

The

"ECONOMIC HALO EFFECT"

*of the Ray and Joan Kroc Corps
and Community Centers*



a report to the *The Salvation Army* • April 2015

Submitted by *Partners for Sacred Places*
and *McClanahan Associates, Inc.*



AT THE INTERSECTION
OF HERITAGE, FAITH,
& COMMUNITY

Partners for Sacred Places



McClanahan Associates, Inc.
Evaluation for Progress

EXECUTIVE SUMMARY

This report issued by Partners for Sacred Places (Partners) with support from McClanahan Associates, Inc. provides an analysis of the annualized economic impact of 25 Ray and Joan Kroc Corps Community Centers that are owned and operated by The Salvation Army. Broadly, these centers provide facilities, programs and services that encourage positive living, offer life-changing experiences for children and adults, strengthen families, and enrich the lives of seniors with the goal of uplifting individuals and benefitting communities in need. As such the centers include two main components: they house both the Corps or religious congregation of The Salvation Army as well as a range of health, fitness, education, social service, arts and other programs and services--both of which are open to local community members.

The annualized economic impact of the centers is derived based on Partners' "Economic Halo Effect" methodology, developed in partnership with the University of Pennsylvania School of Social Policy and Practice. This methodology quantifies the financial impact of congregations and other faith-based organizations on local and regional economies. The findings reported herein represent the total annual financial benefit of these 25 centers-- monetizing a broad range of factors including direct spending and spending induced by the centers, as well as savings to society catalyzed through the benefits center programs and services accrue to individual participants.

In the pages that follow, we present a total aggregate annual economic impact of the 25 centers, as well as the economic impact in the community induced through the construction of the centers. Furthermore, to offer additional detail, we provide specifics about the economic impact of the centers' in four areas: 1) through direct spending to hire staff and purchase local goods and services; 2) the value of day care and K-12 educational programs that allow families to work ; 3) health and fitness program that enable people to exercise regularly, lose weight and eat healthily and 4) a range of catalyzing or leveraging economic values, such as Recreation Space –free use of outdoor parks, trails, playgrounds, and sporting fields; Magnet Effect – attracting visitors who patronize local businesses, and Invisible Safety Net -- the combined value of membership subsidy, space, volunteer, and in-kind support provided to individuals and community-serving programs. Finally, this report illustrates-- through stories--how centers have helped individuals and the community.

Overall, the Kroc centers included in this study make a significant economic impact on the communities in which they are located. These 25 centers as a whole contribute \$325,987,386.95 in benefits through direct and induced spending, fostering better health, and providing free or subsidized membership, indoor and outdoor space space, volunteer hours and in-kind support to community-serving programs, and \$1,797,612,753.49 in construction direct and induced spending.

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Summary:

OVERVIEW OF FINDINGS

Kroc Centers serve over xxx, xxx individuals each year—those who are members, come to the center as visitors, for work and to volunteer. The centers contribute open space, recreation and needed services to the community, including opportunities for fitness and wellness activities, social services, aquatics, childcare and other programmatic opportunities; and those who are involved benefit from more robust social networks and the support that is provided by the Corps church.

Annual Economic Benefit

Overall, the Kroc centers make a significant contribution to the communities and individuals whom they serve. Across all of the Kroc Centers the total annual economic impact totals over two hundred sixty-nine million 3.25 million dollars—more than 2.6 times their average yearly budget.

Overall Halo Total:
\$269,037,749.75

Localized Budget Average:
\$10,761,509.99

HALO FINDINGS BY CATEGORY

- Budget: \$95,410,098
- Fitness: \$49,732,209
- Recreation Space: \$693,342.90
- Daycare/School: \$9,427,686
- Safety Net (space; in-kind; volunteer; Scholarships/day-passes; membership subsidy): \$66,988,241
- Magnet: \$31,493,820

Financial Benefit from Construction of the Center

Kroc Center construction induced significant spending. Across all centers, almost 1.8 billion dollars of spending were catalyzed by their construction, including direct and induced spending and local wages earned as a result of the construction.

Construction Induced Spending Total:
\$1,797,612,753.49

Construction Induced Spending Average Per Center:
\$71,904,510.14

You can feel the presence, aura, atmosphere that transcends the center from being just a building to much more,

- SCOTT RUSZKOWSKI, CAPTAIN INVESTIGATIVE DIVISION SOUTH BEND POLICE DEPARTMENT
MUTUALLY BENEFICIAL RELATIONSHIP BETWEEN KROC CENTER AND POLICE DEPARTMENT

Kroc Centers:

A WEEK IN THE LIFE



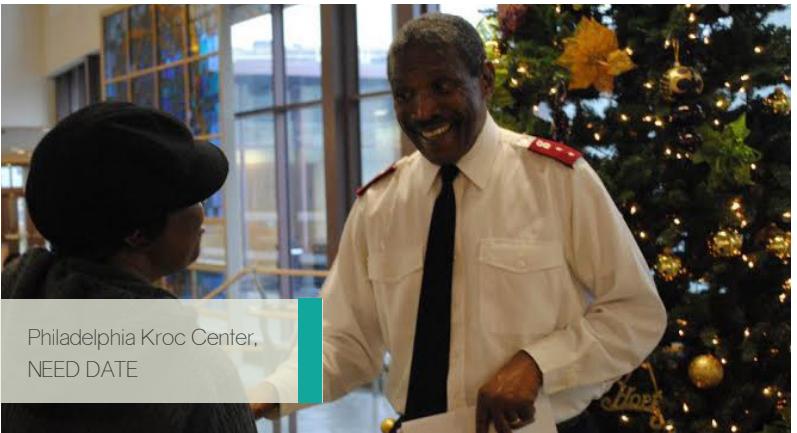
Kroc Centers:

WHAT ARE THEY?

ACCORDING TO THE SALVATION ARMY

"In 1998, Mrs. Joan Kroc, widow of McDonald's founder Ray Kroc, donated \$90 million to The Salvation Army to build a comprehensive community center in San Diego, California. Her goal was to create a center, supported in part by the community, where children and families would be exposed to different people, activities and arts that would otherwise be beyond their reach. Completed in 2001, the center sits on 12 acres and offers an ice arena, gymnasium, three pools, rock climbing walls, a performing arts theatre, an internet-based library, computer lab, and a school of visual and performing arts.

When Mrs. Kroc passed away in October 2003, she left \$1.5 billion to The Salvation Army and the largest single gift given to any single charity at one time. The initial disbursements of this bequest began in January 2005. The gift had by then grown to \$1.8 billion and was split evenly among the four Army Territories - Central, East, South and West. The money was designated to build a series of state-of-the-art Salvation Army Ray and Joan Kroc Corps Community Centers nationwide patterned after the San Diego center."

