be taken by students who are not in their senior year but feel that they can take it. Taking the latter consideration would make a close comparison between our calculation and the ones for the county and the district more difficult and uneven. Nonetheless, our attention was focused on comparing the rate of success in passing the exit exam between seniors attending the club and seniors in the larger similar and comparable community.

We therefore surveyed all the senior students who were in attendance during the academic year 2007-2008. This led to a survey of 46 youth with the following demographic information.¹⁹



Source: Survey of seniors attending Boys and Girls Clubs of Greater Oxnard and Port Hueneme during academic year of 2007-2008.

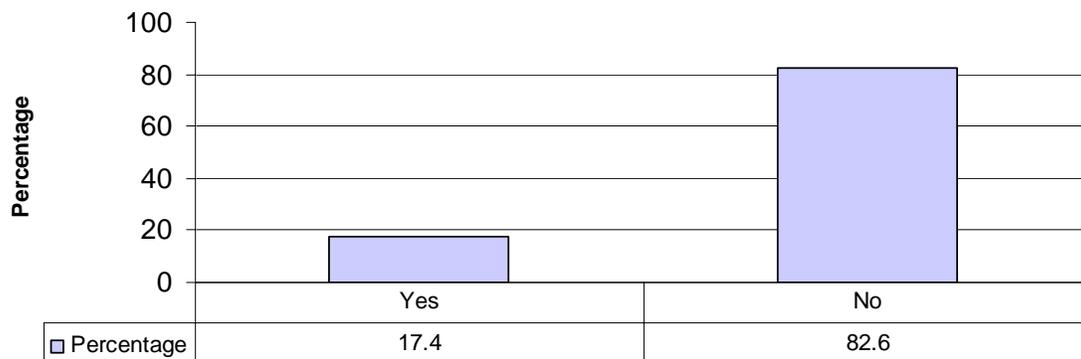
The above chart shows that the real rate of passing the high school exit exam among the regular attendees of the club was 95.7% during the year of observation. There is no particular reason to believe that this is an anomaly and therefore we considered this rate as the effective rate of high school graduation among the current club attendees. We need to reemphasize the fact that this rate is not a measure of dropout rates and as explained before our database cannot be used to measure the effective rate of dropouts among the current attendees of the club. Furthermore, most current studies indicate that the rate

¹⁹The club served a total of 50 high school seniors in 2007-2008 and by surveying 46 of them we can consider this survey as census information about all the seniors attending the club during the academic year.

presented by the State of California for federal reporting purposes do not provide an accurate rate of school dropouts either.

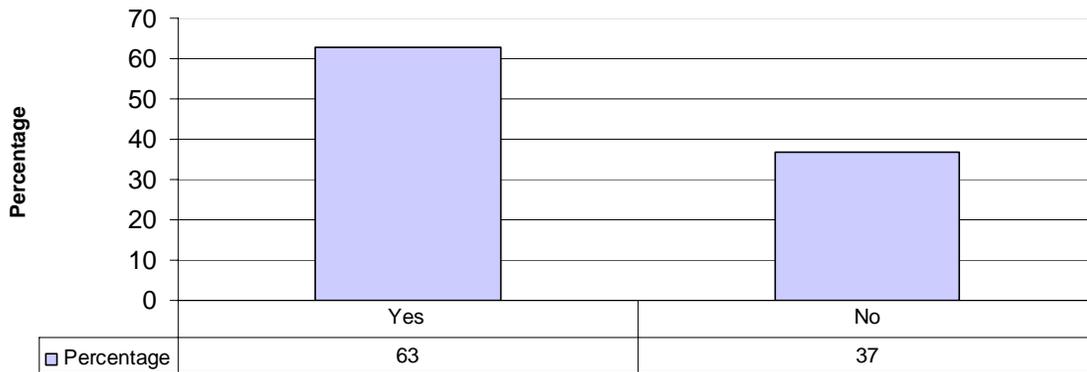
We therefore put our emphasis on finding the difference between the rate of high school passing, the rate of club senior class members, and the regional rate of success in passing high school exit exams. Once again the way in which our rate is calculated based on the survey of seniors is different with the way the rate of high school students passing the California High School Exit Exam is calculated. Nonetheless, the latter two are compatible, when one considers then overall rate of success in the district or the county over the entire year. One more difference needs to be brought up and that is the difference in the year of calculation. The district and county rates were taken from the existing published data for the 2006-2007 academic year and our survey is based on the 2007-2008 academic year. Once again we believe that there is no strong reason to point out any level of anomaly in the two years, giving strong reason for their incompatibility. To learn more about this group and their intensions, ideas and aspirations we report the results of a few important outcomes.

Q 3.1 The following questions relate to your plan of attending college as you graduate from high school- I have taken my SAT test and planing to attend college when I graduate from High School. (%) (N=46)



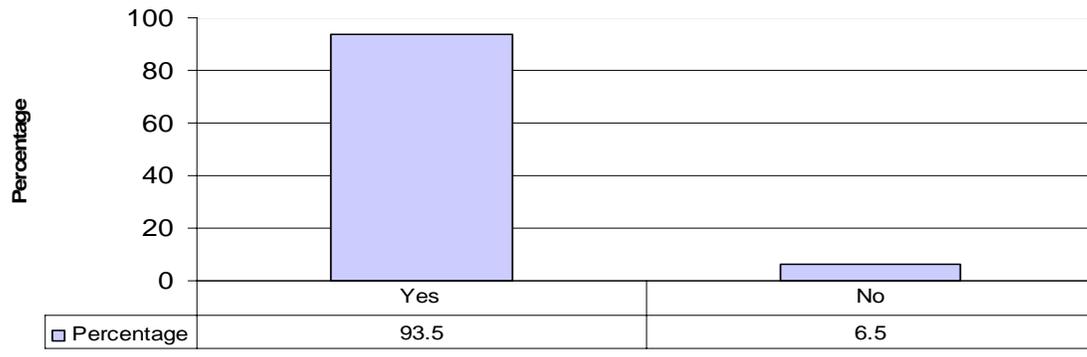
Source: Survey of seniors attending Boys and Girls Clubs of Greater Oxnard and Port Hueneme during academic year of 2007-2008.

Q 3.2 The following questions relate to your plan of attending college as you graduate from high school- I am planning to attend community college when I graduate from High School. (%) (N=46)



Source: Survey of seniors attending Boys and Girls Clubs of Greater Oxnard and Port Hueneme during academic year of 2007-2008.

