

**The Economic Impact of the Safety Net Collaborative (SNC) on the  
Memphis Community**



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In the fall of 2002 nine organizations joined forces, united by common needs and common efforts. The Safety Net Collaborative was formed at a time when need was increasing and donations were falling. We sought a way to advocate for a culture of philanthropy to help us help others. Thanks to generous support from the Assisi Foundation and the sympathetic ear of the local media we have been able to work over the past two years to emphasize the critical need for all of our services that provide the safety net for people who have no other options for food, clothing, temporary housing, or personal crisis resolution.

Certainly there are many other important organizations in our community that deliver needed services, but our group chose to remain small and focus our joint efforts around the emergency needs of people. The Safety Net Collaborative has worked to be a respected force that communicates these basic human needs in the greater Memphis community while providing effective delivery of services that are the last resort for too many people.

We are nine organizations with different histories, of different vintages and with different cultures, but we rest on common ground. Out of each of our individual organizational programs comes experience after experience, story after story that confirms how our community really looks from the front lines. The effect of poverty transcends the lives of those we serve. It impacts every aspect of daily living; poverty creates complexities and challenges that sap energy and hope. We all deal with low literacy levels, poor nutrition, domestic violence, underemployment, addiction and substance abuse, lack of health insurance and other issues that prevent people from living their lives to the fullest.

But in addition to all that we do every day to fulfill our individual missions, there is another story to be told. We make an impressive impact on the local economy. We are pleased to present The Economic Impact of the Safety Net Collaborative on the Memphis Community.

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## **The Economic Impact of the Safety Net Collaborative: An Executive Summary**

Each year the nine agencies of the Safety Net Collaborative reach out to people in crisis in the Memphis metro region. They made 9,277,427 contacts with needy people in fiscal 2003-2004. That is, every three and half seconds someone in the region benefits from the works of the Safety Net Collaborative. Some of these contacts are very brief and some begin or continue a long-term relationship. In every case, the contact helps heal a wound, stops the damage from a personal crisis, or allows a family to remain independent. And importantly, these contacts are very cost effective; only \$5.52 per client contact in direct expenditures and \$10.00 per client contact if the value of all volunteer labor and in-kind donations is included.

The SNC is made up of nine not-for-profit organizations, seven of them faith-based agencies, that provide emergency social services in the Memphis metro area. The agencies and their basic services are listed below:

- Catholic Charities Inc. (CCI): refugee services, residential treatment for the homeless, child care, employment services, counseling, emergency assistance, housing for the elderly and disabled
- Christ Community Health Services: community-based medical services, faith-based social outreach for preventive healthcare for individuals and families
- Church Health Center: medical services for the working poor, wellness and fitness education, congregational outreach for health information, preschool child care
- Family Services of the Mid-South: crisis intervention on a 24/7 phone line, child care training for teaching and parenting, family counseling, financial management services

- The Memphis Food Bank: collection, management and distribution of food and grocery items and prepared food for all qualified charitable food distribution programs in the Mid-South
- Memphis Union Mission: food and lodging for the hungry and destitute, faith-based alternatives to alcohol and drug abuse, alternative residences to prison, residential treatment programs for men and families
- MIFA – Metropolitan Inter-Faith Association: operates multiple social services that assist young children through the very aged with activities that deal with individual and community issues and that develop independence
- The Salvation Army: residential treatment programs for women and families who suffer from homelessness or addiction problems, community-based child care programs
- YWCA of Memphis: shelters and serves women and children who are victims of domestic violence, trains and secures employment for women on public assistance and, serves the needs for quality childcare of working parents.

In the 2003-2004 fiscal year, the agencies of the Safety Net Collaborative accomplished their work on modest budgets. They received \$50.5 million in revenues this past year, 63 percent from grants and contributions, 23 percent from client-based revenues and 14 percent from investment income and other sources. During the past year, SNC agencies spent \$51.2 million to deliver services. Of that total, 55 percent was spent on salaries and benefits for a total of 893 full-time and 344 part-time employees.

But this underestimates what they spent on providing services. The SNC agencies are simultaneously social service and volunteer-based organizations. In total the SNC accumulated 548,957 hours of volunteer labor hours during the past 2003-2004 fiscal year. That equates to another 264 full-time employees worth \$11.7 million in salaries if they had been paid at local wage rates. In addition, the Safety Net Collaborative agencies

received \$29.8 million in donated goods and services (including \$17 million in grocery products received through The Food Bank). That makes the SNC agencies collectively a \$92.7 million expenditure enterprise with the equivalent of 1,501 employees.

As the SNC agencies help people in Memphis, the expenditures and the assistance expand in the regional economy. That is, beyond its direct impact on people, the SNC has an indirect impact through the multiplier effects of its activities on the Memphis metro economy. Each time a SNC agency helps a person or spends its moneys on salaries or supplies, it helps expand the income and employment in the regional neighborhoods SNC agencies serve. This is the multiplier effect. SNC employees and volunteers generate another 2,552 jobs for a total of 4,053 jobs created through its activities. The combination of the work by its employees and volunteers generates more income from those workers in the Memphis region: an indirect increase in salary income of \$74.7 million and a total SNC employment income impact of \$114.8 million. The \$21.4 million in agency expenditures, \$1.6 million in agency utility purchases, and the \$29.8 million in in-kind donations of goods and services received by the Safety Net Collaborative generate an indirect economic impact of \$103.6 million for a total expenditure impact of \$156.4 million on the Memphis regional economy. Summing the employment income and expenditures impact, the SNC generates \$271 million of economic activity in a year's time.

## Overview of the Economic and Social Impact

The Safety Net Collaborative (SNC) is a consortium of organizations that provide emergency assistance for individuals and families when private and public resources are unavailable. Each of the members is a private, not-for-profit institution, many with strong faith-based backgrounds and structures. They are all located in Memphis, Tennessee, but their services are far-reaching throughout the Mid-South. This study details the economic and social impact of these nine agencies in the Memphis region. The Safety Net Collaborative emphasizes the need for coordination of emergency services in the Memphis metro community. Its mission is communicated in its vision statement:

*The Safety Net Collaborative works to be a respected force that communicates basic human needs in the greater Memphis community and provides effective delivery of services that provide food, clothing, shelter, housing, health care, and crisis counseling.*

The Collaborative's purpose is to enhance interagency communication and service education and to bring about improvement and innovation in service delivery. The Collaborative enhances service delivery through discerning gaps in current emergency services, coordinating programs, and addressing emerging human needs.

In addition, the Safety Net Collaborative provides indispensable cooperation among its nine members in the provision of emergency services to citizens in the greater Memphis area. The agencies have come to depend on each other for critical services that they alone are unable to provide. Christ Community Health Services provides medical services for Memphis Union Mission. MIFA assists the YWCA with housing placement.

Catholic Charities helps with immigrant and refugee placement for the other agencies. The Salvation Army, Catholic Charities and MIFA help one another with utility assistance. Seven of the agencies receive food from The Food Bank. Not only does the list go on, but the nine agencies also learn from each other about services provided through government or other not-for-profit agencies. The result is coordination of client services, efficiency in the provision of client services, and improved client services for those individuals in need in the Memphis area.

Finally, the Collaborative is active in education, attempting to raise the consciousness of the public and public officials concerning the necessity of working to meet basic human needs in the Memphis community. And it is this last purpose that is the goal of this study. The numbers and facts presented below are presented to help enumerate the many ways that human needs are addressed in this region. In addition, the sheer size of activities of the Collaborative indicates both the importance of their activities to many individuals but also to the basic well being of the people in the regional economy.

This economic impact study helps to answer the question: **What would Memphis be like without the services of the Safety Net Collaborative?** We answer the question in numbers and dollars. It is the combined economic impact of the expenditures and work of these agencies, plus the value of the many volunteers, the extent and value of in-kind services and goods donated by individuals and corporations, and the new social and economic well being experienced by clients served by the SNC. Does this study measure everything? No. But it is a beginning to understanding the magnitude of the not-for-profit community serving those in need.

This study focuses on this economic value of expenditures and volunteers of the SNC organizations on people in need in the greater Memphis area. This study provides an estimate of the social impact of the member SNC services on other benefits to the greater Memphis community.

First, it gives a basic indication of the costs in government services that the region would incur if it alone had to deal with the problems of substance abuse, homelessness, loss of independence, and the spread of the sexually transmitted diseases that are treated by the members of the SNC. Many of the costs of homelessness, international refugees, and other transients are currently cared for by the SNC. Because SNC clients are fed, cared for, housed and provided with medical services, they are often able to fill roles as workers or as family care providers that otherwise would not have occurred. Without the services of the members of the SNC, the region would have more unproductive, unemployable people on the streets of Memphis.

Secondly, this economic impact study doesn't really capture the 'value' of a life saved from poverty and despair. Because of the work of the SNC, thousands of men, women and children lead healthy, well-fed lives that they otherwise would not. But this study shows that this transformation – the creation of well-being from despair – is not free, it is not easy, and it is not something that can be fixed once and for all time.

## **Analysis of Expenditures and Employment of the Nine Members**

### ***Catholic Charities Inc. (CCI)***

Catholic Charities in Memphis traces its roots back to 1852 when St. Peter Home was founded to nurture and to care for orphans. Associated Catholic Charities is comprised of three corporations: Catholic Charities Inc. (the social service organization), The Diocese of Memphis Housing Corporation, and St. Peter Villa Nursing Home and Rehabilitation Services. As part of the SNC analysis, the focus of this analysis is on Catholic Charities Inc. The mission and scope of activities has vastly expanded since that early beginning. Today, the work of Catholic Charities provides help and brings hope to many different people through its programs in the greater Memphis area. Catholic Charities is a large nonprofit, family service provider. It has six divisions offering more than 25 community programs serving people of all ages and from all walks of life.