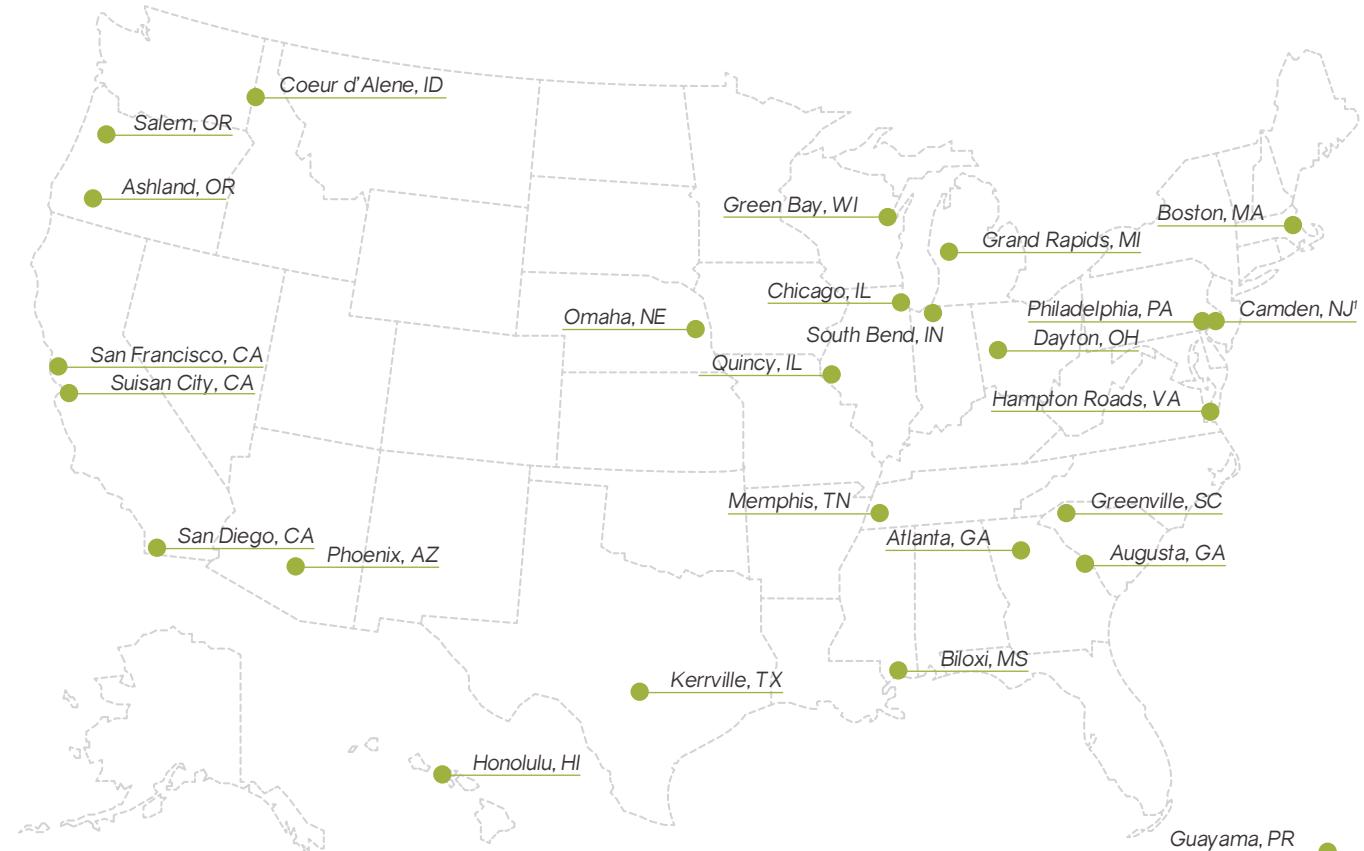


Her goal was to create a center, supported in part by the community, where children and families would be exposed to different people, activities and arts that would otherwise be beyond their reach.

-SALVATION ARMY

Since the launch of the center in San Diego 25 additional centers have been built (see map below). The Joan Kroc bequest stipulated that The Salvation Army raise matching funds in each of the communities in which a center was to be built. In each of these locations a unique combination of individuals, private foundations, corporations, and municipal and/or state government provided funding equivalent to the amount The Salvation Army allotted to construct the center in that location.

The Kroc Centers operate within the mission of the Salvation Army, providing facilities, programs and services that encourage positive living, offer life-changing experiences for children and adults, strengthen families, and enrich the lives of seniors with the goal of uplifting individuals and benefitting communities in need.



MISSON STATEMENT

"In keeping with the mission of the Salvation Army, Ray and Joan Kroc corps Community Centers provide facilities, programs and services that encourage positive living, offer life-changing experiences for children and adults, strengthen families, and enrich the lives of seniors. These facilities, programs and services promote educational enrichment, life skills development, and spiritual and physical wellness. In accordance with the Christian mission of The Salvation Army these resources will be offered without discrimination to uplift individuals and benefit communities in need."

Characteristics of Kroc Centers

While Kroc Centers are inspired by the original model in San Diego, they are also designed adapt and respond to the needs and interests of the particular communities and cities in which they are located. Centers share elements that address needs common in struggling communities, such as wellness, fitness and arts--yet no two centers share the exact mix of programing or physical features and each has a unique feel, focus and operations.

Broadly, Kroc Centers include two core components: 1) the Corps religious congregation of The Salvation Army, and 2) the center, which offers a range of health, fitness, education, social, arts and other programs and services. The facilities are generally multi-building complexes and include both indoor features, including a pool, gym, fitness center, daycare, meeting rooms, as well as outdoor spaces open for public use. Centers are led by Salvation Army officers and staffed by a range of operations, program, and administrative experts who are not required to be members of the Army (Salvationists). In the sections below we describe each facet of the Kroc Center in more detail.

To be included in this study, centers had to be open for one year; Camden opened late 2014 and therefore, is not included in this study.

Corps Religious Congregation

Each center houses a Salvation Army religious congregation, called the Corps, which functions similar other Protestant Christian denominations, with regular worship services, programs geared towards helping community members, and includes a music program. Kroc centers are built with a multi-functional auditorium-style gathering spaces that are used for both for worship services by the Corps and also made available for concerts and other types of public meetings, lectures, and programming. The Corps are led by clergy who are Salvation Army officers. In most cases, Corps officers are distinct from the officers that manage the center as a whole, though in some cases the officers play both roles. Membership in the Corp congregations (which included confirmed Salvationists and regular worshipers who have not converted) ranges in number from 60 to 350 with an average of 145. Over 80% of corps members participate in some aspect of Center activities including community programs, events, and health center activities.



The Kroc Centers

The majority of individuals accessing the centers' facilities and programs are not Salvationists but are members of the community. Kroc Centers offer membership to users [individuals and families], who either pay an annual, monthly, or other fees for access or receive a partially or entirely subsidized membership to ensure accessibility to programs and services. Membership in the kroc centers range from X to Y with an average membership of Z.

Centers also offer day passes for individual who do not wish to become members. Day passes are sold as well as provided free of charge. Only 6% of those accessing a center's programs or facilities in a given week are Salvationist. Other center users include those who use pay by the day (day passes) and those who visit the center for special events.

Programs and Services:



Fitness, Health and Wellness/Sports and Recreation/Aquatics

In order to address the health disparities common in low income communities, Kroc Centers focus on health, fitness and wellness. Centers offer a broad array of health and wellness programs, fitness equipment (including exercise equipment and weights), and specialized facilities (e.g., classrooms designed for exercise classes, gym or pool) for this purpose. Not surprisingly, the majority of people using Kroc centers do so to access these programs and facilities. Among the 25 we assessed, all but one has fitness facilities. Kroc centers with fitness facilities offer a range of classes and expert instruction and also allow patrons to use gym equipment and pools on their own. Many Kroc Centers offer aquatics fitness programs, swimming lessons, swimming leagues, as well as individual access to the pools or other water-based fitness activities. Finally, many Kroc centers offer recreational or league sports programs and make playing fields and courts available to the public for sport instruction, leagues or other forms of recreation.



Daycare/Childcare Centers

Certified, high quality yet low cost childcare is a challenge for parents from economically-stressed communities. Kroc centers aim to fill this need by providing accredited daycare facilities. By providing high quality care, centers give parents the peace of mind to pursue employment outside of the home-

contributing to the economic well-being of the communities and their family. Additionally, the daycare programs at these centers provides needed employment opportunities for local community members.



Senior Centers and Programs

Centers provide a range of programs specifically geared to seniors including meals, enrichment programs, fitness classes, outings and socialization, and visits to nursing homes or senior's homes. Some do this through formal senior centers and other through programs managed by the Corp or by the center itself. Through offering these range of services centers support seniors physical and emotional, well-being and decrease their sense isolation.



After School/Camps/Computer Lab

Centers offer a range of programs geared to school-aged children and youth including afterschool programs, homework support and enrichment, as well as summer and other school vacation camps.

Many have computer labs available to youth and adults as well. Kroc center seek to support families, children and youth to ensure they succeed in school by creating a variety of interventions and support systems, especially for lower income families.