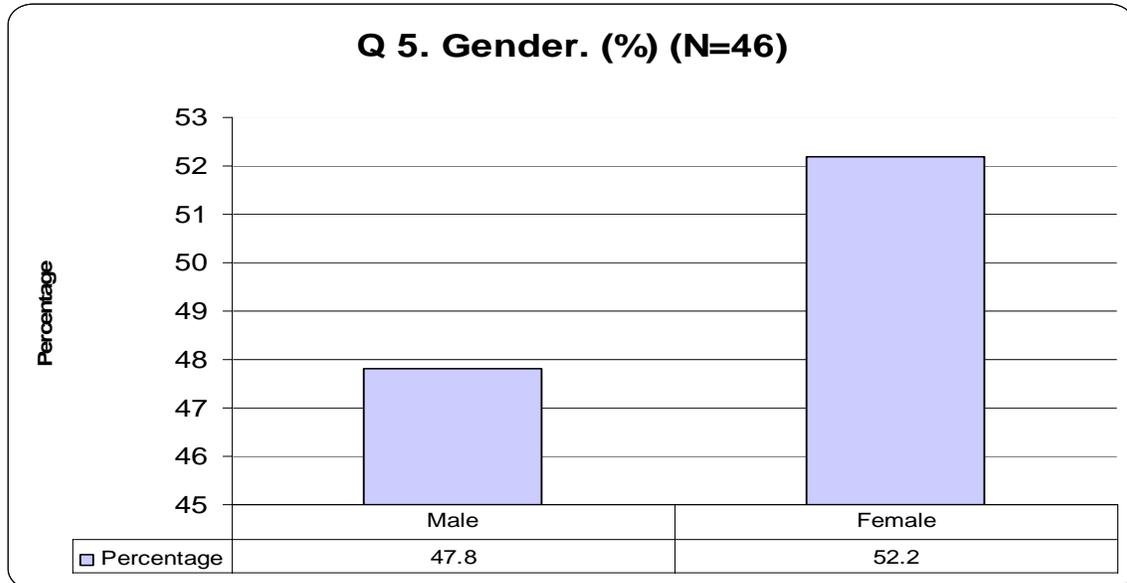
Q 3.3 The following questions relate to your plan of attending college as you graduate from high school- I am thinking about going to college as soon as I graduate from high school. (%) (N=46)



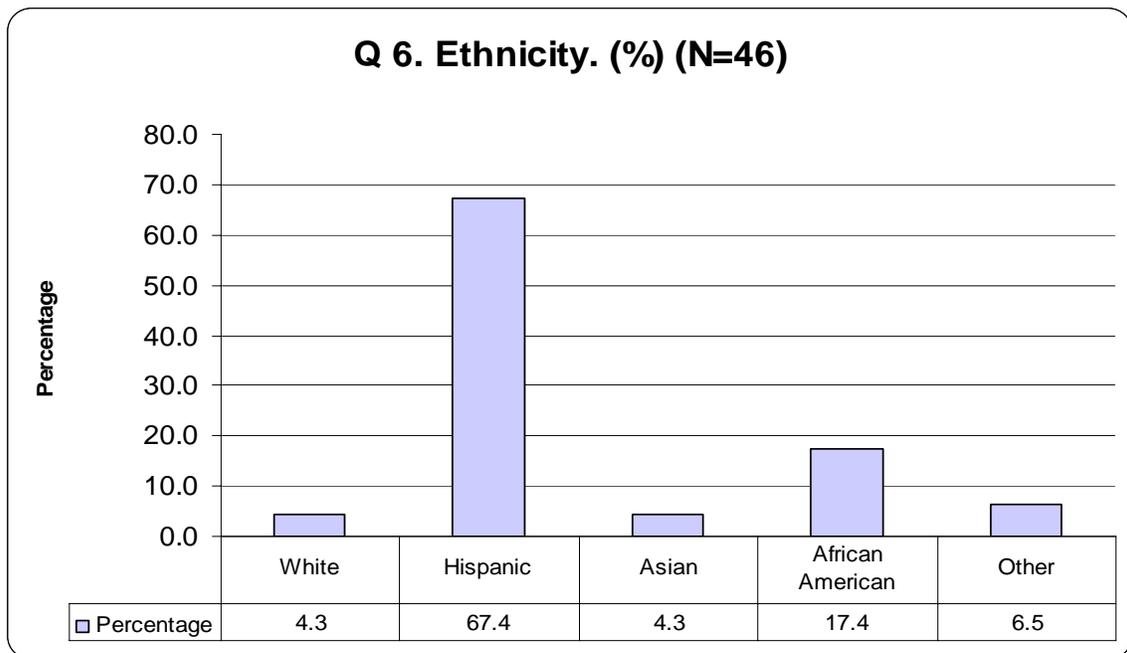
Source: Survey of seniors attending Boys and Girls Clubs of Greater Oxnard and Port Hueneme during academic year of 2007-2008.

The last three charts show that the overwhelming majority of the seniors surveyed consider college as the next step in their lives, some are in the process of entering four-year college and many more are planning to enter a junior college as the first step. The

findings among the seniors surveyed are very different with their peer groups in the districts.



Source: Survey of seniors attending Boys and Girls Clubs of Greater Oxnard and Port Hueneme during academic year of 2007-2008.



Source: Survey of seniors attending Boys and Girls Clubs of Greater Oxnard and Port Hueneme during academic year of 2007-2008.

In order to calculate the economic impact of higher high school graduation among the seniors attending BGCOP and their peer group, we took the difference between the rate obtained from our survey and the rate for Oxnard Union High. The reason for choosing OUH is because of the close similarity in the demographics of Oxnard with those who attend BGCOP. In 2007-2008 the club served 50 high school seniors. Using a rate of 75% as the rate of success to pass California High School Exit Exam, we found a difference of 20% in the seniors attending BGCOP. This is the difference between 75% of their peer group's rate of success and the 95% success rate of BGCOP seniors. Taking 50 as the total number of seniors attending the club we find that some 10 people passed the exit exam in the club cohort compared with the same number of seniors from the peer group. We considered the 10 additional graduates an outcome of attending the clubs and benefiting from the program and the environment that are more conducive to higher academic achievements and attention to future plans of attending college and being successful in their future professional lives.²⁰

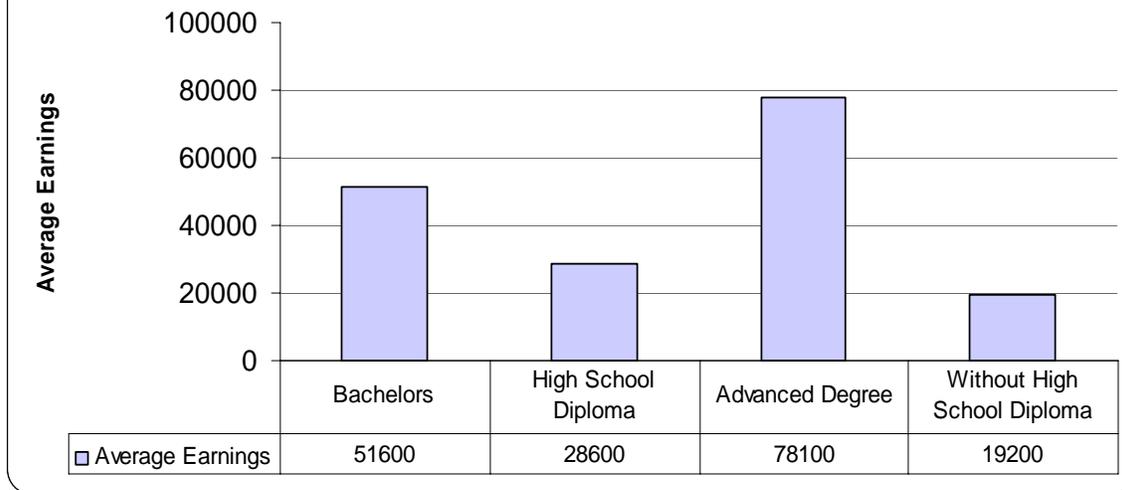
In order to calculate the economic impact we looked at the earning potential of people who graduate with a high school diploma, or have a degree or enter the labor force without a high school diploma. The calculation is based on the studies conducted for the State of California and some of the assumptions that we made based on our survey. The study tried to base its calculation on modest and realistic scenario than what might be considered too optimistic.