- Community and Parish Services provide individual services to people in need through the Catholic Diocese of Memphis in West Tennessee. For families in crisis, it assists with basic services such as food, clothing, and financial assistance. Counseling services include areas such as marriage, divorce/separations, career and employment, grief, family conflict, abuse, and spirituality and faith concerns.
- Employment Services is a collaborative program working closely with Homeless Services and Refugee and Immigration Services. Staff in this program not only provides job development, job readiness training, placements and follow-up for Catholic Charities clients; they

also work closely with area employers to find the right match between employer and CCI client.

- Extended Care Services offers licensed and accredited programs for school-aged children; the After School Program and the Summer Camps. These programs focus on curriculum appropriate to a child's age and capabilities. The idea is to foster social, emotional, spiritual and intellectual growth. These programs are offered at and through several parish churches in the Memphis area.
- Homeless Services provides 24-hour residential treatment and counseling to homeless individuals and families. There are three programs: (1) Genesis House delivers services for homeless men and women who are chronically mentally ill and/or suffer from addiction, (2) Dozier House is a residential alcohol and drug treatment facility for chemically dependent homeless men and women, and (3) Sophia's House serves homeless women and their children who are victims of domestic violence and may need substance abuse treatment.
- Refugee and Immigration Services assists newly arrived international refugees start new lives through its settlement services. English language training, cultural adjustment services, employment services, assistance with access to health care and schooling are all part of the package of services offered. In addition, fee-based immigration counseling is also available. Finally, Refugee and Immigration Services also assists refugees and immigrants with status issues,

naturalization processes, visa applications, and domestic violence issues.

Catholic Charities is a large organization with a variety of services that answer the needs of people in crisis environments. In addition to the services enumerated above, CCI works with rural needs through its Jackson Deanery Development Committee, Housing through the Dioceses of Memphis Housing Corporation, and elderly residential housing through the St. Peter Villa Rehabilitation and Nursing Center.

The Business of Catholic Charities. In 2003, CCI served over 22,000 individuals in the Memphis area. Fifty-nine percent of those assisted lived below the 2003 poverty threshold. 1,887 volunteers assisted the CCI staff. To accomplish its mission, CCI requires a significant business organization. That organization raised \$6.1 million in operating revenue. Almost \$3.4 million (56 percent) of that revenue comes from grants and contributions, including government grants. Investments and other sources contribute another \$2.0 million. Client based revenues, \$671,185, are small because the services provided usually are to people whose current income flow has been interrupted or refugee status makes the ability to earn a living difficult.

Catholic Charities Direct Economic Impact --2004	
Operating Revenues	
Contributions and Grants	\$3,385,542
Client Revenue	\$671,185
Investment and Other	\$2,039,120
Total	\$6,095,847
Operating Expenses	
Salaries and Wages	\$4,284,909
Utilities	\$513,506
Supplies and Other Expenses	\$1,632,070
Total	\$6,430,486
2004 Total Assets	\$8,422,579
Employees	
Full-Time	290
Part-Time	74
Total	364

The CCI budget is, like most of the SNC members reviewed below, is primarily salaries and benefits. Catholic Charities spends almost \$4.3 million on salaries and benefits. This yearly investment in its people supports a staff of 290 full-time employees and 74 part-time employees. CCI has a commitment to running a large physical plant so that its utility budget is over a half a million dollars. The rest of its budget brings its yearly expenditures to \$6.4 million. Catholic Charities total assets are valued at \$8.4 million.

In addition, Catholic Charities has 1,887 volunteers assisting with the delivery of

Catholic Charities Volunteers, Donations, & Clients		
	Hours	Value
<b>Volunteer Labor</b>		
Professional Managerial	1,080	\$47,909
Social Service/Technical	6,000	\$143,520
Grounds/Kitchen/Skilled	9,000	\$143,730
Clerical & Housekeeping	7,460	\$103,818
<b>Total</b>	<b>23,540</b>	<b>\$438,977</b>
<b>In-Kind Goods</b>		
		\$49,000
<b>In-Kind Services</b>		
		\$31,100
<b>Total</b>		<b>\$80,100</b>
<b>Client Contacts</b>		
	Contacts	
Residential	1,213,625	
Community/Childcare	436,800	
Refugees/Immigration	513,100	
<b>Total</b>	<b>2,163,525</b>	

its programs. These men and women contribute 23,540 hours of volunteer labor – the equivalent of more than 11 additional full-time employees. Added to the volunteers is the value of in-kind donations: \$80,100 during the past year.

Finally, Catholic Charities provides many

services that result in daily contact with its clients. These contacts add up. Over the course of a year, CCI has 2,163,525 contacts with the people that they serve.

## ***Christ Community Health Services (CCHS)***

Christ Community Health Services (CCHS), founded in 1995, provides Christ-centered community-based quality medical care to undeserved neighborhoods in Memphis. CCHS establishes long-term relationships with the neighborhoods where they are located. Indeed, CCHS staff often reside near one of the two Christ Community medical facilities. CCHS serves everyone who enters one of their two clinics by dealing with the physical, emotional and spiritual wholeness of the patient. In addition, CCHS operates a mobile clinic that brings medical care to other groups like the homeless at Memphis Union Mission and international refugees at Catholic Charities, two other Safety Net Collaborative members. In 2003, CCHS was designated a Federally Qualified Health Center and awarded a grant to support its safety net services to the uninsured and to Medicaid (TennCare) patients.

CCHS medical services include pre-natal and obstetrical care, pediatrics, and adult primary care. In 2003 medical care was provided through more than 56,000 patient visits at the two clinics and the mobile clinics. About 40 percent of the CCHS patients are children and adolescents. The clinics employ eleven physicians, a dentist, a clinical psychologist, eight nurse practitioners, and a certified nurse midwife.

The two clinics are the Third Street Health Center, the original site of Christ Community Health Services, and Broad Avenue Health Center, which opened a new Assisi Foundation funded building in 2002. In addition, CCHS offers counseling services through its Outreach and Administrative Services Building, also located on Broad Avenue.

Christ Community Health Services has several important outreach programs:

- Memphis Healthy Churches began in 1998 as community-based cancer education program. As the program has matured, it also now deals with heart disease, stroke, diabetes and HIV/AIDS. The program provides training for individuals wishing to represent their church or agency as a Health Representative. These CCHS trained representatives act as resource persons and as advocates to their churches seeking to identify, support and counsel parishioners suffering from diseases.
- SAFE Against Sexual Assault empowers the faith community with the training and resources to prevent, recognize, and respond to the crime of sexual assault. Memphis has one of the highest rates of sexual assault in the United States. In addition to providing training and material resources, SAFE against Sexual Assault delivers crisis intervention training services to pastors and support group counseling sessions for supporters of sexual assault victims.
- Families Matter provides effective strategies and support that prepare, strengthen, and restore marriages and the family structure through faith-based intervention in the lives of people.
- The Journey is a youth development program supported by CCHS that assists youth with developing the skills and knowledge to make healthy, positive choices as they enter adulthood. The Journey is a 32-month program for teenagers that includes interactive learning

sessions, outings for fun, supportive relationships with mentors and peers and food. Important objectives of The Journey are to reduce teenage pregnancy, to reduce sexual activity and the acquisition of sexually transmitted diseases by adolescents, and to reduce alcohol and drug use.

CCHS also provides counseling and consultation services through its ability to train urban pastors. The clinics provide free Bibles to patients and to participants in the CCHS programs. And CCHS has an outreach program to Lester Elementary School, a Binghamton neighborhood Memphis City School that is close to the Broad Avenue Health Center.

The Business of Christ Community Health Services. The core medical services business of CCHS operates as a clinic for two neighborhoods. CCHS has contributions and grants that total \$2.2 million per year. But the bulk of its revenue stream comes from client-based revenue: insurance payments and patient co-payments. With \$5.1 million in client revenue, the total revenues of CCHS reached \$7,345,756 in fiscal 2004. Operating revenues for CCHS were augmented by a large gift in 2004, resulting in revenues being larger than operating expenses for the first time in this agency's service history. The operating expenses reflect the importance of people in the delivery of medical services: \$4.3

Christ Community Health Services Direct Economic Impact - 2004	
Operating Revenues	
Contributions and Grants	\$2,221,290
Client Revenue	\$5,124,466
Total	\$7,345,756
Operating Expenses	
Salaries and Wages	\$4,275,980
Utilities	\$42,742
Supplies and Other Expenses	\$2,326,769
Total	\$6,645,491
2004 Total Assets	\$4,375,451
Employees	
Full-Time	99
Part-Time	1
Total	100

million of the \$6.6 million expense budget (64 percent) is used for salaries and benefits. CCHS supports a staff of 100 paid employees with this budget. In addition to its paid employees, volunteers contribute 9,148 hours of labor each year (the equivalent of almost an additional 4 full-time workers). These workers, mostly in the trained professional and social services occupations, contribute labor that would be worth \$222,704 in additional salaries. Finally, CCHS has part of its cost structure covered by in-kind donated goods. Those goods account for \$685,000 in a typical year. In kind contributions are dominated by donated pharmaceuticals. These contributions save CCHS and, more importantly, CCHS patients thousands of dollars in medicine-related expenses each year. As a health services business Christ Community Health Services has also made a substantial investment in the communities that it serves. CCHS has assets of almost \$4.4 million in building and equipment, used to support its medical mission.

CCHS has 16,000 patients in its medical clinics each year. In addition, it sees 21,548 people through its outreach services. Of course, each patient and each person is seen multiple times during the course of a year,

Christ Community Health Services Volunteers, Donations, & Clients		
	Hours	Value
Volunteer Labor		
Professional Managerial	190	\$8,428
Social Service/Technical	8,958	\$214,275
Total	9,148	\$222,704
In-Kind Goods and Services		\$685,000
Client Contacts		
	Number	Contacts
Medical Services	16,000	56,488
Outreach Services	21,548	55,149
Total	37,548	111,637

resulting in 56,488 contacts with its patients each year. With its counseling and outreach service CCHS works with another 21,548 individuals. As with medical services, each of these people requires multiple contacts (a total of 55,149 in 2004) to be effective.