Family Resource Centers: Social Service Referrals

Centers have formal programs to connect people with a range of government or non-profit social service, food, and other assistance programs and serve many people through these centers. People accessing this service do not need to be members of the Kroc center and typically have separate access to this portion of the facility. This type of service reflects the center's mission to serve those most vulnerable and at-risk individuals and families in a supportive and professional manner.



Arts and Music

Centers provide a range of arts programs, especially music lessons, for members for the general public. Often musical instruments are provided free or heavily subsidized especially for music lesson/programs geared towards children and youth. In addition centers host performance by both Salvation Army bands and a range of other groups. By providing a range of instruction the centers fill a gap in public education which in many communities has reduced funding for music and arts instruction.



Special Events/Programs

The centers have a range of flexible meeting spaces ranging from small classrooms to large auditoriums to outdoor gathering spaces. These spaces are used for a variety of special events, festivals, fairs, etc. sponsored by the Kroc Centers, as well as utilized by a number of outside organizations and individuals for trade shows, parties, meetings, conferences and other gatherings. In many ways the Kroc Centers function as affordable conventions/special events centers in their communities, thereby supporting the local economy through catalyzing visitor spending.



Community Gardens/Outdoors Park Space

Many centers sit on several acres of land or more and so place emphasis on using this outdoor space as extension of their mission and program. Type of features include community gardens, walking/jogging paths; sports fields; parking spaces; landscaped park-like areas; basketball or other court spaces. Depending on the facility, access to many of these spaces is not controlled or monitored, as access to indoor space and fitness facilities is, so community-members can use the space as a de facto park to exercise, recreate, contemplate, sports, etc. Kroc centers typically are built on land or areas that had been neglected, blighted or under used, and so transform what had been drains on neighborhood vitality to assets for growth and new opportunity.

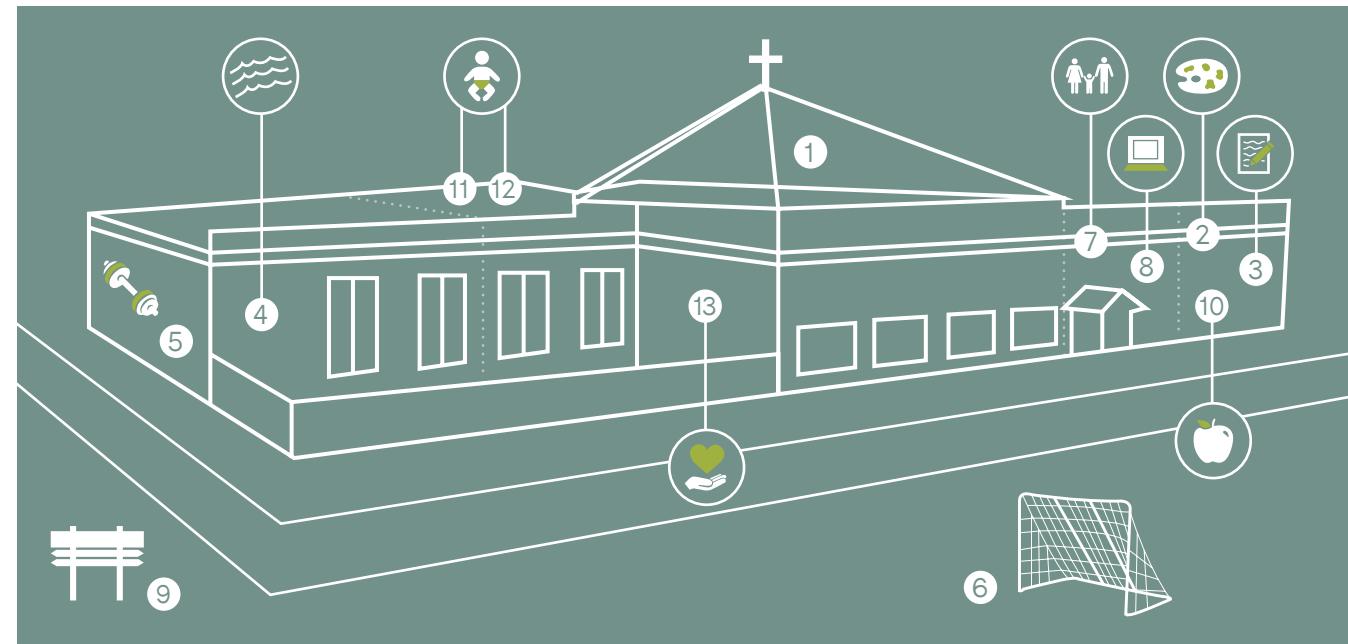


Cafe

Many centers provide space for a cafe that offers simple breakfast or lunch or snack foods. In some cases these cafes are run by the center staff, in other cases a third-party operator manages the cafe.

These cafes offer both healthy eating options for center users as well as employment opportunities for local residents.

Graphic Plan of Kroc Center and its Activities



Name of Activity	Percent of Participants Participating in Activity	Number of Centers Offering Activity
1. Kroc Corps Church (n=1537)	6%	
2. Arts and Music (n=1525)	15%	
3. Education and/or Life Skills (n=1499)	9%	
4. Aquatics (n=1493)	48%	
5. Fitness, Health and Wellness (n=1487)	66%	
6. Sports and Recreation (n=1469)	22%	
7. Family Resource Center (n=1452)	6%	
8. Computer Lab (n=1449)	8%	
9. Camp (n=1440)	11%	
10. After School Program (n=1443)	3%	
11. Playcare/Childwatch (n=1443)	15%	
12. Daycare/Nursery (n=1430)	3%	
13. Volunteers At Center (n=1433)	6%	
14. Senior Citizen Activities (n=1421)	8%	
15. Café (n=1434)	41%	
16. Special Events (n=1424)	30%	
17. Community Garden (n=1417)	2%	

Note: The map displayed above is serving only as a model to show possible activities and locations that may exist at a Kroc Center. Numbers 14-17 (Senior Citizen Activities, Cafe, Special Events and Community Garden) are shown in the graphic.

Who Are

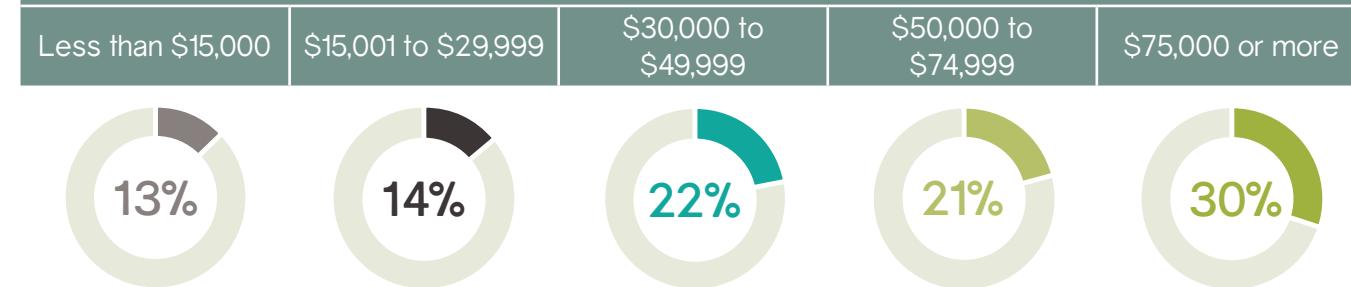
KROC CENTER PARTICIPANTS

Kroc Centers aim to serve the local communities in which they are located—areas that are struggling economically with limited access to fitness, recreational and cultural opportunities. Kroc Centers attract a diverse group of adult participants. Across all centers, Kroc participants vary greatly in terms of their annual income. Thirteen percent are very low income, reporting an annual household income of less than \$15,000 and 14% report that their household income is between \$15,001 and \$29,999 per year. On the other hand, there are many participants with higher annual household incomes: 30% report income of over \$75,000 per year.