The following chart shows the latest available information for annual wages and salary earnings and educational attainment in the United States.²¹

²⁰ There is valid argument that what other circumstances may have contributed to a higher rate of success among the club attendees. A number of such arguments are equally applicable to all other similar studies.

²¹ We used the wage and salary structure for the United States since there is no particular justifiable presumption about the place of future employment of those who are currently living in Ventura County during the course of their future lives.

Educational Attainment and Average Annual Earnings (in Dollars) for Age 18 yrs and above, United States of America-2005



Source: US Census Bureau, Earnings from the 2005 ASEC are for the 2004 Calendar year.

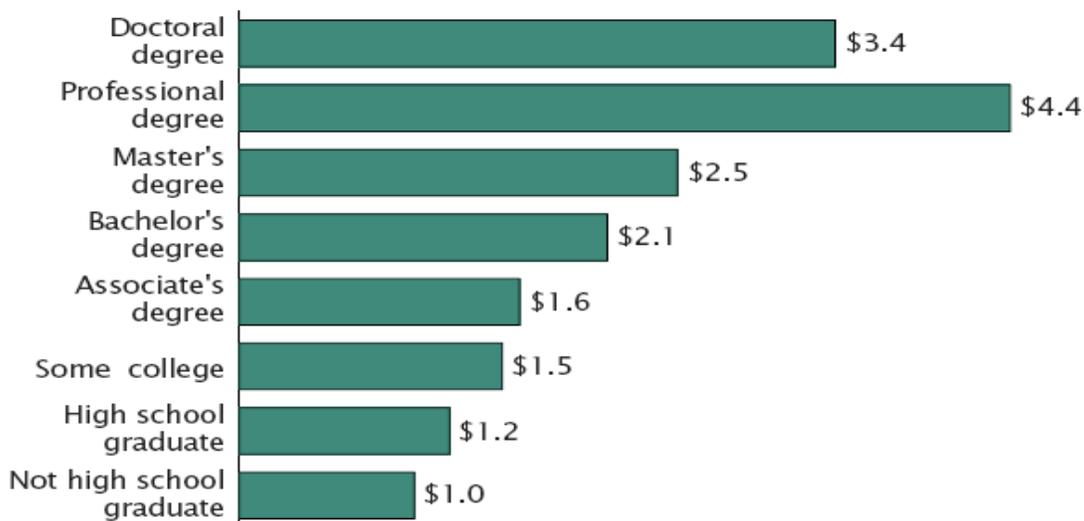
Following the method of similar studies carried out we looked at the economic impact of a difference in a person's life and that over the economy in the long-run we also used a 20-year time period to calculate the cumulative impact. Such studies are difficult and to a great extent inaccurate as one cannot foresee the future without having a credible study of the long-term consequences of not passing the high school exit exam in one year. Indeed such estimation must be based on longitudinal studies in order to construct a long-term scenario of what is likely to happen. We have already referred to one such study about the long-term impact of dropping out of school (Rotermund 2007). However we could not find such studies about the long-term consequence of failing the CAHSEE. It should therefore be stated that our assumption about the long term impact of people who fail the high school exit exam and may continue to be working in the labor market without a high school diploma is not based on concrete and academically viable studies and therefore may overestimate the economic impact to some extent.²²

²² At the same time, the study about the long-term impact of dropping out of school at least ones show that some 8% of such people never receive their high school diploma or GDE and only 1% receive a bachelor deegreeamooei Page 41 11/26/2008.

As for the long term impact of getting a high school diploma or working without one, it does impact the lifetime earnings of people. Results of such differential long-life earning are presented in the following chart taken from a study by the US Census.²³

Synthetic Work-Life Earnings Estimates for Full-Time, Year-Round Workers by Educational Attainment Based on 1997-1999 Work Experience

(In millions of 1999 dollars)



Source: U.S. Census Bureau, Current Population Surveys, March 1998, 1999, and 2000.

As the chart shows based on 1999 dollars the difference in the work-life earning of a person with a high school diploma was \$200,000 more than a person without a high school diploma. Taking the 1999 dollar and adjusting it with an average rate of inflation of 2.5% for the last 9 years we can say that a simplified version of this difference in 2008 real terms will be \$ 250,000 per person. We will use this figure to calculate the life-work earning impact of having a high school diploma versus a person without one.

²³ See Jenifer Cheeseman Day and Eric C. Newburger (2002), "The Big Payoff: Educational Attainment and Synthetic estimates of Work-Life earning; Special Studies, US Census.

Using the base figure of 10 students who will enter the workforce with a diploma at least as opposed to not having a diploma multiply by differential annual salary (\$28,600-\$19,200) = \$9400) of \$9400 per year to create a total increase of \$94,000 per year that can be attributed to the impact of the club. It should be also stated that this is by far an underestimation of the clubs' impact as our survey show that a great number of these students are likely to enter university and receive a Bachelor's or higher academic degree and earn much more than a high school diploma holder in the labor market.

Indeed our survey shows that the likelihood of such advancement in educational attainment over the next 20 years creates a much higher gain for the economy as a whole. Therefore we should balance our estimation with stating that exclusion of the higher probability in attaining a higher educational achievement among the club members makes our assessment of the positive impact of BGCGOP to be an underestimation of the true impact. The following table sums up the impact over a twenty year period.

Economic Impact of BGCGOP on Increasing High School Graduation

Percentage of Students Passing CAHSEE in Oxnard Union High	Percentage of Sample of Seniors Attending BGCGOP Passing CAHSEE	Additional Number of Students Passing CAHSEE in BGCGOP in Comparison	Total Annual Increment in Annual Wage and salary Made Due to Higher High School Graduation	Total work-life increment in earning due to higher rate of passing CAHSEE of Club members
75%	95%	10	\$ 94,000 Per Year	\$ 2,500,000

Sources: Survey of seniors of the Boys and Girls Clubs of Greater Oxnard and Port Hueneme, US Census, California Department of Education.

3.3. Economic Impact through Reduction in Juvenile Arrests and Crimes

Crimes in general and juvenile crimes in particular are a major source of social disorder, economic loss, and public health concerns in every society. While containing and protecting individuals and families has an important place in every community,

prevention of violence has been argued by many scholars and practitioners as the most effective and cost saving long-term solution.