In total, CCHS had 111,637 contacts with the populations that it serves during this past year. These contacts are the heart of both its medical services and its outreach. Viewed as a business, CCHS serves an indispensable role in the communities it serves. Not only do its patients return from visits to the CCHS healthier and better able to work in society, but the emotional and spiritual guidance provided by CCHS provides the groundwork for improved families and communities.

## ***Church Health Center***

The Church Health Center (CHC) is a faith-based nonprofit organization that provides quality and affordable healthcare for low-income working uninsured people and for children, the elderly, and the homeless. In addition, the Church Health Center delivers health and wellness services that are open to the greater Memphis community. Dr. Scott Morris, a family practice physician and an ordained United Methodist minister, founded the Church Health Center in 1987. The CHC unites churches and synagogues with health care professionals to care for thousands of patients each year. To accomplish its mission, the CHC has programs that are focused through four ministries.

The Church Health Center began with its Medical Clinic. Over the years, the Clinic Ministries have expanded to include six primary care physicians, two dentists, an optometrist, social workers and counselors, plus a complete nursing staff and medical support personnel. Consequently, the clinic is able to offer comprehensive medical services. Patients pay for care on a sliding scale based on family size and income. The cost of an average visit, including the physician visit, laboratory and diagnostic testing and usually medicines, is \$20.00. To accommodate the clinic's working patients, the CHC Medical Clinic is open in the evenings and on Saturdays. The Medical Clinic relies on volunteers from the professional medical community for delivery of many of its services. Specialty medical care, provided without charge, also is volunteered by over 400 specialist physicians through their medical practices to CHC patients.

The CHC MEMPHIS Plan is a low-cost health care program for over 3,300 uninsured Memphians who work in low-wage jobs or are self-employed. For a fee of

\$45.00 per month, an individual is covered for all medical care including hospitalization through a system of volunteer physicians and hospitals. For participants, the MEMPHIS Plan operates like a health insurance program, but it is a ministry of the Church Health Center.

Faith Community Ministries reaches out to congregations as they seek to care for the bodies and spirits of their parishioners. The CHC has a wholeness approach to health and its maintenance. Faith Community Ministries is an important form of outreach to accomplish the CHC mission. Individuals in churches are identified and trained, and then they in turn assist the rest of the church to build active health ministries within the congregations. Disease prevention and management, common disease symptoms, and available treatments and community resources are topics that concern Faith Community Ministries.

Hope & Healing is the CHC wellness ministry. Housed on a separate campus in a state-of-the art health and wellness facility, Hope & Healing encourages and delivers programs on health education, healthy lifestyles, and disease prevention. Membership fees are based on a sliding scale. But Hope & Healing is not an exercise gym. Operated by exercise and health professionals, Hope & Healing facility assists people in their physical and spiritual journey toward getting or staying healthy. In 2003, 5,800 members were able to access programs like Healthy Bodies, Exercise and Movement, Health Education and Nutrition Center classes, and Child Life for young children. In addition, the Hope & Healing Center has an indoor walking track, a heated therapeutic exercise pool, and physical therapy services.

The CHC integrates its various programs. Its primary strategic initiative is prevention, encouraging the maintenance of a healthy body and spirit so that individuals can find ways that work for them to lead healthier lives both physically and spiritually. Its mission has led the CHC to continue to diversify its programs. In 1999, the CHC opened Perea Preschool on the property of Caldwell Elementary School, a public school in the Memphis City School system. This preschool for 128 three- and four-year olds provides an environment to ensure that children have the necessary academic and social preparation for a strong foundation and a healthy start in elementary school.

The Business of the Church Health Center. The Church Health Center receives \$10.5 million per year in revenues. But these dollars are only the surface of the value of the services provided by the Church Health Center's ministries. Over half of the total dollar income comes from contributions and grants, \$6.8 million. The rest of the CHC revenue stream is divided among client-based revenue, \$2.2 million, and donated rent and professional services, investment and other income, \$1.5 million.

Church Health Center Direct Economic Impact - 2004	
Operating Revenues	
Contributions and Grants	\$6,791,162
Client Revenue	\$2,242,250
Investment and Other	\$1,487,456
Total	\$10,520,868
Operating Expenses	
Salaries and Wages	\$6,853,486
Utilities	\$178,743
Supplies and Other Expenses	\$2,960,244
Total	\$9,992,473
2004 Total Assets	\$15,853,285
Employees	
Full-Time	162
Part-Time	39
Total	201

These revenues support the CHC budget. In fiscal 2004, salaries and benefits for the 201 CHC and Perea employees required \$6.9 million. The Church Health Center and Perea

employ, in the various ministries, 162 full-time employees and 39 part-time employees. When other expenses are added to the budget of the CHC, the total budget adds up to \$10 million. In addition, the CHC has total assets invested in the Memphis community of \$15.9 million.

Church Health Center Volunteers, Donations, & Clients		
	Hours	Value
<b>Volunteer Labor</b>		
Professional Managerial	1,993	\$88,409
Social Service/Technical	2,237	\$53,509
Clerical & Housekeeping	10,192	\$141,839
<b>Total</b>	<b>14,422</b>	<b>\$283,757</b>
<b>In-Kind Medical Services</b>		
In-Kind Medical Services		\$1,880,582
In-Kind Medical Goods		\$1,928,524
In-Kind Hospitalization		\$5,702,000
<b>Total</b>		<b>\$9,511,106</b>
<b>Client Contacts</b>		
	Number	Contacts
Medical Clinic Ministries	11,491	58,264
Hope & Healing Ministry	5,780	131,742
Faith Community Ministries	200	4,440
Perea Preschool Ministry	128	25,600
<b>Total</b>	<b>17,599</b>	<b>220,046</b>

The operation of the Church Health Center is dependent on volunteers and on in-kind goods and services to provide the full complement of services available to its patients and clients. Volunteers are difficult to count for the CHC. In this analysis, some volunteers (who come to the Church Health Center sites) are counted as volunteers while other who give their time at their place of business are counted as donors of in-kind

services.

On-site volunteers to the CHC put in 14,422 hours in a typical year – the equivalent of 7 additional full-time employees. Their combined labor would have added an additional \$283,757 to the Church Health Center’s salary budget if the CHC had had to hire this labor in the local labor market.

Donations of in-kind goods and services are especially important to the operation of the Church Health Center. Patients who come to the clinic often have problems that are beyond the scope of the primary care clinical services provided by the CHC. In addition, many patients cannot afford the medicines required to treat their illnesses. Referrals to specialists, testing by independent laboratories, and diagnostic services provided by Baptist Memorial Hospital account for donations of \$1,880,582 per year. In addition, medicines donated to the CHC and provided free to CHC patients are estimated to be valued at \$1,928,524. Finally, hospitalization is donated by many area hospitals. These patient care services are important to the health care offered by the CHC. In particular, the CHC MEMPHIS Plan offers hospitalization from the St. Francis and Methodist Hospital systems to patients covered by the MEMPHIS Plan. When these hospitalizations are added to the services offered through the Church Health Center, they account for additional donations of \$5,702,000 per year. In total, in-kind donations of goods and services to the CHC ministries would add an additional \$9,511,106 to this agency's budget if they were accounted and paid for as day-to-day business activities. It should be noted that these in-kind donations do not reflect the value of sample medicines that the CHC dispenses to its patients.

The Church Health Center sees almost 18,000 people each year at its various facilities. These patients and clients translate to 220,046 person-to-person contacts. And these contacts do not include the contacts that occur after a person is referred to specialists and clinics around the Mid-South. The Clinic sees patients in a number of areas: medical visits, counseling, dental work, optometric services, and other medical services. In the past year, there were 58,264 patient visits. For the Hope & Healing

Center, there were 5,780 members, but many uncounted people who used Hope and Healing facilities and joined in specific Hope & Healing programs open to the community. Currently, there are 131,742 visits to Hope & Healing in a year. In the CHC outreach program, Faith Communities Ministries, there are 200 active congregational health promoters. But each year, there are many activities and trainings sessions that result in 4,440 contacts by the CHC's Faith Community Ministries staff. Finally, Perea Preschool has 128 students that result in, at least, 25,600 daily contacts with children and parents over the course of a year. In total, the Church Health Center provides services to individuals - medical, spiritual, health and educational -- 220,046 times each year.

## ***Family Services of the Mid-South***

From its nineteenth century origins in the Memphis yellow fever epidemics and the Friendly Visitors Club, Family Services of the Mid-South today provides several social services through its modern facilities. Included in its services:

- The Crisis Center offers confidential crisis intervention and suicide prevention counseling as well as community information and referral. Crisis intervention is provided over the telephone and is available 24 hours per day, seven days per week. Over 100 community volunteers, who are especially trained for this demanding duty, staff most of the services provided through the Crisis Center.
- Financial Case Management Services provides 300-400 people with management of their financial lives. This program focuses on people who are unable to care for themselves financially. A complex and time-consuming task, Financial Management acts as a representative payee for individuals who are unable to manage government disability benefits, retirement benefits, or other financial obligations.
- HIV/AIDS Services delivers homemaker services, case management, and counseling to individuals diagnosed with HIV/AIDS. An emergency service with a 24-hour confidential phone line is part of the program for people with AIDS. A key to this operation, along with other programs for elderly and for financial case management, is to

work on the issue of homelessness for individuals who face a major life crisis.

- Counseling for individuals, children, and families is often identified as the main goal of Family Services of the Mid-South. Today though, it is just one part of the integrated family services provided by this agency. This program, added to the agency's other services, provides individual and group counseling for many of the life stressors faced in the modern world: marital problems, parent-child relationships, school adjustment and other challenges facing families today.
- Child Care Resource and Referral is a new Family Services of the Mid-South offering. This service brings technical assistance to child care providers, training to child care center staff, and resources to parents with children in child care. The training program includes a classroom and a large resource room for clients located in the Family Services headquarters.
- Senior Crime Intervention allows seniors victimized by crime the counseling, referrals, court preparation and court accompaniment they need. This service allows seniors to fight for restitution in a holistic care environment. Funded by VOCA (Victims of Crime Act), this help is provided without charge to clients.