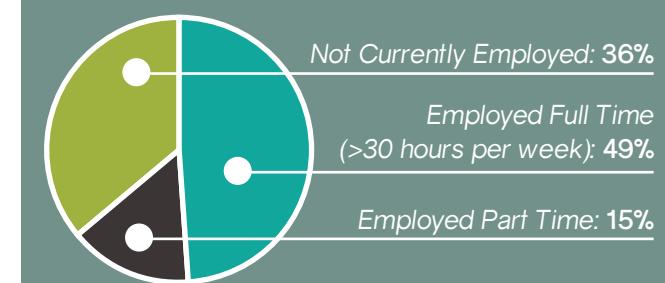
In terms of employment, the vast majority of participants are employed, and just shy of half of participants are employed full time (more than 30 hours per week). About a third (36%) are unemployed. A quarter of Kroc center participants have a graduate or professional degree, and about 1/3 (32%) have a bachelor's degree. The highest level of education for 11% is a high school diploma or GED. Kroc Center participants also span ages: 17% are over age 65 and a quarter are under 35 with the remainder falling somewhere in-between.² Finally, about 2/3 of adult participants are female.

Characteristics of Participants

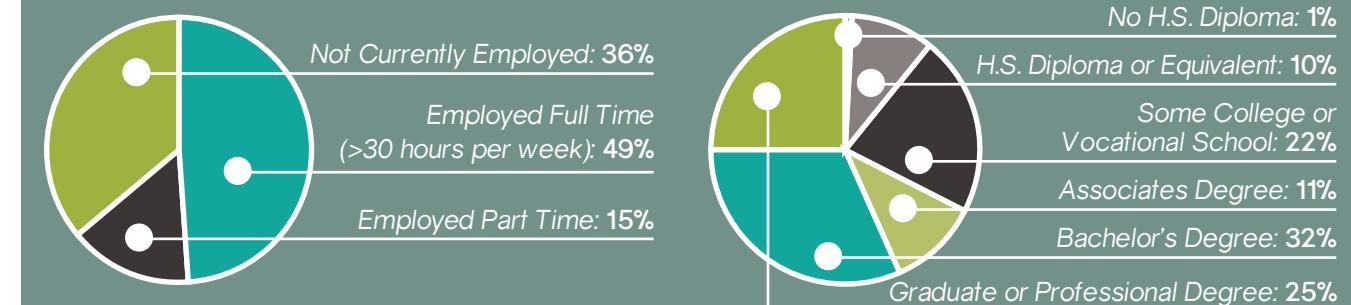
Annual Household Income (n=1170):



Employment Status (n=1259):



Level of Education (n=1268):



Age:

Age Group	Percentage
18 to 24	6%
25 to 34	19%
35 to 44	24%
45 to 54	18%
55 to 64	16%
65 or older	17%

13% Live in the Same Community (Zip Code) as the Kroc Center they Attend (n=1264)

²Participants under 18 are excluded.

Across all Centers, about 1/3 (31%) of Kroc Center participants live in the same community (as defined by zip code) as the center itself (Also shown in the figure on page 11). The remaining 2/3 live in various other communities in the Kroc Center area. But there are differences by Center. Ashland's Kroc Center attracts about 2/3 of its participants from inside the community; whereas, Chicago, Dayton, Green Bay, Philadelphia, Salem, and South Bend's Kroc Centers typically serve only 1/4 or fewer of their participants from the immediate surrounding community.

Overall, Kroc Center participants are very active at the center. The majority of Kroc Center participants attend the center a few times a week (43%), and about 1 in 4 (24%) report attending the center every day. Twelve percent report that they come to the center about once a week and the remaining 22% report that they come about once a week (see Table x).

Frequency of Attendance	Percent of Respondents
Every Day or Almost Every Day	24%
A Few Times a Week	43%
About Once a Week	12%
Less than Once a Week	29%
N=	1557

While there is a diversity of activities happening across many Kroc Centers, physical exercise and wellness are the types of activities that the most participants have most frequently attended. Table x shows the percent of adults we surveyed who reported that they participated in different types of activities at the centers, as well as whether their children participated in childwatch/playcare, camp, daycare/nursery school or afterschool programming. Foremost, participants come to the center for fitness, health and wellness activities (58.9%). A smaller, but significant portion come for aquatics (31.3%) and sports or recreation activities (11.4%). The Kroc Center café and center special events are popular among adult participants (37.0% and 23.8% respectively). Across all centers, many participants who report having used

fitness, health and wellness services, report using them several times a week, as do participants who attend sports and recreation programs and aquatics programs. Very few Kroc Center participants use after school programs at the center (2.4%), use a Kroc Center daycare (2.6%), use the community garden (1.3%). Finally, the majority of participants do not attend church at the center (4%) and only 3% report being a member of the Corps.

Activity	Percent of Respondents Participating in Activity
Fitness, Health and Wellness	59%
Café	37%
Aquatics	31%
Special Events	24%
Children in Child Watch or Playcare	13%
Sports and Recreation	11%
Children in Camp	9%
Education and Life Skills	7%
Volunteering	7%
Senior Citizen Activities	6%
Computer Lab	6%
Arts and Music	5%
Family Resource Center	4%
Kroc Corps Church Congregation	4%
Children in Daycare or Nursery School	3%
Children in After School Programming	2%
Community Garden	1%

Adult participants rated the top three reasons that they came to the Kroc Center and the most popular (all with more than 1/3 of participants across all centers reporting it as a reason for coming to the center) were the location of the facility, affordability, the quality of the facility, and because they or their family members enjoy the programs. Other popular reasons (more than 15% reporting this as a reason for coming to the center) for coming to the center are the quality of the staff, the quality of the programs, and the variety of the programs offered.

Reason for Attending Kroc Center	Percent of Respondents Citing as One of Three Most Important Reasons for Attending
Location is convenient	54%
I can afford the cost	52%
Quality of facilities	49%
I/My family member enjoys the program	34%
Quality of staff	18%
Variety of programs/activities	17%
Quality of programs/activities	16%
There is something for everyone	14%
The mission of the Center	14%
Supportiveness of the staff	6%
Provides a safe haven	5%
Quality of care	4%
No other programs are available in the community/neighborhood	3%
All of my children can attend the same program	2%
Transportation is provided	0.1%



Kroc Centers:

THEIR ECONOMIC VALUE

Kroc Centers: What We Studied

We categorize the dozens of ways Kroc centers benefit their communities in four broad areas: 1) through direct spending to hire staff and purchase local goods and services; 2) the value of day care and K-12 educational programs that allow families to work ; 3) health and fitness program that enable people to exercise regularly, lose weight and eat healthily and 4) a range of catalyzing or leveraging economic values, such as Recreation Space - free use of outdoor parks, trails, playgrounds, and sporting fields; Magnet Effect – attracting visitors who patronize local businesses, and Invisible Safety Net -- the combined value of membership subsidy, space, volunteer, and in-kind support provided to individuals and community-serving programs. These categories are explained in the pages that follow and illustrated in the side bars/stories. Overall, Kroc Centers contribute over two hundred sixty-nine million dollars annually of value to the community, thereby bringing economic and social vitality to the communities in which they are located.

Overall Halo Total:

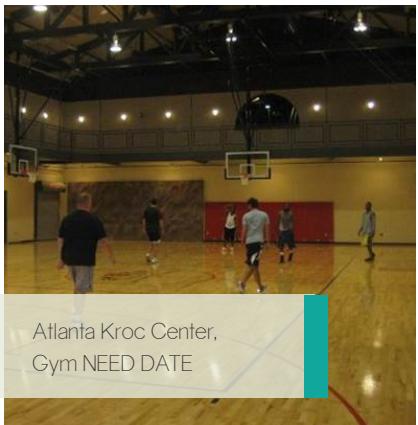
\$269,037,749.75

Localized Budget Average:

\$10,761,509.99

South Bend: A Public Private Partnership Builds Community and Helps Individuals

For police officers, the Kroc Center has made it easy for South Bend citizens to see police officers out of uniform and as more than just a cop.