The existing data shows that juvenile crimes increased significantly over the last two decades. According to a recent report published by the Legislative Analyst's Office (LAO) in January 2007 characteristics of the crime victims can be summed up as follows:²⁴

- Individuals between ages of 12 to 24 are more likely to commit and be the victim of violent crimes. Indeed the probability of being the victim of crimes is significantly lower for all other ages.
- The likelihood of being a victim of a violent crime was 45 percent higher for males than for females.
- Violent victimization rates for blacks were 37 percent higher than those for whites. Hispanics had violent victimization rates 24 percent higher than whites. Black households were victims of property crimes at a rate 7 percent lower than whites, and Hispanic household victimization rates were 35 percent higher than whites.
- Poorer households were much more likely to experience an unlawful entry into their homes (burglary) than wealthier households. However, while wealthier households do not experience burglary as often, they were more likely to be victims of theft, which includes the taking of household items, motor vehicle accessories, or other objects without entry into the home.

Looking at such statistics clear shows that age, ethnicity, gender and economic status are the most important determinants of who is likely to suffer most from crimes in our communities.

The focus of the juvenile criminal justice system is to rehabilitate and bring them back to a productive and crime free future life. The juvenile criminal justice system quite rightly

²⁴ California's Criminal Justice System: A Primer, Legislative Analyst's Office (LAO) California Nonpartisan Fiscal and Policy Advisor.

focuses on education, treatment, and counseling programs to juvenile offenders as compared to adult offenders. This makes the correctional programs for juveniles to be more expensive than in such facilities for adults. In order to present a broad picture of the juvenile crime in the state in our own region we present a series of charts. The data are for 2005, which provides the latest available comparable information for the state and the county.

Juvenile Arrests by Gender, Race, and Age		
2005		
	Juvenile Arrests	California Youth Population
Totals	222,512	4,493,439
Male	74%	51%
Female	26	49
Black	17%	8%
Hispanic	48	46
White	28	33
Other	7	14
Ages 10-11	2%	24%
Ages 12-14	27	38
Ages 15-17	71	38

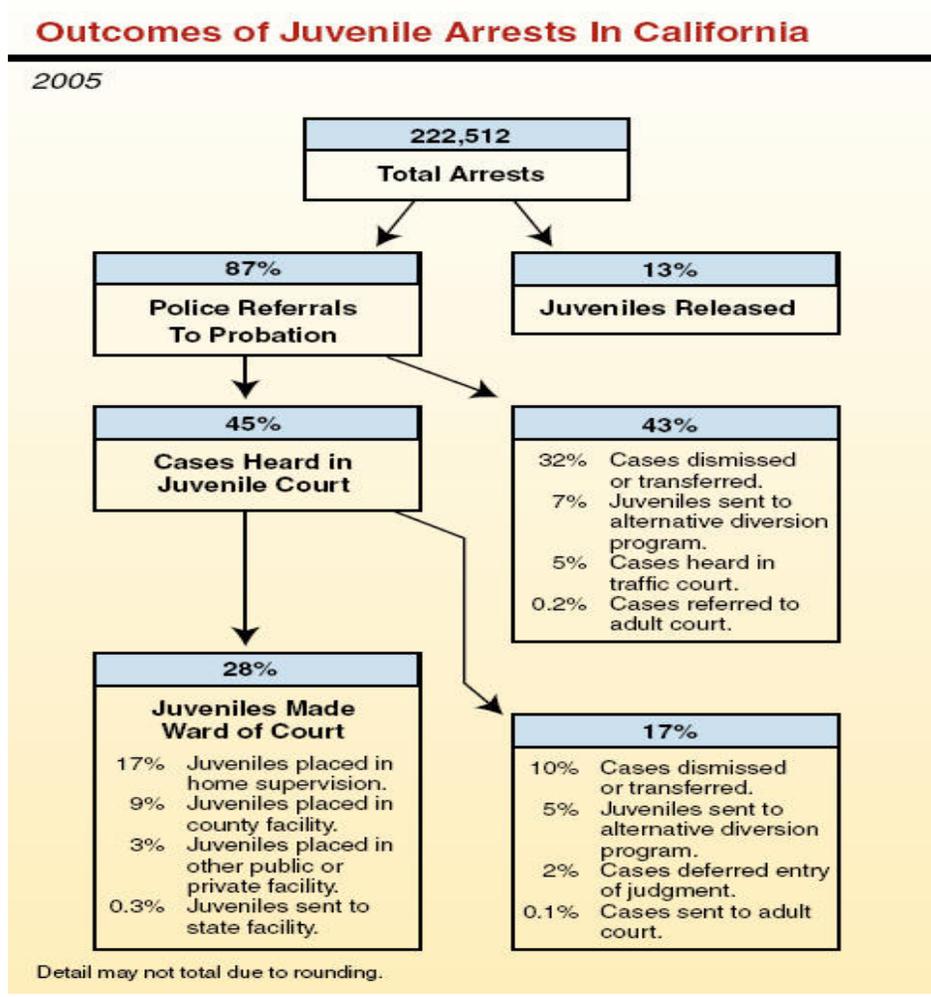
Source: Legislative Analyst's Office (LAO), 2007

As the chart shows there is a significant disproportion between percentages of crimes and percentage of youth in the ages of 15 to 17. The rate of crimes between ages of 12 to 14 is also alarming and deserves a great deal of attention. A significant proportion of the crimes committed by juvenile offenders are misdemeanors. The breakdown of the juvenile crimes can be presented below:

- There were almost 223,000 (the exact number is 222,512) juvenile arrests in California in 2005. Misdemeanor crimes, including crimes such as petty theft and assault and battery, accounted for 60 percent of all juvenile arrests.

- Felony arrests, such as burglary, accounted for 27 percent of all juvenile arrests.
- So-called status offenses, which include truancy and curfew violations, accounted for 13 percent of juvenile arrests in 2005.

Between 1995 and 2005 the population of juveniles in California increased by 24% at the same time the number of juvenile felony arrests declined by 33%. However, the percentage of juvenile misdemeanors declined by 6% between 1995 and 2005, from about 142,000 arrests in 1995 to less than 134,000 arrests a decade later. There is no clear reason that can be supported by empirical evidence that why the rates are on the decline. It is also important that the rate of decline is not the same in every community.



Source: Legislative Analyst's Office (LAO), 2007

The above chart shows that the juvenile criminal justice system has a long and rather expensive structure in place. A large number of the juveniles arrested will have a chance to come back to society and pursue a productive life. Getting back to a productive life requires a nurturing environment that can help youth find their way forward, have self-respect and be encouraged to succeed in their lives.