Clearly, Family Services of the Mid-South is operating in an environment where families and individuals face many challenges. Through its services, it reduces problems of daily crisis, homelessness associated with mental illness, poverty, domestic violence,

and crimes against the elderly. The agency has a small full-time and part-time staff. Consequently, it relies on the generosity of the community, in terms of volunteers and in-kind services, to accomplish its mission and objectives.

The Business of Family Services of the Mid-South. Family Services of the Mid-South has developed a moderate-sized social service organization. Indeed, like the other SNC agencies, its financial statements reflect only the paid part of the services offered. Family Services' revenue base is strongly influenced by its grants and contributions.

Revenues derived from these two sources make up \$1.4 million (81 percent) of the income needed to operate Family Services. Client revenue, largely from its counseling services, makes up another \$250,000. Family Services has total revenues of \$1.7 million.

The operating budget of Family Services is focused on its care giving employees. Family Services needs \$1.2 million to pay salaries and benefits for its employees (71 percent of its operating

Family Services of the Mid-South Direct Economic Impact - 2003	
Operating Revenues	
Contributions and Grants	\$1,392,772
Client Revenue	\$249,361
Investment and Other	\$85,801
Total	\$1,727,934
Operating Expenses	
Salaries and Wages	\$1,239,168
Utilities	\$67,765
Supplies and Other Expenses	\$437,420
Total	\$1,744,353
2003 Total Assets	\$2,039,681
Employees	
Full-Time	32
Part-Time	4
Total	36

expenses). This salary budget supports 32 full-time and 4 part-time staff members. The total operating budget of Family Services is \$1.7 million. The agency owns its own headquarters buildings. These buildings and other assets are valued at over \$2.0 million.

Like the other Safety Net Collaborative agencies, Family Services relies on its volunteers to provide many of the services. Volunteers provide 13,816 hours of assistance

to the agency, making the equivalent of almost seven additional full-time workers. The greatest area is the Crisis Center where trained personnel cover the phones continuously and provided \$289,336 in social service labor for free. If Family Services were required to purchase its volunteer labor on the open market in Memphis, its salary budget would rise by another \$318,569 in 2004.

The Crisis Center makes almost 46,000 client contacts in a year through its 24/7

Family Services of the Mid-South Volunteers, Donations, & Clients		
	Hours	Value
Volunteer Labor		
Professional Managerial	120	\$5,323
Social Service/Technical	12,096	\$289,336
Grounds/Kitchen/Skilled	800	\$12,776
Clerical & Housekeeping	800	\$11,133
Total	13,816	\$318,569
In-Kind Goods and Services		\$25,000
Client Contacts	Contacts	
Crisis Center	45,625	
Social Services/Counseling	41,944	
Child Care Resource & Referral	67,520	
Total	155,089	

phone line. The new Child Care Resource and Referral service is training and working with child care workers and parents, making 67,520 contacts in 2004. In total, Family Services brings crisis intervention, counseling, financial assistance and legal help to people through 155,089 helpful interventions each year.

## ***Memphis Food Bank***

The Memphis Food Bank (The Food Bank) is a nondenominational, not-for-profit corporation, founded in 1981. Its mission is to fight hunger by efficiently collecting and distributing wholesome food and through educating the community and advocating on behalf of hungry people. The Food Bank serves as a food warehouse and distribution facility for more than 325 charitable agencies in West Tennessee, East Arkansas and North Mississippi, reaching to Lake County in the north, Madison County in the west, Monroe County in the south and St. Francis to the west. These agencies include emergency food pantries, soup kitchens, homeless shelters, alcohol and drug rehabilitation programs, and daycare centers for children, the elderly and disabled individuals. The Food Bank is one of 200 food banks in the United States. It is a member of America's Second Harvest, the Nation's Food Bank Network. By providing food – the most basic of necessities – The Food Bank enables needy children and adults to work toward taking their places in the community and facing the future with hope. The Vision and Mission of The Food Bank are:

*The Food Bank's vision is to create a hunger-free Mid-South. The mission is to fight hunger through the efficient collection and distribution of wholesome food, education and advocacy.*

At The Food Bank, food is collected, weighed, sorted and inventoried, and distributed. The Food Bank has annual food drives with organizations and businesses in the community. Local grocery stores, wholesalers and manufacturers contribute surplus

food. Other campaigns such as Operation Feed, the Letter Carriers Food Drive and Scouting for Food assist in the collection of food supplies. The Prepared Food Recovery Program collects unserved foods from hospitals, hotels, caterers, restaurants and supermarkets and delivers this food under refrigeration to agencies that serve hot meals.

The food is distributed to childcare centers, to homeless shelters and to abused women's shelters. In addition, The Food Bank distributes food through emergency food pantries, rehabilitation programs and senior programs. A new program, Kids Cafe, serves nutritionally balanced meals to children once a week in a safe, restaurant-like environment. Three Kids Cafes are currently in operation. Finally, soup kitchens, residential programs and youth programs all use The Food Bank supplies. Needless to say, the ability of all SNC members to serve or provide food to their clients is directly traceable to The Food Bank.

The Business of the Memphis Food Bank. The Memphis Food Bank has a mission to distribute food to organizations that feed the hungry and needy, but it is also a successful not-for-profit business organization. Based on a state of the art warehouse in Midtown Memphis, The Food Bank processes 10.6 million pounds of food and other grocery items worth almost \$17,000, 000 each year through its premises. While a lot of the food is distributed directly

Memphis Food Bank Direct Economic Impact - 2003	
Operating Revenues	
Contributions and Grants	\$2,434,552
Client Revenue	\$721,416
Investment and Other	\$133,349
Total	\$3,289,317
Operating Expenses	
Salaries and Wages	\$1,082,950
Utilities	\$95,141
Supplies and Other Expenses	\$1,981,957
Total	\$3,160,048
2003 Total Assets	\$6,462,734
Employees	
Full-Time	30
Part-Time	2
Total	32

to families in need through churches and other organizations (134,000 households in 2003), the agencies that do prepare meals that The Food Bank supplies serve almost 5,000,000 meals each year. Those meals add an additional \$6,166,251 in value to the food. That big an operation requires a good business organization. The Food Bank requires \$3.3 million in revenues to process and distribute its food supply; 74 percent of that revenue comes from grants and contributions (\$2.4 million) while agencies contribute another 22 percent (\$721 thousand) through their payments of handling fees (an average of 9 cents per pound) for food coming through the warehouse to them.

All of this activity requires a well-trained workforce at The Food Bank. The Food Bank has 32 employees, 30 full-time and 2 part-time employees who earn approximately \$1.1 million per year for their labors in The Food Bank warehouse and distribution

Memphis Food Bank Volunteers, Donations, & Clients		
	Hours	Value
Volunteer Labor		
Professional Managerial	750	\$33,270
Social Service/Technical	3,717	\$88,911
Grounds/Kitchen/Skilled	8,398	\$134,116
Clerical & Housekeeping	10,325	\$143,690
Total	23,190	\$399,986
	Pounds	Value
In-Kind Goods		\$71,810
In-Kind Services		\$25,700
In-Kind Food -- lbs	10,648,799	\$16,931,590
Total		\$17,029,100
	Number	Value
Agency Meals Served 2003		
Meals	3,094,499	\$3,868,124
Snacks	1,838,502	\$2,298,128
Total	4,933,001	\$6,166,251

system, resulting in an expense budget of \$3.2 million. In addition, The Food Bank relies on 23,190 hours of volunteer help – almost the equivalent of eleven additional full-time workers to assist in the work of the warehouse facilities. Other agencies augment The Food Bank staff. Ten Senior Services aides work four hours per day.

And community service workers help The Food Bank as they are assigned by the court system.

The Food Bank also relies on many kinds of donations. Numerous forms of volunteer labor and in-kind services are difficult to count. Businesses supply trucks and labor to bring goods to The Food Bank. Advertising, cell phones and design work are often donated. Individuals and corporate volunteers assist in fund-raising and food-raising like the Operation Feed, Kids Kan, and the Letter Carriers' Stamp Out Hunger campaigns. These add to the value of The Food Bank in Memphis; approximately \$25,700 in-kind services and \$71,810 additional in-kind goods.

Of course, the largest donation of in-kind goods is the food that The Food Bank distributes, discussed above. The result is a focused food distribution company, a company with total assets of almost \$6.5 million invested in Memphis, serving a need amongst the poor and hungry in our community.

## ***Memphis Union Mission (MUM)***

Since 1945, the Memphis Union Mission (MUM) has brought the Gospel to the homeless, the hungry, and the lost. While best known for its Men's Emergency Shelter at 383 Poplar Ave., the Memphis Union Mission has several programs offered at different sites in the greater Memphis area.

The Men's Emergency Shelter provides overnight housing for homeless men while also ministering to the nutritional and clothing needs of homeless men, women, and children. The shelter is also where men have the opportunity to enroll in the Mission's long-term recovery program. The goal of this Christ-centered program is to instill character, integrity, and responsibility into troubled men.

At the Men's Emergency Shelter, the Mission provides almost 600 meals every day, provides clean clothing and hygiene to those in need, conducts regular chapel services and Bible studies, provides pastoral counseling, and hosts a medical clinic, provided by Christ Community Health Services, on site once each week.

In 2003, the Men's Emergency Shelter provided overnight shelter for 46,325 homeless men – 127 per day. In addition, the shelter provided 11,210 nights of lodging – 31 men each day – for men who had enrolled in the 30-day Awareness Program, which serves as the first phase of the Mission's overall long-term recovery program for alcohol and drug abuse recovery, and for jail-release probation individuals.

Men who graduate from the initial 30-day Awareness Program are eligible to enroll in the Mission's program at Calvary Colony. Located on 160 acres of scenic land near Shelby Forest, Calvary Colony houses up to 46 men who are continuing in the Mission's long-term recovery program. The men at Calvary Colony learn responsibility

and integrity by performing a variety of chores and by spiritual guidance provided through classes, pastoral counseling, chapel services, and Bible studies.