For Captain Scott Ruszkowski of the South Bend Police Department, the opening and location of the Kroc Center has been an asset for him personally, professionally, and for his family.

Professionally, Captain Ruskowski has witnessed first-hand the unlikely but highly beneficial partnership that has developed between the Kroc Center and the South Bend Police Department. For police officers, the Kroc Center has made it easy for South Bend citizens to see police officers out of uniform and as more than just a cop. The type and size of facility has also provided a new and unique opportunity for the police force to practice large-scale training including emergency response. On the flip side, since the Center was built, on a site previously infamous for vandalism and drug use, there has been only one incident of vandalism, and much of this can be attributed to the constant presence of the local police officers.

On a more personal level, the Kroc Center has provided a new opportunity to have access to high-quality fitness equipment as well as a variety of specialized fitness classes. For his family, Captain Ruskowski could not be happier with his experience at the Kroc Center. Captain Ruskowski notes that, "You can feel the presence, aura, atmosphere that transcends the center from being just a building to much more," and he feels that positive influence in his experiences and those of his children.



Research Findings:

BUDGET

Direct Spending

Kroc Centers invigorate local economies by buying goods and services locally and employing local residents. Kroc centers employee an average of 32 of full-time staff and 92 part-time staff with an emphasis on hiring from the communities and cities in which they are located. Existing and new business owner point to.

Localized Budget Total:

\$95,410,098

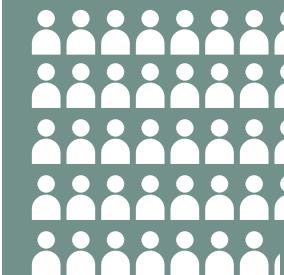
On average we can attribute 80 percent of a faith-based organizations budget to supporting local staff and vendors and businesses. Kroc center budgets range from just over \$1,254,625 to \$8,739,265 with an average of \$3,816,404.

Localized Budget Average:

\$3,816,404

Kroc Center Staff

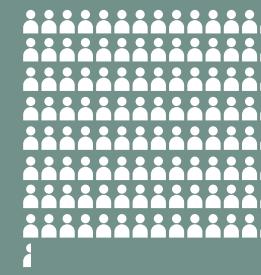
Full-Time Total: 796



Full-Time Average: 32



Full-Time Total: 2291



Full-Time Average: 92



= 20 Staff Members

Story - NEED TITLE

At the Ray and Joan Kroc Corps Community Center of Grand Rapids, Michigan, the impact of hiring of a local business to handle janitorial work has gone far. Trent Schutte, owner of Century, a cabinetry, flooring, and cleaning company, began working with the Center upon its opening. Schutte employs one full-time and four part-time staff for this contract, and Century employees can be found on-site seven days a week.

Schutte works within a 50-mile radius of Grand Rapids, and the Center's name recognition is helpful in securing additional local business contracts.

"It's been a good account for us," said Schutte, who noted he appreciates the mission of the Center and its excellent customer service focus.

Schutte works within a 50-mile radius of Grand Rapids, and the Center's name recognition is helpful in securing additional local business contracts.



Research Findings:

MAGNET

Individuals participate in Kroc Centers' events each year, infusing \$29,522,340.90 into the local economy. These centers attract both regular and out of town visitors for routine and special events. Recreational users (those who come to the center to use the fitness center, participate in a program, or get a service) spend locally on items such as beverages, food, and transportation. Those visiting the center for special events that require an overnight stay, such as sporting events and tournaments, conferences/workshops, reunions/parties, and trainings have the added cost of overnight accommodations and other incidentals.

To estimate the amount of money each recreational user spent, center participants who had attended the

**Visitor Induced Spending Total:
\$29,522,340.90**

**Overnight Induced Spending Total:
\$1,797,612,753.49**

**Number of Visits:
7,075,429**



**Visitor Induced Spending Average:
\$1,180,893.64**

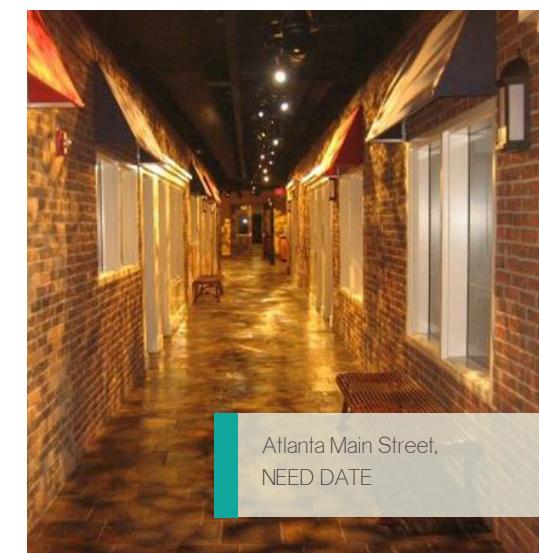
**Overnight Induced Spending Average:
\$78,859.15**

**Number of Overnight Visits:
10,466**



A Magnet Story - NEED TITLE

Genna Furst is a 5th generation florist in Dayton's long troubled Old North neighborhood. Her family's business has been located here for over 100 years. It was difficult to remain committed to this neighborhood after vacancy, crime and a negative reputation took their toll on the area. The KROC Center's presence has changed perspectives and allowed her business to remain and flourish because of the spending by Kroc center members who found her business because of its proximity to the center. Previously people had been reluctant to travel to the neighborhood but with the building of the KROC Center, she describes as "a hopeful landmark of community renewal and future", is also a source of new clients who are drawn to this community's positive transformation.



Atlanta Main Street,
NEED DATE



Research Findings:

FITNESS

Kroc centers aim to remedy health disparities faced by individuals from low income communities by providing access to robust and high quality fitness and wellness activities for community members. Not surprisingly, these activities are the main attraction for the vast majority of Kroc center patrons and many center members report significant benefits to their health through regular exercise and healthier eating, resulting in weight loss and an increase in general fitness levels. To estimate the economic value of the Kroc Centers' fitness offerings, we asked survey participants to report on the frequency of their participation in

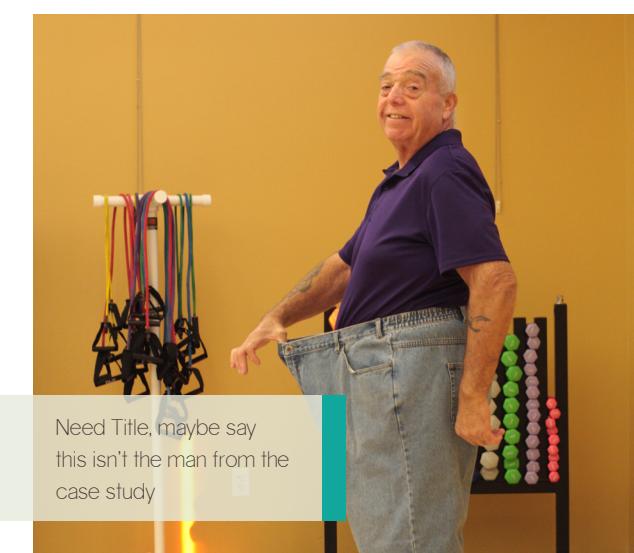
**Fitness Impact Total:
\$49,732,209.00**

fitness activities (include the gym, aquatics, and sports activities). Using this data, we multiplied the percent participants who are regular exercisers at Kroc Centers by the average per individual monetary benefit of physical activity as calculated by East Carolina University (which includes the value of lower health care costs to both individuals and the community and the value of increased productivity). Across all centers, we estimate that the value of the Kroc Centers' fitness programming to the community totals almost 50 million dollars annually.

**Fitness Impact Average:
\$1,989,288.36**

Case Study, Kerrville

Billy Bowman is both a center member and group fitness instructor at the Kerrville Kroc Center. While growing up in Orange County, California, his grandparents lived in Kerrville, Texas. Eventually, he and his mother moved to Kerrville when he was attending high school



Need Title, maybe say
this isn't the man from the
case study

Ladies in the office have come up to [me] and said they have lost 40 pounds from spin class, I realized that 40 pounds for someone could possibly impact our health costs.