Juvenile Justice

Out of the 222,512 Juvenile arrests in California in 2005:

- *7% were black*
- *48% were Hispanic*
- *8% were White*

Additionally:

- *2% were under the age of 12*
- *27% were 12 to 14 years old*
- *71% were 15 to 17 years old*

The Impact of the BGCOP can be viewed in two different ways:

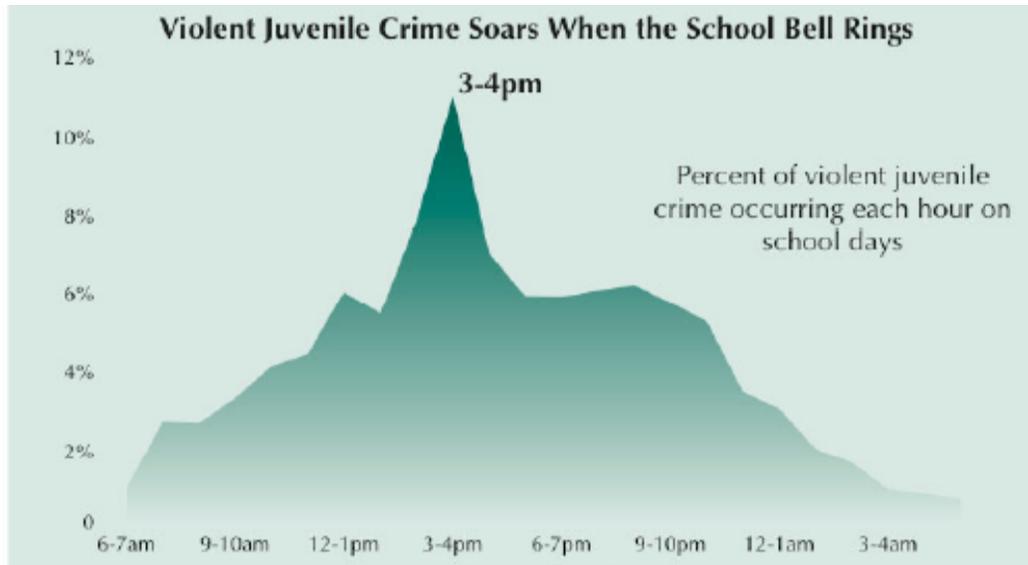
First, because of the Positive impact of member services:

- *The Juvenile arrest rate in Ventura County is approximately 11.4%*
- *The Juvenile arrest rate of the members of BGCOP is one third of that*

Second, because of BGCOP's facility in the Juvenile Justice system (on Vineyard):

- *The National recidivism rate is over 60%.*
- *The recidivism rate for juveniles who attended the BGCOP facilities while they were incarcerated is 9%.*

In order to understand juvenile crimes better one needs to look at why, how and when juvenile crime happens. The following chart provides a vivid picture of when it happens. As the chart shows that the highest rate of violent juvenile crimes occurs when students leave schools between hours of 3 and 4 in the afternoon. This speaks very clearly of an acute need for having a safe environment for kids to go when they come out of their schools in the afternoon. After-school programs provide a viable solution for this problem.



Source: Fight Crimes Invest in Kids California (2007), From California’s Front Line against Crime: A School and Youth Violence Prevention Plan.

Juvenile crimes in Ventura County followed the same trend seen in the state and in the nation. The following table provides a clear picture of the state of juvenile arrests across various ethnicities among youth between ages of 12 to 17.²⁵

Juvenile(12 to17 year old) Arrest Rates Across Ethnicities in Ventura County (2005)

	Juvenile Population	Arrest Reported	% of Population	% of Arrests	Arrest Per 1000
White	36807	1691	47.7	26.8	45.9
Hispanic	32633	4248	42.3	67.4	130.2
Black	1265	223	1.7	3.5	176.3
Other	6365	139	8.3	2.2	21.8
Total	77070	6301	100	99.9	81.7

Sources: Juvenile Court and Probation Statistical System, California Department of Justice, California Department of Finance,

²⁵ There are a number of calculations and rates of arrests for Ventura County. Depending on what age range is taken into account for the calculation of both population and the arrest rates the numbers may fluctuate. For the purpose of this study we took California Department of Finance’s numbers based on the US census prediction to calculate the total number of youth between ages of 12 and 17 and then the numbers provided by the Department of Justice were used for the total number Juvenile arrested across various ethnicities to calculate the pertinent rates.

http://www.dof.ca.gov/html/DEMOGRAP/Data/RaceEthnic/Population-00-50/RaceData_2000-2050.php, Author's Calculation.

As the table shows, the rate of juvenile arrest is disproportionately higher among Hispanics and African Americans.

In order to compare the rate of juvenile arrests for those who attend Boys and Girls Clubs of Greater Oxnard and Port Hueneme with those of the county as a whole or more appropriately for a population that has a similar juvenile ethnic breakdown we conducted a parent survey for the children that attend the after-school program.

There was no record of club members' arrest for any years. Asking questions about any problems with the law and being arrested was not a viable option due to many legal issues concerning inquires toward juveniles on private matters such as being arrested. The only viable option was to survey parents whose children attend after-school programs. We then used such a survey as a good sample to have information about the arrest rate of club members.

We surveyed some 222 parents of children attending Boys and Girls Clubs of Greater Oxnard and Port Hueneme. The survey contained a number of questions about the demographics of respondents, number of their children attending the club, marital status, and if their children have been arrested by police during the year while they were attending the club. 95.5% of the respondents said that their children had no problems. Some 2.7% said that their children have been arrested. 1.7% stated that they prefer not to answer this question. We decided to take the possibility that those who said they do not wish to respond had their children arrested by police. This led to a 4.5% of respondents stating that their children have been arrested by police, a clear overestimation of the actual arrest rate.

The demographics of the respondents are very similar to the overall demographics of the club members in its entirety. Some 75.4% were Hispanics, 10.6% were White, 4.9% were

African American, and 9.1% were from other ethnicities (Asians, Pacific Islanders and the rest).

In order to compare the rate of juvenile arrests of the club members with that of their peer group in the community, we used the demographic makeup of the sample group and calculated a weighted average of the peer group using the ethnic breakdown of Ventura County juvenile arrest rates in 2005.²⁶ This calculation resulted in a juvenile arrest rate of 113.66 per thousand for the peer group that the club arrest rate could be compared with.²⁷ This rate shows that the rate of juvenile arrest among the club members is almost a third of the rate among their peer group in the county.

Since the rate of juvenile arrests is based on the number of juveniles between the ages of 12 to 17 we took the total number of youth between the ages of 12 to 17 who have been attending the club for three days or longer. Based on the information from the 2007 report of BGCGOP, this group consists of 4763 youth.²⁸

Taking this number and applying the differential rate in juvenile arrest rates among the club members and the peer group we find that some 327 youth are saved from being in a situation ending with an arrest as a result of attending BGCGOP.²⁹

In order to calculate the total savings from reduction of juvenile arrests we need to have an estimate of the cost related to juvenile arrest and juvenile crimes. This is a very

²⁶ Using 2005 data is based on the data constraints. 2005 is the latest year for which we could collect arrest data across ethnicities for Ventura County. This may produce inaccuracy since crime rates may have changed since 2005.

²⁷ The weighted average is calculated by taking: $[130. \times 0.754 + 45.0 \times 0.106 + 176.3 \times 0.49 + 21.8 \times 0.091] = 98.17 + 4.87 + 8.64 + 1.98 = 113.66$

²⁸ To calculate the total number of youth that should be used as the basis of kids impacted through reduction in juvenile arrests we added the total number of club members between ages of 12 to 17 and then took 95% of the total number since according to the club annual report for 2007, 95% of the club members attend various club function three or more days in a week.