Graduates of the program at Calvary Colony are eligible to reside at the Wright Transitional House, a transitional housing facility where men live as they complete the final phase of the recovery program. These residents work full-time jobs, pay a small program service fee to live in residence, and save money to re-enter the community.

Moriah House is Memphis Union Mission's safe house and recovery program for women and their children. Like the men's recovery program, this program consists of counseling, classes, Bible study, and daily chores that help women in crisis recover and re-enter the community. Finally, the Intact Homeless Family program provides short-term transitional housing and pastoral care for homeless families.

The Business of the Memphis Union Mission. As an organization focused on ministering to the total needs of the homeless and destitute, MUM has developed a business structure that is tailored to the needs of its clients. The bulk of its revenue comes from contributions and grants: \$2.3 million (89 percent). Adding in its client-based revenues and other income sources, the Mission has yearly revenues of \$2.6 million.

The MUM operating budget is quite diversified. Its large salary and benefit expenses -- \$1.0 million (41 percent) -- are

Memphis Union Mission Direct Economic Impact - 2004	
Operating Revenues	
Contributions and Grants	\$2,308,456
Client Revenue	\$248,039
Investment and Other	\$28,581
Total	\$2,585,076
Operating Expenses	
Salaries and Wages	\$994,190
Utilities	\$196,286
Supplies, Depreciation & Other	\$1,263,914
Total	\$2,454,390
2004 Total Assets	\$6,210,759
Employees	
Full-Time	30
Part-Time	6
Total	36

balanced by its need to operate several facilities for its residents to feed the homeless and hungry (\$2.5 million expenditures budget). The salaries support a staff in its several facilities of 30 full-time and 6 part-time employees. In 2003, the total value of its assets, the investment in the Memphis metro area, was over \$6.2 million.

Memphis Union Mission Volunteers, Donations, & Clients		
	Hours	Value
Volunteer Labor		
Professional Managerial	1,928	\$85,526
Social Service/Technical	10,200	\$243,984
Grounds/Kitchen/Skilled	111,208	\$1,775,992
Clerical & Housekeeping	16,052	\$223,390
Total	139,388	\$2,328,892
In-Kind Goods		\$210,299
Client Contacts		
Transient Overnight	46,325	
Program Participants	11,210	
Residential Programs	24,090	
Total	81,625	

Memphis Union Mission relies heavily on volunteers to accomplish its mission. Some of the volunteers come to serve the homeless and the hungry. Others are participating in the process of rehabilitation, themselves formerly homeless and hungry. That is, many of the volunteer hours are the unremunerated tasks of program participants. Irrespective of their

backgrounds, MUM is a business that relies on volunteers to accomplish its missions. Indeed, its volunteer labor, when all the hours are summed together, is considerably larger than its paid staff. Volunteers clean, cook, and educate, often while holding part- and full-time jobs in the regular work world. The volunteer total is 139,388 hours of labor contributed to MUM – the equivalent of 67 full-time employees. If those volunteer hours were purchased in the local labor market, it would cost MUM \$2,338,892 in additional salaries in their budget, an increase that would triple their expenditures on wages and salaries. The Safety Net Collaborative serves men and women in crisis. And the actions of the Memphis Union Mission also depict the real costs of saving these men and women

from a life of despair. Without the good hearts of volunteer labors, the transformation could not occur.

The Union Mission receives many gifts of goods to help with its mission in the community. Like the other caring agencies, most of the goods donated to Union Mission are hard to value even though they are critical to the lives of the recipients. The MUM receives close to a \$100,000 in food to help feed its participants. In addition, it regularly receives clothing, furniture and appliances. In total, it is estimated that these contributions are worth \$210,299 in a year.

Finally, The Memphis Union Mission cares for the homeless and hungry in significant numbers. In the past year, MUM has fed and housed overnight 46,325 men in its downtown facility. In addition, men, women and families that are active in its several residential program make up another 11,120 days of contact during the year. In its two off-site residential treatment programs, Calvary Colony and Wright Transitional House, the MUM has another 24,090 days of contact with its clients. In total, MUM has 81,625 contacts during the year.

## ***Metropolitan Inter-Faith Association (MIFA)***

The mission of Metropolitan Inter-Faith Association (MIFA) is to change our community by changing lives. MIFA was founded by a group of local clergy in 1968, amidst the civil rights turmoil created by the assassination of Dr. Martin Luther King, Jr. It started as an all-volunteer agency and has evolved into a broad-based, professional, community-wide nonprofit agency serving more than 60,000 clients each year. MIFA seeks to serve individuals and the community as an act of faith, balancing its humanitarian goals with sound business practices.

MIFA has 20 social service programs that deal with individual and community issues and it organizes its programs within two traditional focus areas: Kids & Families and Seniors.

First, Kids & Families encompasses a dozen programs. The Emergency Services program provides working poor families with urgently needed, one-time assistance with rent, mortgage payments or utility payments. It also provides clothing, shoes, pharmacy and food vouchers. Part of the funds to support this program comes from MLGW Plus-One utility emergency funds. The goal of Emergency Services is to tide families over during a temporary crisis, so that individuals or whole families do not become homeless. Manpower, Inc. offers employment opportunities to those individuals in need of a job through its extension office in Emergency Services. Estival Communities, like Emergency Services, also serves families in crisis by providing homeless families with one year of quality housing. Individualized case management and educational programs are paired with a quality living environment to help families transition into permanent

housing with skills needed for economic self-sufficiency. The MIFA Thrift Shoppe offers clothing and household goods at reasonable prices. This shop is located in the MIFA headquarters in the Peabody-Vance neighborhood resting in zip code 38126, the poorest in the city. The Thrift Shoppe location makes it easy for MIFA clients to access the purchase of clothing and household items. In 2003, the store had 49,641 sales transactions resulting in \$372,767 in sales revenue.

The MIFA-Les Passees Center for Children and Families adds to the services in the Peabody-Vance neighborhood through a nurturing and educational childcare program for parents and children. This center promotes healthy child development, kindergarten preparation, and increased family involvement in an environment that fosters academic and social success in the future. Five additional programs, MIFA Mentoring, MIFA Money Management, The Opportunity Banc, Teen Job Services, and Uptown Case Management for Memphis Housing Authority's HOPE VI Uptown development all work to move individuals in need toward self-sufficiency. Whether it is the whole family, women or teenagers, these programs allow disadvantaged individuals to access mentors, training, jobs, technical assistance, career counseling and case management to become successful in today's social and economic environment. These programs address issues for selected individuals who come within the sphere of MIFA activities.

Clients also have access to several other programs that are housed on the MIFA campus. The Community Legal Center provides the working poor better access to the legal system through information, representation and mediation. New Pathways, Inc. is a community development corporation that unites residents and institutions to revitalize the Peabody-Vance neighborhood.

Second, MIFA is well known for its programs that serve seniors. The largest program is MIFA Meals, which distributed more than 770,000 meals in 2003. Numerous volunteers visit the homes of frail seniors each weekday, delivering lunch, providing a social hello and checking for the well being of the senior's living environment; other more active seniors travel to congregate meal sites for their lunch. This program enables many frail and disabled elderly Memphis residents to remain independent and in their own homes. An offshoot of the Meals program is Easy Meals that delivers hot, nutritious lunches for a fee to individuals, schools and institutions. Net profits support the MIFA Meals program.

The other programs for seniors coordinate with the MIFA Meals program to meet seniors' overall needs. Handyman provides a MIFA handyman who completes free minor home repairs for low-income and disabled citizens. In addition, the Handyman program coordinates with volunteer groups to provide major repairs. The Senior Companion Program pairs active low-income seniors with frail elderly peers to help them maintain safe homes and avoid institutionalization. Companions provide emotional support, assistance with daily activities, offer respite to caregivers and notify them if problems arise with clients. MIFA Transit provides safe, reliable and affordable transportation for seniors with medical, nutritional or counseling needs. The Long-Term Care Ombudsman program protects the rights of residents in nursing homes and assisted living facilities by providing free, confidential advocacy through mediation, complaint resolution and public education. In addition, MIFA operates two Senior Centers – East and Metro-Bickford.

The Business of Metropolitan Inter-Faith Association. MIFA programs are varied but focused to meet the comprehensive needs of each individual. Almost 260 employees of MIFA serve Memphians in need. MIFA builds from a large base of contributions and grants totaling \$9.2 million (86 percent of revenues). In addition, MIFA has a large client revenue base of \$1.2 million, including the MIFA Thrift Shoppe. MIFA's total receipts for fiscal year 2003 were \$10.7 million.

The MIFA operating budget is also significant. This organization pays its 151 full-time employees and its 108 part-time employees \$6.1 million in salaries and benefits. In addition, its operation requires a

MIFA Direct Economic Impact - 2004	
Operating Revenues	
Contributions and Grants	\$9,213,922
Client Revenue	\$1,242,326
Investment and Other	\$252,993
Total	\$10,709,241
Operating Expenses	
Salaries and Wages	\$6,102,514
Utilities	\$255,602
Supplies and Other Expenses	\$5,762,227
Total	\$12,120,343
2004 Total Assets	\$16,480,874
Employees	
Full-Time	151
Part-Time	108
Total	259

quarter of a million dollars in utility expenses for its buildings and \$5.8 million in other expenses to provide meals, operate its Thrift Shoppe, and provide childcare and residential support for its many clients. The total operating budget is \$12.1 million. MIFA insures a large amount of property, buys fuel for 51 vehicles, and has large accounts receivable at certain times of the year from its public funding sources. In addition, the agency maintains facilities, buildings and equipment that help bring total assets to almost \$16.5 million.