- JIM PENECOST, OWNER OF POWER AND INTEL, ON THE IMPACT OF EXERCISE AT THE MEMPHIS KROC FOR HIS EMPLOYEES

Moving from California to small town Texas was a hard adjustment and at the time Billy was also struggling with a weight-loss solution. He was invited to try out a Zumba class at the Kerrville Kroc Center by a co-worker, "my first class [was] scary fun in a good way." The atmosphere of the Kroc Center and the instructors were welcoming so Billy joined the fitness center on a three month membership.

The Kerrville Kroc Center has deeply impacted Billy's life. Because of the Kerrville Kroc Center, he has lost over 75 lbs. and found a job within the facility. Billy is now a licensed Zumba instructor and teaches at the center. The Kroc Center has provided Billy both the opportunity of finding employment and of achieving a healthy lifestyle.



Research Findings:

DAYCARE AND SCHOOLS

Kroc centers that hosted daycare provided local, inclusive and affordable places for children to learn. The value of daycare in particular is twofold: congregations represent not only a safe place for child-care; they enable a parent to work assuming

Total Value:
\$9,427,686

that for each child enrolled, one parent is free to work. Partners calculates the value by subtracting the cost of tuition a Center charges from the per capita income in that city or town, and then multiplies the difference by the number of students enrolled.

Kids in Daycare:
394



GRAPHIC TBD

Kroc is a true gathering place for the community. Its biggest value is as a place for young people to hang.

- MAEDA THOMPSON, VICE PRESIDENT, FIRST HAWAIIAN BANK



Research Findings:

HEALTH

The vast majority of adult participants across centers also reported that the main benefit they got from coming to the center was physical activity/exercise (86%) and over 95% reported it as one of the top three benefits they got from coming to the center. Learning new skills and making new friends were popular second and third most popular benefits participants reported.

Not surprisingly, when asked how much they benefitted from their activities at the Kroc Center, a majority of adult participants across all centers reported that they

Did Participants Improve Their Fitness Level, Improve Their Nutrition or Widened Their Social Networks?

Frequency of Attendance	Percent of Respondents	Percent Reporting "Somewhat"
Improve Fitness Level (n=1297)	24%	
Improve Nutrition (n=1270)	43%	
Widen Social Network (n=1266)	12%	

Other data support these impressions. *Across all centers, 23% of adult participants report that they currently get 5 or more servings of fruits and vegetables a day whereas before coming to the center, they did not. Similarly, a great number of adult center participants report that they have lost weight since coming to the Kroc Center—and they attribute that weight loss to their participation in the Kroc Center fitness programs.* Specifically, 57% percent say that they have lost weight since attending the Kroc Center. The 602 adult participants who were willing to report their weight before coming to the center and currently report losing 17 pounds, on average.



Left Image: Suisan City, Climbing Wall (Date)

Right Image: Suisan City, Aerobics Class (Date)



Research Findings:

SAFETY NET

Invisible Safety Net: Kroc centers routinely provide volunteer and in-kind support for a wide range of programs and events that serve the wider public, and are not religious in purpose. Free or inexpensive space is another benefit that the centers provide, subsidizing the operations of a wide range of activities for community organizations and programs. As the center do not uniformly track the amount of space they provide free of charge or with a subsidy we are undercounting in this area. Furthermore we are using the center's own published rental rates as the market

rate although in most areas these rate may be lower than commercial rates. For the value of volunteer time we use the research of the Independent Sector that calculates the average value of a volunteer hour for every state and for major metropolitan areas.

Kroc centers also significant subsidize membership in two ways—providing high quality programs and services at below market rates for those pay, and in addition providing these services free-of-charge or well below published rates to ensure access.

Total Value: \$66,988,241	Space Donations Total: \$516,070.15	Space Donations Average: \$20,642.81
In Kind Dollars Total: \$4,435,115.92	In Kind Dollars Average: \$177,404.64	Membership Subsidy Total: \$58,169,880.85
Volunteer Hours Total: 184,123	Volunteer Hours Average: 7,365	Membership Subsidy Average: \$2,326,795.23
Volunteer Hours Monetized Total: \$3,867,175.26	Volunteer Hours Monetized Average: \$154,687.01	

Does this section have a title?

Olivia Blanco has been a member of the Phoenix South Mountain Kroc Center since the facility opened. Olivia was born in Mexico and immigrated to the United States because of the greater opportunities afforded to people with disabilities. Impacted by the effects of Polio, she has been coming to the Kroc Center daily for strength training and workouts in the pool.

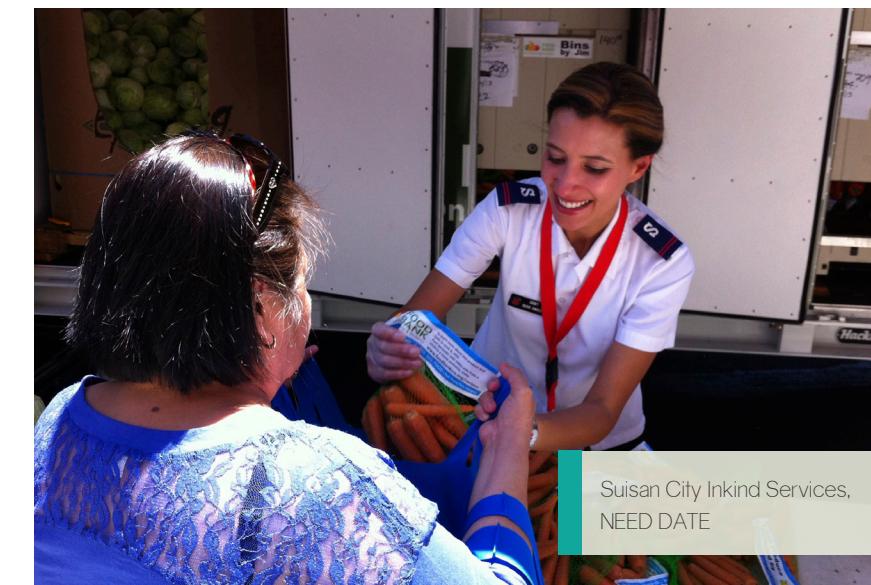
Because of the effects of Polio, Olivia has been confined to a wheelchair. She comes to the Kroc Center to exercise because it gives her more energy, "my body feels good...and I have seen improvement in my conditions." At the Kroc Center she takes advantage of the many classes offered at the pool where she participates in yoga and water aerobics.

Spending so much time in the pool, Olivia hoped to one day be able to slide down the waterslide, but with no wheelchair accessibility in this area of the pool this wish seemed like an impossibility. Upon hearing this request, the life guards took it upon themselves to make this wish happen carrying her to the upper level deck and safely

following her descent. This simple act was an immense gesture of kindness which made a large impact on Olivia and her relationship with the Kroc Center.

Because of the kindness of the staff and the benefits found in the Kroc Center, Olivia would like to be a part of the Kroc Center, "I would like to work here...they need someone who is bilingual [and] I have a lot of friends here that are Mexican and [the] don't know any English." Olivia would like to help those coming from the surrounding community to feel totally engaged with the facility in the same way she has. Olivia has been personally affected by the Phoenix South Mountain Kroc Center and has witnessed how the neighborhood has changed since the facility was built, "everybody is coming, and the neighborhood is now different."

Impacted by the effects of Polio, she has been coming to the Kroc Center daily for strength training and workouts in the pool.



Suisan City Inkind Services,
NEED DATE

A Safety Net Story - NEED TITLE

The Ray and Joan Kroc Corps Community Center in Omaha, Nebraska, places a premium on job training as a means of assisting the community. Through the Kroc Center Officials Association's (KCOA) referee training program, Lifeguarding Certification, and participation in the City of Omaha's Step-Up program, the Center facilitates personal development and economic growth to the benefit of Omaha.