²⁹ To arrive at the total number of club members saved from arrest, we took the difference between the arrest rates of 113.66 in a thousand as it applies to the peer group minus 45.0 as it applies to the children attending the clubs. The results 68.66 per thousand of youth attending the Boys and Girls Club of Greater Oxnard and Port Hueneme. Multiplying this number by the total number of juvenile attending the club we come to an approximate numbers of 327 youth who are saved from being arrested as a result of attending BGCGOP.

complicated subject that at best can be based on a number of assumptions and over simplification of the real life scenario as it occurs in every community. One has to be mindful of a reality that not everything in life is measurable in monetary terms. We can measure an impact when there is a cost paid or a payoff received. Much of what we go through in our lives is not measurable with what we explicitly pay or receive compensation for. Therefore there is no way to really measure the savings of a community from saving children from being arrested and having their lives changed once and for all. It should be added that this does not mean that arresting youth is wrong; a society needs protection from laws being broken. Nonetheless, prevention is the key to real savings and that is what one can take up as a real saving from youth being saved from being arrested.

Finding the cost of juvenile arrest for Ventura County is a difficult task and more over it will not help us to estimate the real saving that our community gains from reduction in juvenile crimes. The study therefore took the following steps to come up with a realistic economic impact as a result of reduction in juvenile arrests because of the impact of BGCGOP.

There are several estimates for the cost of juvenile crimes. According to the state budget, the state is spending almost \$180,000 per youth offender this fiscal year--five times the cost of keeping inmates in the adult prisons, and the governor projects that figure will rise to \$216,000 next year (2008).³⁰ In order to arrive at a more realistic cost per arrest we used our earlier discussion of what happens to juveniles when they get arrested. Although arrest and detention until early release does have a cost we assume that the bulk of the cost occurs when arrested youth are taken to the court and subsequently put in correctional facilities or other arrangements. Therefore we use 45% as the percentage of those arrested who will cause the bulk of the expenses. Bearing in mind that arrest and other actions regarding the remaining 55% also have a cost for the criminal justice system.

³⁰ See SF Chronicle Article: State's youth prisons mired in hopelessness and California's Criminal Justice System: A Primer, Legislative Analyst's Office (LAO) California Nonpartisan Fiscal and Policy Advisor, 2007.

It is true that the cost for Ventura County might be different. However, it is hard to define the cost of arrest and it is inaccurate to set that equal to the cost of juvenile crime. Using the estimate of the total number of youth saved from arrest and the per head cost of juvenile crimes, we came up with the following estimate for the cost saved to the state for having 327 less juveniles to be arrested and related this to the impact of BGCGOP.³¹

Economic Impact of BGCGOP on Cost of Juvenile Arrest

Total number of Juvenile saved from Arrest	Annual cost of juvenile crimes per person California	Annual cost of juvenile arrested at 45% of total cost per crime.	Total saving per year for the state of California due to impact of BGCGOP
327	\$ 180,000	\$ 81,000	26, 987,000

Source: Author’s calculation, SF Chronicle and Legislative Analyst’s Office (LAO)

The estimates may, to some, seem very high. But the fact of the matter is that this in real term is much less than what the actual cost over time might be. This can be better understood when we look at the other cost items that are very realistic but are not included in the cost of the criminal justice. These costs, according to the Legislative Analyst’s Office, include:

- **Medical cost:** Paid by victims, families, businesses and government because of injuries suffered due to crime.
- **Stolen and damaged property resulting from crime:** In the NCVS, victims reported that their property was either stolen or damaged in 95 percent of property crimes and 18 percent of violent crimes, resulting in an average loss of almost \$700 per incident.
- **Loss of productivity to society:** This could be due to death or medical and mental disabilities resulting from crime.

³¹ Reduction in juvenile arrest may be due to a number of factors such as caring parents that have the attention of taking their children to a safe facility or many other factors. Arguing that the net difference is entirely due to the impact of BGCGOP may require a greater deal of scrutiny that can prove statistically that the difference between the target group and peer is nothing but the work of the club. This has not been pursued in this research. Therefore it is correct to say that the impact may be an overestimating of the real impact.

- **Loss of work time:** By victims of crime and their families. According to NCVS data, about 6 percent of victims missed time from work due to crime.
- **Loss of property values:** In neighborhoods with high rates of crime.
- **Pain and suffering of crime victims:** This can occur to their families and friends, as well as communities plagued by crime.
- **Foster care and other social services costs:** This is to provide homes and other services for children of offenders.

The fact of the matter is that no one can really estimate the costs listed in the above as they may change from case to case. Therefore it should be easily accepted that saving 327 juveniles from possible arrests has a monetary value of many times over the estimate provided in this study.

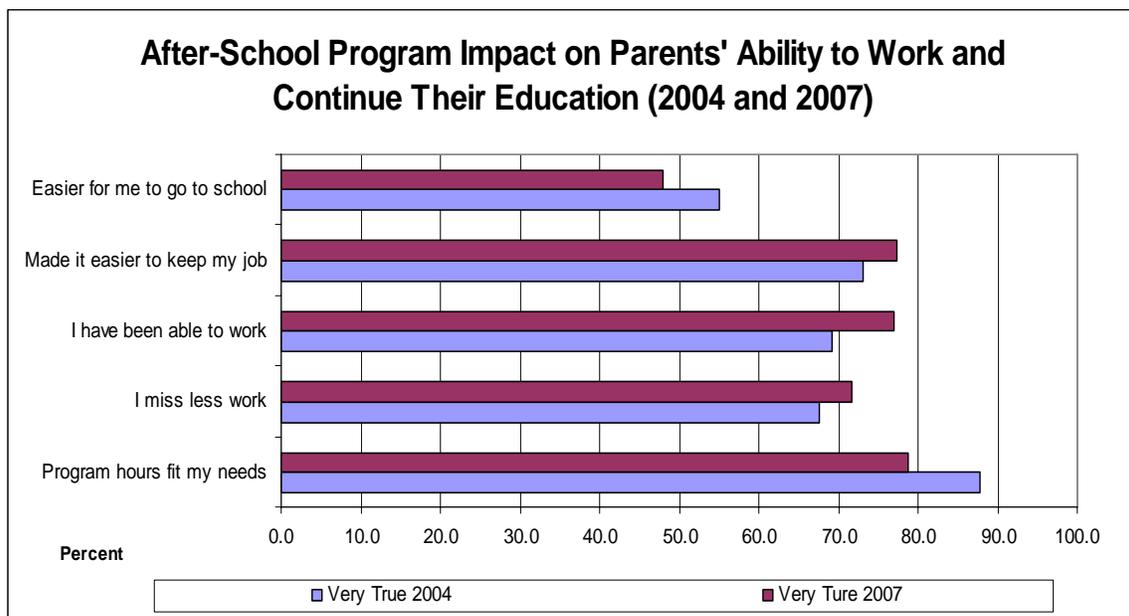
3.4. Economic Impact of After-School Programs

The economic impact of after-school programs can equally be extended to parents who are able to leave their children in BGCGOP. It should be noted that this segment of the study is based on the results of a three-year period of evaluation of after-school programs and therefore one might argue that it should only be applied to the families who leave their children at BGCGOP for the after-school program. The counter argument is that other members of the club have the same privileges extended to children benefiting from the other club programs and outreach.