But a significant part of the organizational effort that MIFA uses to profoundly benefit Memphians in need comes from the large number of volunteers that assist in all of

its programs. While MIFA Meals is most famous for volunteers bringing prepared food to the elderly and ill, the numbers on this page indicate how important volunteers are throughout the agency. In the course of a year, MIFA has almost 300,000 hours in contributed volunteer labor, including 74,791 hours (the equivalent of 36 additional full-time employees) in professional labor used to guide the organization and 125,652 hours in clerical and housekeeping labor (60 full-time employees) used to assist in everything

MIFA Volunteers, Donations, & Clients		
	Hours	Value
<b>Volunteer Labor</b>		
Professional Managerial	74,791	\$3,317,729
Social Service/Technical	53,849	\$1,288,068
Grounds/Kitchen/Skilled	44,874	\$716,638
Clerical & Housekeeping	125,652	\$1,748,657
<b>Total</b>	<b>299,166</b>	<b>\$7,071,092</b>
In-Kind Goods and Services		\$674,492
<b>Client Contacts</b>		
Meals	656,300	
Thrift Shoppe	55,054	
Senior Services	67,030	
All Others	255,305	
<b>Total</b>	<b>1,033,689</b>	

from maintaining its properties to delivering meals. There are many ways to value the contributions of these volunteers. As explained in the accompanying box, these volunteers are valued by what they could have earned in the Memphis regional economy working in a job with the government or private industry doing the same work. The result is

that MIFA uses \$7.1 million in volunteer labor, a sum that more than matches its operational budget for its employees. Looked at another way, the MIFA volunteers make up the equivalent of another 144 full-time employees on the MIFA staff. Adding regular employees and volunteers together, MIFA has salary budget of over \$13 million with a staff of over 400 employees. Added to the contributions of volunteers are the donated

goods and services that add to the products sold in the thrift shop and to the services provided in the community. These in-kind donations total \$674,492.

MIFA client contacts help round out the story of its business activities. MIFA Meals program not only delivers meals but also provides the initial contact for additional services. This program resulted in 656,300 contacts last year. With its many other services (377,389 additional contacts counting everything from thrift shop customers to counseling to housing) added to the MIFA Meals program, MIFA sees its clients 1,033,689 times during the year.

## ***The Salvation Army***

William Booth founded the Salvation Army in London, England in 1865. But the Salvation Army came to Memphis over a century ago in 1900. In the year 2000, the local Salvation Army opened the Purdue Center of Hope on Jackson, near the old Hurt Village community. The Salvation Army is known for its Angel Tree program – the program of gifts and donations centered around the celebration of Christmas – and its disaster services program – where the Salvation Army brings services to those in need who are affected by natural disasters. But in Memphis, the Salvation Army also provides services that fit into the emergency services of the Safety Net Collaborative.

The Salvation Army has met the needs of the hungry and the hurting in the Mid-South. At the Purdue Center of Hope, the Salvation Army operates three shelters for the homeless that can house 122 women and children each night. The Salvation Army has been providing housing for women in Memphis since the Evangeline Residence opened in 1922. First, there is the Single Women's Lodge, a shelter for 20 women who suffer from addiction and/or mental illness issues. The shelter allows a woman to stay for 90 days in the Purdue Center while she works with case managers to develop a plan and patterns of living that allow for movement into permanent housing. Second, the Emergency Family Shelter has room for 57 women and children for short-term (90 days) housing. Again, the Salvation Army provides case managers who assist the women and children with childcare, permanent housing and issues of available benefits through public agencies. Third, there is Renewal Place, a 24-month program for homeless chemically addicted women (with children). The goal is for permanent renewal of a woman's life and integration of her children into a family unit. Women in this program

often enter with few job skills, no GED and an addiction. Plus, many of the women have had their children placed in foster care. With an emphasis on treatment, Renewal Place emphasizes a holistic rehabilitation in the context of the Christian gospel. It helps mothers live sober, self-sufficient lives, ensures that their children get a healthy start in life, and allows family to be together during a recovery from crisis.

The Purdue Center is also the physical location for the Hardin-Prentiss Child Care Center. The Child Care Center is open for enrollment to children between 6 months and 5 years. Indeed, the Center is also open to children of the women in the three shelters. The Center works within the child care provisions of Tennessee's Families First program. The Center provides age appropriate teaching and activities in a wholesome Christian environment. The Center employs a professional trained staff.

In addition, the Salvation Army has programs that provide homeless men with meals and emergency housing, a feeding ministry for the homeless, family and youth worship services, and shelter, meals, case management spiritual recovery and jobs for men in drug/alcohol recovery. These programs rely on in-kind donations of clothing and other goods. These goods are then resold, benefiting not only the shoppers, but the clients of the men's programs.

The Business of the Salvation Army. In 2003 the Salvation Army raised a total of \$4.9 million to fund its operations in Memphis. Of that revenue, \$2.7 million (55 percent) were in contributions and grants. Salvation Army client income is only a small portion of its revenue base.

The Salvation Army spent over \$5.2 million to operate its programs in the Memphis area. Of that \$1.5 million was spent on salaries and benefits. Those salaries

supported a staff of 74 full-time and 16 part-time employees. In addition, the Salvation Army's many volunteers equate to 10 additional full-time employees, working almost 21,000 hours in a year. The Salvation Army's operational expenses were almost \$3.6 million. These dollars were used to house, feed and care for its many men, women and children who come to them in need. In terms of the investment in the community, the Salvation Army has physical property in assets worth \$7,237,650 in Memphis.

The Salvation Army benefits from thousands of hours (estimated at 20,896 hours) of volunteer labor. These volunteers, full-time, part-time and

Salvation Army Direct Economic Impact -- 2003	
Operating Revenues	
Contributions and Grants	\$2,675,200
Client Revenue	\$96,100
Investment and Other	\$2,136,000
Total	\$4,907,300
Operating Expenses	
Salaries and Wages	\$1,499,050
Utilities	\$168,040
Supplies and Other Expenses	\$3,581,010
Total	\$5,248,100
2004 Total Assets	\$7,237,650
Employees	
Full-Time	74
Part-Time	16
Total	90

occasional, provide services that would have cost \$521,412 to hire, a third of the agency's salary budget. In addition, many goods and services needed to operate its programs are donated. These range from communications services, professional fees, to food and supplies for the Purdue Center's programs and for clients who live independently. Donated goods are worth almost \$1 million each year and services over \$300,000. In total, these in-kind contributions of goods and services are worth \$1.3 million.

It is not difficult to demonstrate the large numbers of people who are helped through the activities of the Salvation Army. Through its numerous programs in

Memphis, this agency had over 11,000 contacts with its day care and youth programs (where one contact is working with one person through one day's program). In addition, the Salvation Army had 252,359 contacts through its meals and lodging provided for

Salvation Army Volunteers, Donations, & Clients		
	Hours	Value
Volunteer Labor		
Professional Managerial	5,200	\$230,672
Social Service/Technical	6,336	\$151,557
Clerical & Housekeeping	9,360	\$130,260
Total	20,896	\$512,489
In-Kind Goods		\$973,500
In-Kind Services		\$332,400
Total		\$1,305,900
Client Contacts		
	Contacts	
Child Care & Youth	11,344	
Lodging and Meals	252,359	
Emergency Services & Other	19,988	
Total	283,691	

women and children at the Purdue Center. Each of these contacts represents an overnight stay in a clean room or a meal for a hungry person or both. In total, the Salvation Army served people in need – 283,691 times during the past year.

## ***YWCA of Memphis***

The YWCA (Young Women's Christian Association) of Greater Memphis has been providing mission-driven programs in the Memphis area since 1919. The mission of the YWCA is to empower women and to eliminate racism. All program areas incorporate strong prevention components aimed at building individual strengths and resilience, cultivating leadership qualities, and changing systems that perpetuate discrimination in any form.

The YWCA of Greater Memphis responds to the unmet needs of women and their families in this community. As a social service/social justice organization, the YWCA has established programs and services to meet those needs over the past eight decades. Its current programs include a quality Before/After School program for children of working parents; a Non-Traditional Career Training and Employment program to move women to self-sufficiency, and a 24/7 Abused Women's Services (AWS) program for victims of domestic violence. With an increase in the contacts with the Latino community, the YWCA provides a full-time Spanish-speaking counselor to meet the needs of Latino women. The YWCA has committed its efforts to saving and changing women's lives.

The AWS program includes four major components: Community Education, Court Advocacy, Emergency Shelter, and Immigrant Women's Services. AWS provided these services to 11,181 women and children in fiscal 2004. The Before/After school programs provides programs for children in the Decentralized Childcare program at 21 different sites scattered through the area and an award winning Head Start program. In fiscal 2004, the Decentralized Childcare program provided affordable, quality care for 1,343 school age children and the Head Start program enrolled 120 pre-school children.

Finally, the Non-Traditional Career Training and Employment program trained and ensured employment for 422 adults. This program focused on non-traditional occupations in which women make up less than 25% of the workforce, such as carpentry, technical communications, painting, electronics and home appliance repair.

The Business of the YWCA. The YWCA operates a \$3.3 million dollar program, where a third of the revenue comes from program service fees and a little less than half comes from government and foundation grants (\$1.4 million or 43 percent). Like many of the agencies in the SNC, the YWCA is a

caring organization that has a budget that is dominated by salaries and benefits. Of its total operating budget of \$3.4 million, \$1.9 million (55 percent) is spent on its employees. Of this amount 78 percent is in its programmatic services and the remaining 22 percent goes to administration. The YWCA employs 25 full-time and 94 part-time staff. Most of the part-time employees

YWCA of Greater Memphis Direct Economic Impact - 2004	
Operating Revenues	
Contributions and Grants	\$1,439,557
Client Revenue	\$998,330
Investment and Other	\$899,094
Total	\$3,336,981
Operating Expenses	
Salaries and Wages	\$1,905,483
Utilities	\$49,330
Supplies and Other Expenses	\$1,478,278
Total	\$3,433,091
2004 Total Assets	\$2,346,765
Employees	
Full-Time	25
Part-Time	94
Total	119

work in the Before/After School program and seasonal activities. Altogether the YWCA has 119 employees. In addition, the YWCA has \$2.3 million in assets invested in the Memphis community.