Referee training, which can cost up to \$100, is offered free of charge through KCOA. Participants are offered the opportunity to earn money through the Center's sports and recreation department and are able to take these skills throughout Omaha.

Lifeguard training is typically offered for \$175, substantially less than local competitors, but is free to many participants, with six scholarships offered in 2013. The training program serves as a pipeline to a position in the Center's Aquatics program, and the Center is able to benefit from a bilingual staff while providing high-caliber positions for the youth of South Omaha.



Research Findings:

RECREATION

Outdoor Recreation Space: Kroc centers campuses typically feature a range of outdoor spaces and amenities including lawns, walking paths, play areas and playgrounds, fields, and green space that are free and open to the general public. Partners uses the U.S. Army Corps of Engineers research data that values a range of outdoor recreation activities to assign a conservative

Recreation Uses Total:

124,255

Recreation Monetized Total:

\$693,342.90

Visitor Induced Spending Average:

4,970

Recreation Monetized Average:

\$27,733.72

Soccer Fields Help Bring Diversity to the Neighborhood

A Hispanic Soccer League uses the Memphis Kroc Center's soccer fields for weekly practices and tournaments. While this brings many new people to the facility, the greater impact is that the soccer league brings in a minority group that is not represented in the surrounding community. This example displays the vision Joan Kroc had for the establishment of Kroc Centers around the country in which people have a place to come together from diverse neighborhoods and socioeconomic backgrounds.

Philadelphia: Recreation, Plus Fresh Food Access

Salvation Army Kroc Center in Philadelphia shares its turf field, jogging path, and playground with the public. Over the course of a year, these areas are used thousands of times and by hundreds of people, including three sports teams and dozens of joggers.

In addition, the Center is leverages its outdoor assets for the benefit of the community though creative partnerships with groups such as the Pennsylvania Horticultural Society. It is using a portion of its green space to cultivate a community garden called the Horticultural Zone. According to a staff member in the center's Education Department, the Horticultural Zone benefits the community since "families that are in need of sustenance are able to volunteer in the garden, walk away with produce, and also receive 'garden to plate' instruction, recipes, and grocery shopping tips."



Outside Suisun City
Kroc Center, DATE



Research Findings:

CONSTRUCTION SPENDING

Although we do not include construction spending as a factor in the annualized economic impact we recognize its significant impact in the local economy. In our analysis we use data from NAOIP that includes

Construction Induced Spending Total:

\$1,797,612,753.49

Construction Induced Personal Earnings Total:

\$609,447,394.81

Construction Job Creation Total:

14966

multiplier for each state to derive spending induced from new construction projects, as well earnings and jobs created by those project to describe the larger impact of this type of activity.

Construction Induced Spending Average:

\$71,904,510.14

Construction Induced Personal Earnings Average:

\$24,377,895.79

Construction Job Creation Average:

598.6

When news first started floating around town that there was the potential for a Salvation Army Kroc Center to be opened in the Near West Side of South Bend there were a lot of mixed feelings. Some people worried that it would only be providing duplicative services, could run small businesses out of town, and would inevitably be constantly vandalized. In time, it became clear that the Kroc Center is an invaluable asset to South Bend and could not be in a better location for its constituents.

The support of Jessica Kitchen of the South Bend Heritage Foundation quickly proves that all of the original worries were unfounded. While the site of the Kroc Center was previously well-known for drug use and illegal activity, the community truly appreciates the building of such a high-end facility and embraces it as their own to protect. Since its opening nothing has happened to the building, and it has become a central place for people from all over town to meet each other. In Jessica's words, the location of the Kroc Center is, "A neighborhood dying for good things to happen to it."

Additionally, during the construction of the Kroc Center, a \$38 million project, specific guidelines were put in place to make sure that local, minority-owned, and women-owned businesses were included at more than three times the local standard. The results of this were so successful that the city of South Bend passed legislation after this project increasing the hiring requirements for construction projects to reflect the construction of the Kroc Center.

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Research Findings:

INDIVIDUAL IMPACT

Like traditional congregations, the Salvation Army Kroc Center plays a pivotal role in the lives of individuals, including members and non-members. Through the Corps, leadership offers individual and family counseling, enabling many to lead healthy, productive lives; and through the Family Resource Centers, staff members help individuals connect with social service agencies that can meet their needs.

Although we do not assign an economic or monetary value to these activities we did ask center and corps staff about ways in which they thought they

clearly affected the lives of individuals in preventing suicides, ending or treating cases of substance abuse, preventing divorce, ending abusive relationships, helping people find jobs, teaching youth pro-social values such as honesty, compassion, justice, and helping people find a social networks. Clearly if these activities took place and were effective we they would have an economic value but due to the limited data available in these areas and established literature or models for economic valuation we chose to be conservative in not valuing these activities.

Need Title	Need Title	Need Title
Suicide Prevention	25	1.0
Full Time Employment	170	7.1
Employment of Immigrants	3	0.1
Avoided Prison	140	5.8
Drug and Alcohol Treatment	446	18.6
Youth Values	2000	83.3
Residency/Citizenship	7	0.3
Social Connections	3569	148.7
Elder Care	16	0.7
Divorces Prevented	76	3.2

ADD: Friends and Social Connections from On-line Survey

It took good timing and some lucky intervention to bring Amy Delonis and her son to the Kroc Center, but since they've arrived it has changed their lives in multiple ways. A few years ago, Amy turned on the tv, a rare occurrence in her household, and saw a commercial for the newly opened Kroc Center. At this time in her life she was looking for ways to fight an addiction as well as find a solution for her 12 year old son, who was continually getting in trouble at school. That commercial was a sign at just the right moment, and Amy immediately went to take a tour of the Kroc Center. When she arrived, the first stop on the tour was the chapel, and from there her decision was easily made.

The Kroc Center was able to provide immediate relief and solutions for Amy when dealing with her son, and he has found support in the character building programs as well as the Corps' singing group. Additionally, her son found a lot of support from the Majors, who took the time to give him one-on-one counseling, and he found a wonderful new friend in a fellow member who lives across the street from him.

As for Amy, she quickly progressed from attending services to finding her daily life filled with activities at the Kroc Center. She is a regular member of Sweet Life Cafe, a weekly fellowship gathering, volunteers whenever an

opportunity presents itself, and has taken the steps to become an official Soldier of the Corps. Amy reflects that, "This is the first time in a long time that I've had my own life," and the positive results of that can be seen in a healthier and more positive lifestyle.

Jose Amaya, 23, joined the Grand Rapids Kroc Center two years ago after a friend recommended it as an alternative to the local YMCA. In addition to providing a low-stress and non-competitive weightlifting environment, the Kroc Center helped Jose foster relationships with fellow community members.

"I've met so many great people here," said Amaya.

He lives just two miles from the Center, and his attendance there has helped him meet people he never knew lived in his neighborhood.

The welcoming environment was also a key factor in helping Amaya's brother lose 60 pounds, and he believes it is a perfect gym for beginners.



Susan City Auditorium,
NEED DATE

RESEARCH METHODOLOGY

Early Research

In 1996 with the support of the Lilly Endowment and other funders, Partners sponsored the first scientific, national study to quantify how congregations serve the public by hosting and supporting a wide array of outreach and social service programs. Conducted in partnership with Dr. Ram Cnaan and the University of Pennsylvania's School of Social Policy and Practice and published by Partners as *Sacred Places at Risk*, the research found that on-average urban congregations provide over \$140,000 (in 1997 dollars) in "replacement value" resources – volunteer, staff and clergy time, free or below-market space, cash and in-kind services --to support community-serving programs each year. In addition, the study found that 4 out of 5 of those benefiting from church or synagogue-hosted outreach are not members of those congregations.

Sacred Places at Risk established a new methodology for documenting the public value of congregations and led to a new course of scholarly study, inaugurated by Cnaan's (with Robert Wineburg and Stephanie Boddie) book *The Newer Deal: Social Work and Religion in Partnership*, and subsequent studies that validated the research methodology: *The Invisible Caring Hand: American Congregations and the Provision of Welfare* and *The Other Philadelphia Story: How Local Congregations Support Quality of Life in Urban America*.