3.4.1. Ability of Parents to Keep their Jobs and go back to School to Upgrade their Skills and improve their Economic Wellbeing

Boys and Girls Clubs of Greater Oxnard and Port Hueneme have for the last four years been running the after-school programs for both Rio and Port Hueneme School Districts. The program from 2004 to 2007 were under California's 21st Century Community Learning Circles and as of 2007 has changed to the state-sponsored After-School Education and Safety Program (ASES). Over the last four years, as a part of the annual program evaluation, hundreds of parents in both segments of the program in the two aforementioned districts were asked to answer questions about the impact of the program and the effects of leaving their children in a safe place on their professional and family

lives. Two of the areas that relate to this segment of the report is how having the program enabled them to work (or keep their jobs) and being able to go back to school. The positive response rate in both districts were very high, ranging from 75% to 88% agreeing or strongly agreeing that the program enabled them to work and from 68% to 81% in agreeing that the program allowed them go back to school. Positive response in here means agreeing or strongly agreeing with the statement. In the chart below we report our findings for the Rio District only for the portion of strong agreement with the statement.



Source: Evaluation of Rio District After-School Evaluation for 2007 conducted by the Author.

In order to make an objective assessment of the impact of BGCGOP we used an average rate of 70% agreement (strong agreement) with the statement of being able to work because of the program and a positive rate of 50% agreement (strong agreement) for being able to go to school. We used these rates to calculate the following impact on the lives of all families who are able to leave their children at the Boys and Girls Clubs of Greater Oxnard and Port Hueneme.

According to the annual report of the club in 2007 some 8750 youth attended the clubs more than three days a week. Assuming an average size of four to a family, this many children represent some 2187 families being served for an average of more than three days a week.³² Furthermore we assume that only one of the parents will be the primary beneficiary of the assistance they receive from the club with regards to being able to work or go back to school.

Parents Can Keep Their Jobs and Upgrade Their Skills and Education

Multiple Surveys of BGCGOP After-School Programs Show that:

- 75% to 88% agree or strongly agree that the program enabled them to work.
- 68% to 81% in agree or strongly agree that the program allowed them go back to school.

Impact of BGCGOP on Allowing Parents to Keep Jobs and Go Back to School

Estimated number of families using BGCGOP	Percentage of parents strongly agreeing with being able to work	Percentage of parents strongly agreeing with being able to go to school	Estimated number of parents being able to work because of BGCGOP	Estimated number of parents being able to go to school because of BGCGOP
2187	70%	50%	1530	1093

Source: Programs evaluation of after-school programs and annual report of Boys and Girls Clubs of Greater Oxnard and Port Hueneme 2007.

We did not take this further to assign a dollar value to the ability to work or go back to school. Nonetheless, it is clear that each of these impacts have a significant positive impact on the lives of the families involved and the gross regional products of the county.

3.4.2. Positive Impact of BGCGOP in Helping Children Develop Healthy Habits at a Young Age

³² It is true that a greater number of families may have more than two children. At the same time a significant proportion of parents who take their children are single parents. Therefore an assumption of four for the family size is a reasonable estimate.

Starting Healthy Activities and Physical Education (SHAPE) is a program that aims at helping youth to develop healthy habits at young age. The project helps those who participate in the program learn about importance of physical activity in their health and the necessity of making healthy choices in their diet and life style. The project report in May 2007 based on surveying 140 participants before and after having the training showed that the clubs' staff were very effective in informing youth and their parents about SHAPE. Teachers and counselors had a significant role in passing on the information.³³ Results of the program as evident in its report showed that participants showed significant improvement in physical activity knowledge, goal setting and nutrition knowledge because of attending this program. This is an example of how recruiting youth at an early age and teaching them how to pay attention to their health and life style can help them to learn how to lead a healthy life and avoid obesity and exposure to more serious chronic diseases like diabetes at a young age.

The report makes strong recommendations about encouraging youth to continue attending the program and stay active and informed in the years to come. It also encourages staff, counselors and teachers to pass on the information to other club members and participants to join the program and benefit from its positive effects on their lives.

3.5. Regional Economic Impact of Clubs' Expenditures on Creating Jobs and Tax Payment

Economic growth is often viewed as a desirable process that leads to the creation of jobs, increased income for residents, a broader tax base, and the enhancement of cultural amenities such as libraries and parks. An economic impact analysis traces spending through an economy and measures the cumulative effects of that spending. We used an Input-Output analysis to calculate the economic impacts of Boys and Girls Clubs of Greater Oxnard and Port Hueneme on Ventura County. The principal purpose of using an Input-Output framework is to analyze the interdependence of industries and various economic entities and organizations in an economy through market based transactions.

³³ For more information see Rebecca Davids and Stephanie Vecchiarelli (2007), a report presented to the management of the Boys and Girls Clubs of Greater Oxnard and Port Hueneme.

Input-Output analysis can provide important and timely information on the interrelationships in a regional economy and the impacts of changes on that economy.

We used IMPLAN (Impact Analyses for Planning) to identify and measure the economic impact of BGCGOP.³⁴ IMPLAN employs a regional social accounting system and can be used to generate a set of balanced economic/social accounts and multipliers. The social accounting system is an extension of input-output analysis. Using this model we calculated the explicit economic impacts of the clubs' expenditure through increased regional income, jobs, and tax payments.

In doing this we set the model for BGCGOP as an organization that provides services for education of children and their training to become successful adults in the course of their future lives. As an industry we considered it as an educational institution other than schools, universities or junior colleges. This corresponds with IMPLAN industrial code 463 which in turn corresponds with NIACS' (North American Industry Classification System) codes 6114, 6115, 6116, and 6117.³⁵

Using a regional Input-Output model the total number of full-time equivalent employees of the club has been around 90 and as a result some 32 additional jobs are created as the result of the indirect and induced impact of club activities. The actual spending of the club in 2007 amounted to around 4.5 million dollars. However, the actual contribution of the club in terms of its total output impact is about 7 million dollars. Our estimation shows that as a result of the clubs' activities over 1.2 million dollars of tax is paid to all levels of governments in

³⁴ IMPLAN is a computer software package that consists of procedures for estimating local input-output models and associated databases. The acronym is for *Impact Analyses and Planning*. IMPLAN was originally developed by the U.S. Forest Service in cooperation with the Federal Emergency Management Agency and the U.S. Department of the Interior's Bureau of Land Management to assist in land and resource management planning. Since 1993, the IMPLAN system has been developed under exclusive rights by the Minnesota Implan Group, Inc. (Stillwater, Minnesota) which licenses and distributes the software to users. Currently there are hundreds of licensed users in the United States including universities, government agencies, and private companies.

³⁵ Code 493 in IMPLAN describes an industry involved in other educational services (colleges, elementary & high schools or junior colleges). In North American Industrial Classification this industry is defined as a combination of educational support services, technical and other form of training educational institutions.

We constructed the appropriate IMPLAN model and ran it for the total amount of the Boys and Girls of Greater Oxnard and Port Hueneme annual expenditure for 2007. The outcome is presented in the following table.