The YWCA also relies on volunteer services to assist in its organizational work. Volunteers offer the equivalent of almost 2.7 full-time workers – 5,391 hours during the

past year. Volunteers serve in most major capacities within the organization from professional assistance with the policies of the Board to people who work with individuals and children associated with the YWCA programs. If these volunteer hours were purchased in the local labor market, it would add \$168,639 in additional salary costs to the operation of the YWCA. The YWCA also receives over \$250,247 worth of in-kind

goods and services to assist with the operation of its programs.

YWCA of Greater Memphis Volunteers, Donations, & Clients		
	Hours	Value
Volunteer Labor		
Professional Managerial	2,795	\$123,964
Social Service/Technical	696	\$16,648
Grounds/Kitchen/Skilled	772	\$12,329
Clerical & Housekeeping	1,128	\$15,698
Total	5,391	\$168,639
In-Kind Goods and Services		\$250,247
Client Contacts		
	Number	Contacts
Abused Women's Services	11,181	13,864
Child Care	1,343	268,600
Training	422	12,660
Total	12,946	295,124

The key to the success of the members of the Safety Net Collaborative is the number of people in need that are served each year. The YWCA serves 12,946 people each year. Its biggest program is the Abused Women Services which result in 13,864 client contacts each year. The child care program, both on-site and

distributed across the city, provides at least 268,000 days of child care during the year.

Altogether, the YWCA has 295,124 client contacts in a year.

## **The Total Impact of the Safety Net Collaborative**

Simply put, the impact of the whole Safety Net Collaborative is much greater than the sum of its parts. These nine agencies combine actions, faith, and effort to help solve many of the emergency social service problems that exist in the Memphis metro region. Can the actions of these nine agencies be summed together? It is a difficult process. After all, the agencies complement one another. While one provides medical services, another provides food, and another delivers counseling. The services range across the needs that people have when faced with a life crisis.

### ***The Direct Impact of the Nine Agencies***

These nine agencies made 9,277,427 contacts with individuals during the past year, one every 3.5 seconds. The SNC agencies do this job at a cost of only \$51.2 million – a dollar cost of only \$5.52 per contact. Counting the value of the volunteer labor and in-kind donations, the SNC agencies still deliver their services for \$10.00 per client contact. The contacts that the members provide are usually not brief. And the services that people receive actually help end the emergency, rescue them from a personal crisis, feed them when they are hungry, provide temporary housing, counsel them when they are desperate and build the long term relationships that are necessary for individual change.

The Safety Net Collaborative helps individuals on parole stay out of the prison, keeps people healthy without sending them to the emergency room, keeps the elderly and disabled living independently, and cares for people with alcohol and drug dependencies in caring environments. The costs of these services, when provided by the state or private businesses, are often much higher. And without the SNC, many of these client services would be just too expensive for the person or for society to afford. For example, in the State of Tennessee in 2003, it costs

- \$49.33 per day (\$18,005 per year) to house an inmate in prison instead of a place to live and to learn new work skills through the Memphis Union Mission.

- \$383.00 per visit to the emergency room instead of the personal care received at a fraction of the cost at the Church Health Center or Christ Community Health Services.
- \$145 per day (\$52,925 per year) in a nursing home instead of remaining and regaining independence through the programs of MIFA or other SNC agency programs that touch the elderly or disabled.
- \$10-\$45 per day for out-patient drug or alcohol treatment rather than accessing the services of the SNC agencies that treat the spirit as well as the mind and the body.

While the list above notes the costs of alternatives, many of the SNC services have no real practical alternative. To name only a few of the things that these 9.3 million SNC contacts do:

- Associated Catholic Charities finds a home for a family of refugees.
- The Church Health Center uses its church network to bring medical services and well being to individuals with chronic medical problems.
- Christ Community Health Services binds a whole community together through its family medical clinics.
- Family Services of the Mid-South uses its crisis phone line to help avert suicide and turn a person back to a rational life.
- The Food Bank provides the groceries and the logistics capability for others to feed hungry adults and children through the region.
- Memphis Union Mission takes people off the streets who have lost everything and offers them a chance to turn their lives around.

- MIFA uses its home delivered meals and transit programs to support the process of keeping the elderly and the disabled independent, living lives free of the constraints of institutionalized confinement.
- The Salvation Army rescues women in crisis and with addictions while providing a living environment for both the women and their children.
- The YWCA intervenes in families to save women and children from abusive households and assist these women in finding and using affordable child care.

This list only scratches the surface of the services provided for people in need of emergency assistance. Clearly, the SNC agencies do two things. First, they deliver services that no one else would or could deliver for individuals and families in a crisis environment. Second, SNC agencies provide an alternative for some services, an alternative that is usually more cost effective and more personally caring than the services provided by the state or for profit service organizations.

*The Business of the Safety Net Collaborative.* Taken together, the nine agencies are a large not-for-profit conglomerate service enterprise. The services they provide are funded by donations and grants – donations from individuals, from civic organizations and from area businesses. In addition, there are grants from local and national foundations. Finally, the government, recognizing the practical impact of these effective agencies, provides significant levels of support. Of the \$50.5 million in revenues received in the past year by these nine agencies \$31.9 million (63 percent) came from donations and grants.

Safety Net Collaborative Direct Economic Impact	
Operating Revenues	
Contributions and Grants	\$31,862,453
Client Revenue	\$11,593,473
Investment and Other	\$7,062,394
Total	\$50,518,320
Operating Expenses	
Salaries and Wages	\$28,237,730
Utilities	\$1,567,155
Supplies and Other Expenses	\$21,423,889
Total	\$51,228,775

Another \$11.6 million (23 percent) came from clients, individuals who helped pay for their services or from insurance that helped defer some of the expenses. Finally, rental

incomes, other kinds of monetary gifts, and investment income add up to an additional \$7.1 million (14 percent) in revenue. Together these three sources make the delivery of the SNC services possible.

The expense budget of the Safety Net Collaborative agencies is slightly over \$51.2 million during the year. The agencies spend most of their funds on salaries and benefits to accomplish the work that they do in the community. Together the SNC spends \$28.2 million on employee salaries and benefits (55 percent of all expenditures). This salary money allows the Safety Net Collaborative to employ 893 full-time and 344 part-time employees (1,237 total employees). The SNC agencies spend \$1.6 million (3 percent) on for electric, gas, water and phone service to operate their facilities. The agencies spend \$21.4 million (42 percent) on goods and services and the many supplies needed to make their services work. A large portion of the supplies budget is spent

Safety Net Collaborative Employees and Volunteers	
Employees	
Full-Time	893
Part-Time	344
Total	1,237
Volunteers	
Hours	548,957
FTE Volunteers	264
SNC Employees & Volunteers	1,501

locally. Finally, the agencies of the SNC have significant investment in the community. Their combined assets invested in the Memphis community are worth \$69,429,778.

### ***The Impact of Volunteers and Donated Goods***

One of the things that makes the SNC unique is that these agencies combine the operation of the emergency assistance business with the services

of a voluntary association. Each agency has worked to help solve social problems in the Memphis area. As these agencies grew and matured, they have maintained both aspects (professional and volunteer social service) of their corporate existences. While on one side they are businesses; on the other side they are volunteer agencies. That is because the services they provide require personal human contact to be effective – it is about care giving at its core.

Indeed, the expenditures of these agencies only begin to count the economic impact of the SNC. Volunteers are attracted and are a vital component to accomplishing the missions of the nine SNC agencies. Volunteers contribute 548,957 hours each year.

And, as enumerated above, they volunteer at all skill levels from professional labor like lawyers and doctors to drivers, office clerks, and maintenance workers. These volunteers actually make up the equivalent of another 264 full-time employees, an additional 30 percent of full-time employment not included on the income statements of these agencies. If these volunteers had been paid at the average salaries paid in the local economy, the worth of the volunteers comes to \$11.7 million during the past year.

In addition to volunteers, the SNC receives many donated goods and services. The variety is too vast to enumerate. Suffice it to say that everything from lawn care service to building maintenance are donated in services; everything from life sustaining pharmaceuticals and cell phones to plates and cups are donated in goods. The value of the in-kind goods and services was \$29,771,244 during the past year, more than the actual expenditures for goods and services of the SNC in the community. Almost \$17 million of that total is made up of the grocery items donated to The Food Bank. But these in-kind goods and services have the same use to the agencies that purchased supplies do. They make the work of the agencies go further and make them more effective.

### ***The Extended Community Economic Impact***

The social and economic activities of the SNC ripple through the community. This report documents the importance of the SNC: (1) noting that many of its services are not replaceable in the community, and (2) listing a few examples of how the SNC accomplishes social tasks more cost effectively than other organizations. The SNC also has a business impact, creating new jobs and income for the Memphis community as it assists people in times of crisis. This called the multiplier effect.

The work of the SNC agencies is felt first through its employees and volunteers. The SNC has 1,237 part- and full-time employees in the Memphis metro area. In addition, volunteers contribute the equivalent of 264 additional full-time employees for a total of 1,501 employees. These employees help expand the employment base throughout the city. As they spend their income and ply their skills, they build an environment that multiplies their efforts to create another 2,552 jobs in producing goods and services that spin off of the work of SNC workers. The total economic impact of the Safety Net Collaborative on employment in the Memphis area is 4,053 jobs.

The employment impact can also be measured in employment-based income. As SNC employees spend their salaries and wages and as volunteers contribute to the health of the community, their work helps increase the level of income available for all Memphians. As employees spend the \$28.3 million in salaries and the \$11.7 million in imputed volunteer labor, these dollars work their way through the community. These incomes are multiplied by the work and spending of other employees in other companies to an additional income growth of \$74.7 million. In total, the SNC collaborative generates a multiplier impact of \$114.7 million from the works of its employees and volunteers.