Economic Halo

However groundbreaking, Sacred Places at Risk, or subsequent studies conducted by Dr. Cnaan that used the same methodology, did not attempt to look at all of the ways that congregations impact their communities.

In 2010 Partners was funded by the William Penn Foundation to test the concept of a new study. Partners joined with Dr. Ram Cnaan once again, and began to lay out a quantitative approach to understanding the fuller value congregations provide to their local economy. The pilot sought to factor in the value of green space/trees, building projects, tourism, and visitors to congregations, support for local business and vendors, budget and taxes, affiliated Community Development Corporations and a congregation's role as an incubator for new businesses or non-profits and role in impacting individual lives. Based on an extensive review of available, academically sound and vetted methodologies, we identified over 50 areas in which we thought congregations made an impact on their communities that might be measured economically. Partners selected the 12 pilot congregations from a comprehensive list of Philadelphia congregations that worshiped and operated in historic buildings that were constructed as houses of worship at least 50 years ago, the same criteria that we used in our 1997 SPAR study.

Based on this test, Partners and Cnaan quantified a more comprehensive dollar value estimates of each congregation's contribution to its local economy; overall, it allowed us to conclude the approach was feasible, though still in need of additional fine-tuning. The results of the study were published in 2013 as "If you do not count it, it does not count: a pilot study of valuing urban congregations in the scholarly peer-reviewed Journal of Management, Spirituality, and Religion. The pilot was covered in the media with an article appearing in the Philadelphia Inquirer and a feature on the BBC Nightly News.

The results from the pilot suggested the need for a larger study, and so Partners and Cnaan decided to take the next step in further testing the "Halo" concept and methodology with funding support from the Lilly Endowment and the McCormick Foundation. The significant changes in research design and scope were to 1) greatly increase the number of congregations studied; 2) select those congregations at random; and 3) to expand the scope geographically as well, including the cities of Fort Worth and Chicago along with Philadelphia. We also decided to not analyze or monetize certain types of data we valued in the pilot. Results of this study affirm the findings of the original pilot and will be published in the Spring of 2015.

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Kroc Center Pilot

In the summer of 2013 Partners for Sacred Places, was invited by The Salvation Army's to conduct a pilot (pro bono) analysis of the economic impact of the Kroc center in Philadelphia, where Partners' national headquarters are located. The purpose of the pilot was to determine the fit and applicability of the "Economic Halo" methodology--developed to assess a congregation's impact – for Kroc Center. As the Centers all contain an active function congregation, and provide the range of programs and services typical of many congregations, Partners believed that its methodology would be applicable.

The main characteristic difference between a Kroc center and the congregations in Partners' previous studies, was one of scale, though a small number of larger congregations were very similar in scope and size of programming and even of physical plant in a few cases. The more unusual feature of a Kroc center was its focus on health and fitness and the space given to facilities and equipment dedicated for those purposes, as well as the very high percentage of members that accessed the centers primarily for health/fitness programming.

We conducted the pilot using the same survey instrument developed for our previous studies, modified to accommodate interviews with Corps clergy and a full range of center program, executive and administrative staff. The major change to valuation calculations was to assess the impact of the health/fitness programs on those accessing those programs, and to account for the level of subsidy provided by the center to ensure people with lower incomes could access those facilities and programs.

METHODOLOGY

On-site Interviews and Data Collection with Center Staff

The initial focus of data collection was through on-site interviews with each center's key management and program staff conducted by Partners' employees. In advance of these interviews Partners conducted two webinars to introduce each center's staff and leadership to the background of the Economic Halo methodology and describe the process for on-site interviews and other data collection. Prior to the site visits, which typically occurred over a two day period, Partners sent the local staff a description of the type of information that would be asked, supporting documents needed, and suggestions for the type of staff that would be interviewed.

Interviews included the head Salvation Army officers at each center, and where applicable officers that led the Corps. Staff interviewed included financial and/or operations directors, program directors and managers, and fitness center directors. Staff also talked with Kroc center clients and constituents, local civic and business leaders, and others that could speak to the center's impact on the community or individual lives.

These interviews were conducted between March 2014 and November 2014. Three related survey instruments were used to interview key informants: a 17-page general instrument conducted with senior leaders; an 11-page instrument used with Corps clergy, and a 3-page program form that was copied as needed and used to record data for each of the center's major programs that were not primarily religious in nature.

In addition to the interviews, further documentation related to key a was collected on site or as a follow up email, such as center budget, number of annual building entries recorded, number and of type of members.

Kroc Center Participant Survey

In addition to the on-site interviews with key informants Partners, working with McClanahan Associates, Inc., developed a cross-sectional participant survey to collect information from the patrons and users of Kroc center programs or facilities. The purpose of this survey was two-fold: 1) to gather information about the demographics of center participants and to get information from them on the reasons they used the centers and programs or services they accessed and to gain more detail on health and wellness benefits they had experienced due to participation in center programs.

This cross-sectional participant survey was administered by 25 Kroc Centers from x to x, 2014. The survey took approximately 20 minutes to complete. The survey was administered in one or two ways. All centers who participated set up at least one (and often multiple) computer kiosks within the center. Each individual who can to the center over the x week period was informed of the survey either by Kroc Center staff, by posters and flyers that were prepared by PSP, provided to each center and hung within the center. 728 participants completed the survey at the center. Additionally, some centers opted to do an email blast to their members, including an online link to the survey—in these instances a proportion of their survey respondents completed their surveys off-site (at home, work, etc.). As an incentive for participating, PSP offered drawings of randomly selected survey participants each week that the survey was in the field for Amazon gift cards.

First time Kroc Center attendees and those under 18 were excluded from the survey. Additionally, centers with under 10 respondents were excluded from analysis. Across the remaining 21 centers (See Table x), 1580 participants completed the survey. Survey respondents were primarily Kroc Center members (83%); others included day pass recipients, non-members, and those whose status was unknown. Across all centers, of those that completed the survey at the center, the majority were there for fitness activities (the gym), followed by aquatics activities.

Number of Surveys Completed by Kroc Center

Name of Kroc Center	Number of Completers
Ashland, OH	28
Atlanta, GA	11
Augusta, GA	36
Biloxi, MS	17
Chicago, IL	59
Coer dAleni, ID	167
Dayton, OH	83
Grand Rapids, MI	84
Green Bay, WI	106
Greenville, SC	26
Guayana, PR	7
Memphis, TN	174
Omaha, NE	32
Philadelphia, PA	16
Phoenix, AZ	58
Quincy, IL	198
Salem, OR	144
San Diego, CA	132
San Francisco, CA	42
South Bend, IN	65
Suisan City, CA	23

ABOUT

The Salvation Army

The Salvation Army, an evangelical part of the universal Christian Church established in 1865, has been supporting those in need in His name without discrimination for more than 130 years in the United States. Nearly 30 million Americans receive assistance from The Salvation Army each year through the broadest array of social services that range from providing food for the hungry, relief for disaster victims, assistance for the disabled, outreach to the elderly and ill, clothing and shelter to the homeless and opportunities for underprivileged children.

Partners for Sacred Places

Partners for Sacred Places was founded in 1989 by a task force of religious, heritage, community development and philanthropic leaders as a national, non-profit, non-sectarian organization dedicated to care and support of America's sacred places. Since then, Partners has served thousands congregations, faith-based and other organizations through a range of programs and services including consulting, training, information/publications, and research.

Partners' research initiatives began in the mid 1990s focusing on the role that religious congregations played in providing social services to their communities, which culminated in a national study conducted with the University of Pennsylvania School of Social Policy and Practice. Other research topics include identifying exemplary social service programs housed in historic sacred places, gathering and analyzing data on congregation-hosted arts programs, and documenting how congregations that host social service programs positively contribute to the economic health and vitality of their communities.

McClanahan and Associates, Inc.