Breakdown of Boys and Girls Clubs of Greater Oxnard and Port Hueneme Impact on the Regional Output, Income, Employment, and Taxes

Output, Employment, and Tax Impact of BCGOP						
	Direct	Indirect	Induced	TOTAL		
Output Impact in Dollars	4, 373, 325	1, 163, 459	1, 418,626	6, 955, 409		
Indirect Business Taxes Impact in Dollars	49, 399	37, 884	94, 782	182,065		
Employment Impact	90.3 ³⁶	17.3	14.7	122.2		
Tax Impact in Dollars	Employees Compensation	Proprietary Income	Household Expenses	Enterprises	Indirect Business Taxes	Total Tax Generated in Dollars
	303, 364	117, 199	513, 698	107, 828	182, 065	\$ 1, 224, 154

Source: Author’s calculation by using IMPLAN regional Input-Output model.

The above table shows the full extent of the clubs’ impact in terms of regional output (gross regional production), employment, and tax revenue that it generates in a year for all levels of federal, state and local governments. It should be stated that according to the information provided by BCGOP, there have been 23 full-time and 145 part-time staff during the year of 2007. The model determines that the total number of full-time equivalent employees of the club has been around 90 and as a result some 32 additional jobs are created as the result of the indirect and induced impact of club activities.

The actual spending of the club in 2007 amounted to around 4.5 million dollars. However, the actual contribution of the club in terms of its total output impact is about 7. million dollars.

³⁶

Our estimation shows that as a result of the clubs' activities over 1.2 million dollars of tax is paid to all levels of governments in income, sales, and other forms of taxes.

4. Summary and Conclusion

The Boys Club of Oxnard was founded in 1954 to allow young boys to benefit from the after school and summer programs. This institution has grown over the last 50 plus years to become the Boys and Girls Club of Greater Oxnard and Port Hueneme of today, a major center for thousands of young people and their families to receive academic support and be able to make better decisions in an open and conducive environment for a successful future.

The purpose of this study is to look into the economic impact measured in terms of cost savings as well as the creation of income brought about by greater productivity of members of the community who benefit from the operation of the institution. Each branch has a core staff of trained youth development professionals. The institution provides regular and special training programs for its staff to learn and stay abreast with the knowledge of best practice in providing guidance and supervision while serving as role models and mentors. The clubs provide opportunities for parents of those who attend various programs of the clubs to fulfill their own needs and become more productive and content in their own lives.

This study focused on specific impacts of the operation of BGCGOP that can help reduce teen birth, increase high school graduation, lower juvenile arrest and subsequently crime rates, allow parents of students work outside homes and hold on to their jobs, encourage kids to develop healthy habits at young age, add to the regional gross products and creation of jobs in the county, and finally enhance tax revenue for all three levels of government.

In order to measure the difference between the performances of those who are attending BGCGOP and other youth in the respective community we used a number of surveys conducted for this study and throughout the last four years with regards to after-school

evaluation of the club members. The study used historic data and many recent studies conducted by many credible academic and non-academic institutions. The study calculated the difference between those children attending BGCGOP and their carefully structured possible peer groups in the region in every aspect of this study. The study made every effort to take an underestimation of the outcome where there was arguably more than one way to make an estimation. The accuracy of estimation in every study of this nature is always a point of debate among observers and scholars and it is for this reason that the report makes every effort to report what can be considered an underestimation.

Details of the calculation can be seen in the pertinent parts of the report. The following tables present a summary of these findings in a structured format.

Estimated Monetary Values of Savings Made Because of Boys and Girls Clubs of Greater Oxnard and Port Hueneme

Source of Economic Impact	Reasons for the Impact and Its Consequences	Estimate of the Amounts Saver or Earned
Reduction in teen childbirth: annual costs saved	Learning the negative impact, saving the additional health cost to teen mothers, foster care, and incarceration	Resulting in an annual savings of \$166,140
Reduction in teen childbirth: lifetime economic of teen mothers to society	Avoiding reduced productively, lower educational attainment, and government assistance	\$ 7,990,000 lifetime economic cost avoided through reduction in number of teen mothers on annual basis.
Higher rate of high school graduation	Increase in rate of high school graduation measured by increase in passing of California High School Exit	\$ 2,500,000 saved annually over working life of people entering labor market without a high school

	Exam (CAHSEE)	diploma as opposed to having a diploma
Contribution to increase to regional gross product	Their expenditure and the overall impact of their expenditure through a multiplier impact.	\$ 6,955,409 through direct expenditure and its indirect and induced impact measured by an Input-Output model.
Contribution to total tax revenue of federal, state and local government	Taxed paid through income, and other indirect and business taxes.	\$ 1,224,154 annual tax payments through payroll, business taxed, directly indirectly and induced.
Other Possible Positive Economic Impact that Exist But Not Measured in Monetary Terms		
Greater number of parents being able to work or hold on to their jobs	Being able to leave their children in BGCGOP for after-school or academic recess time	1530 parents on annual basis are able to earn income and avoid being dependent on government assistance
Greater number of parents being able to go to school	Being able to leave their children in BGCGOP for after-school or academic recess time	1093 parents on annual basis are able to go back to school and upgrade their skills and improve their families' economic wellbeing
Employment created through presence of BGCGOP	Jobs created directly, indirectly, and induced in full-time and equivalent of full-time jobs	122 jobs created directly by the clubs (full-time and full-time equivalent as a result of economic activities of the club

Source: Various calculations of the author. See the report for methods of calculation.

The summary of research and its calculation point out the following:

- There is a tremendous need to invest in our children and help them grow and become happy and productive citizens.
- When needs of our children are not met, the consequence is opportunity lost that will probably never be recovered.
- Only a small fraction of the loss of opportunity can be measured in monetary terms.
- It is hard to put an accurate monetary value to the segment that can, in physical economic terms, be measured.
- With all insufficiency and understating of the loss in monetary terms, we can confidently say that in our community, investment in the Boys and Girls Clubs of the Greater Oxnard and Port Hueneme brings in or saves for every one dollar spent four dollars in real terms every year when one looks ahead at the consequences of such investment over time. This is a total underestimation of the return on our social investment for a variety of reasons explained in the report.³⁷
- It is hard to find a 400% return on any investment in our community, business or other areas.

³⁷ For the purpose of calculating the rate of return we added the annual payoff from our summary tables for all the monetarily measured consequences with exception of tax revenue to the government. We then divided the sum by total annual expenditure of the club and came up with ratio of slightly over four times. One must remember that we did not use any monetary value created for increased skills of parent due to greater possibility of upgrading their education/trainings, ability to hold jobs, saving in medical cost through reduction of obesity and other chronic disease, increased productivity of staff through their training and countless other positive developments that could not be accurately measured in monetary terms. It should furthermore be stated that saving over life time or life work-time and other scenarios are looked at on an annual basis. In other words the study shows that by avoiding those negative developments, whether it is teen pregnancy or lesser graduation from high school, the actual long-term consequences are made every year. In other words the long term effect is the net present value of the process that gets triggered off every year and therefore should be counted as annual impact.

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