Finally, the SNC agencies spend money on their own utilities, on supplies, and on other expenditures, much of it locally, as they provide services. The \$23 million in expenses multiplies into indirect economic expansion in the community of \$45 million (everything from electricity and phone service to liability insurance to cleaning supplies) in income growth. The total expenditures impact on regional income of the SNC is \$67.9 million. Added to that income multiplier is the impact of donated goods and services. The \$29.8 million in donated goods and services has an additional ripple effect of creating income growth of \$58.7 million. Together the donated in-kind goods and services expand to represent \$88.4 million in total expanded expenditures in the community. Combining direct expenditures and in-kind goods and services with their indirect impact, the Safety Net Collaborative contributed to income growth of \$156.4 million in the Memphis metro economy during the year.

In summary, the Safety Net Collaborative helps create 4,039 jobs in the Memphis metro economy. Its salary and expenditures base, plus its volunteer labor and in-kind donations, has a multiplier effect that increases the expenditure and income potential of SNC business activities to \$271 million per year.

## **Issues Related to the Impact of the Safety Net Collaborative on the Memphis Community**

### ***Income and Employment Impact of the Safety Net Collaborative***

The economic impact of the Safety Net Collaborative is partially based on the income multiplier effect of these nine agencies. It is clear that there are two income multipliers working to spread the effect of their work. First, there is the obvious impact of increasing the well being of the men, women and children who come into contact with the SNC agencies. Their lives are improved both temporarily and permanently: temporarily through the services that get them through the current individual crisis or emergency that they are facing; permanently through the transformation in some of the lives that comes from a chance to increase well being for their families over an extended period of time.

Second, the work of the SNC agencies also flows through the community in terms of the work and efforts of SNC employees and volunteers. To illustrate this impact, this study uses 2003 RIMS (Regional Input-Output Modeling System) multipliers (based on 2000 data) for the Memphis MSA (eight counties in west Tennessee, north Mississippi and east Arkansas). Multipliers indicate the increase in employment and income that occurs in the rest of the economy due to the efforts of a particular institution.

- **Employment multiplier:** This multiplier indicates the number of jobs that are created in the rest of the greater regional economy for the addition of one more job in the SNC agency staff. This multiplier is an average of employment multipliers for lodging, medical and health services, childcare and retail trade. The social services employment multiplier for the SNC is 1.7001.
- **Earnings Multiplier:** The earning multiplier is the dollar equivalent of the employment multiplier. It indicates the amount of household earnings that will occur for the expenditures of the SNC agencies on salaries and benefits. This study includes the implicit value of the labor of volunteers in this analysis. The earnings multiplier for the

SNC is an average of the multiplier for lodging, medical and health services, childcare, and retail trade. The earnings multiplier is 1.8677.

- **The Purchasing Multipliers:** The SNC agencies purchase many goods and services in the local economy. They buy medical supplies, food, basic housekeeping materials, plus the range of electronic and business supplies that are necessary to run a modern business. This study grouped these multipliers into two parts. Final demand multipliers result in a measure of the total change in output revenue for all other industries in the region for a \$1.00 change in purchases in this industry. First, there is the utility multiplier indicating the impact on demand in the rest of the community for SNC purchase of utilities and communication services. This final demand multiplier is 1.7441 for utility services. Second, for all other purchases by these agencies, the final demand multiplier is 1.9708.

These multipliers help explain the overall impact of the SNC agencies on the greater Memphis economy.

### ***The Memphis Regional Economy***

The Memphis regional economy is usually defined as eight counties in West Tennessee, East Arkansas, and North Mississippi. The City of Memphis sits on the eastern bluff of the Mississippi River in Shelby County, the most populous of the counties in the MSA. The region has been greatly influenced by the culture and economy of the Mississippi Delta. The agencies of the Safety Net Collaborative serve not only the eight counties in the MSA, but also many rural and small market center counties that feed into the Memphis metro area. But the focus of the work of the SNC is the people in Memphis.

Is Memphis typical of most modern US cities? Is the SNC collaborative managing problems similar to those found in other parts of the country? The answers to both questions are 'yes' and 'no'. Memphis does have a unique heritage, one of which the

citizens of the Mid-South are proud. But Memphis is also a big sprawling city that encompasses many suburbs and several small towns, a city much like the ones where other urban Americans live.

Memphis has a long tradition of being the service center for the production, transportation, and financial needs of the Mississippi Delta. As the urban economy grew over the past half-century, it was fueled by labor that migrated out of the plantations and small towns of the Delta. Education and income were not high in the city, but living conditions were better here than in the rural world left behind. As Memphis changed in the last half century, to become a modern urban economy, it has continued as a town with many low-income jobs and a weak tradition of educating its citizens.

Today, the region has a vibrant economy based on transportation, logistics, medical services, and finance. Companies such as FedEx, AutoZone, Methodist and Baptist Hospitals, and First Horizon Bank make up only the largest of many headquarter companies based in the Memphis region. These companies offer employment and careers to many people in the region. In addition, the area is home to two large public

Demographic and Economic Characteristics USA vs. Safety Net Collaborative Service Area US Census 2000								
	City of				Zip Codes			
	USA	Memphis	38104	38105	38109	38126	38111	38112
High School or Better*	80.4%	76.4%	81.9%	56.9%	65.5%	45.1%	79.9%	70.7%
In Labor Force**	63.9%	63.0%	69.3%	43.7%	57.1%	44.5%	64.7%	61.7%
Median Household Income	\$41,994	\$32,285	\$30,256	\$10,974	\$28,368	\$10,734	\$31,652	\$27,306
Per Capita Income	\$21,587	\$17,838	\$25,293	\$10,212	\$12,186	\$6,291	\$20,384	\$16,450
Individuals Below Poverty	12.4%	20.6%	19.8%	54.6%	25.5%	60.0%	19.4%	29.2%
Owner-Occupied Homes	66.2%	55.8%	33.1%	13.9%	75.9%	18.1%	57.7%	49.1%
*over 25 population	**over 16 population							

universities, The University of Memphis and The University of Tennessee Medical Unit, plus several private colleges and community colleges. But below this surface of prosperity, there exists in the region a large working population that lives in or near poverty. From these ranks of the poor, the working poor, people suffering catastrophes, and people with severe medical problems, come the clients of the nine members of the Safety Net Collaborative.

In many respects the statistics of the Memphis economy just meet the U.S. mean. That is, we sit in the middle of the potential of the U.S. economy. But with 1.1 million

people in the MSA and 650,000 in the City of Memphis, household incomes in the City are about 77 percent of the U.S. mean and per capita incomes are about 83 percent of the U.S. mean. All of the SNC agencies are headquartered in the City of Memphis. That is, while the agencies help people throughout the region, they are often located in areas of greatest need.

The accompanying table above illustrates some of the problems that the agencies face as they look out their windows from their headquarters into the surrounding neighborhoods. While the SNC agencies serve the entire Memphis metro community, the listed Zip Codes are where the SNC agencies are headquartered or have major facilities. None of the SNC headquarters Zip Codes have household incomes even as high as the City. Per capita incomes in three of the Zip Codes are very low. The high per capita incomes in two (38104 and 38111) are also home to many professional workers in the government and educational sectors.

The other demographic characteristics are similar. Except in two Zip Codes, the percentage of adults with a high school education is far below national means. Generally, adult participation in the labor force – either working or looking for work – is much lower than in the region as a whole. The percentages in poverty, already high in the Memphis region, are staggering in some the neighborhoods in which the SNC members work. One fifth of the Shelby County population lives in poverty. And in two of the SNC headquarters Zip Codes, over half of the population lives in poverty. Finally, home ownership, typically about 2/3 of all housing in the US, is as low as 13.9 percent for the area surrounding one the SNC members.

These data do not reflect the actual populations to which SNC members deliver services. Generally, they work with those having the greatest problems; lack of employment, underemployment, homelessness, addictions, or personal catastrophe. Consequently, the Safety Net Collaborative members have their work cut out for them. In general, Memphis has a longer ladder to affluence than the typical metropolitan area in the United States. Out of necessity, its members created the SNC to increase the efficacy and efficiency of its service delivery systems. The SNC invention provides an exemplary model for other cities, so that other cities may use the Memphis template effectively as they deal with their populations in need.

### ***Technical Notes on Impact Multipliers***

This economic impact study of the members of the Safety Net Collaborative makes some assumptions that are both different from and typical of other impact studies. Our goal was to show the total impact of the nine members of the SNC. But, from the initial analysis, these agencies were different from typical business or not-for-profit organizations. The SNC members rely on large numbers of volunteers and receive large quantities of in-kind donations. This feature of the study brings the first major difference from most other economic impact studies. This analysis incorporates the value of this donated labor into the value of services provided by each agency and the impact of the agency on the community. These donated labor hours are valued at replacement value in the regional labor market. The value of the labor is estimated to be in 2004

- \$44.36 per hour for managerial/professional labor
- \$23.92 per hours for social service/technical labor
- \$15.97 per hour for grounds/kitchen/skilled labor and
- \$13.92 per hours for clerical/transportation/housekeeping labor

Often, collecting these data was difficult. A couple of SNC members had long records of volunteers and in-kind donations. Other members used their methods, but in the end, we often had to extrapolate from one or two months of sample data to the entire year. The value of volunteer labor was measured looking at the replacement value on the greater Memphis labor market. The Independent Sector, a coalition organization of nonprofits and foundations, estimates that the value of volunteer labor was \$17.19 per hour in 2003 (\$14.86 per hour in Tennessee). This study was able to segment SNC volunteers by occupational work and occupation value per hour locally. However, our estimates are not out of line with those of the Independent Sector.

Valuing in-kind products and services was even more difficult. We found that the process had to be done on an agency-by-agency basis. From the beginning of this impact study, it was clear there was an “above the water” impact of these agencies represented

by the revenues and expenses of the nine agencies, but often the “below the water” portion of the agencies – made up of volunteers and in-kind gifts – was an important part of the agencies’ ability to deliver services. Since the goal of the study was to measure the overall economic impact, it became imperative to measure these non-market components of the SNC agencies. However, we did not develop a standard methodology for collecting and valuing in-kind donations for this impact study. In most instances, the study attempted to get the assistance of donating companies to value the donated goods and services. But sometimes the study had to use a staff consensus estimate of value for an agency.

The second difference in this economic impact analysis is the treatment of the impact as part of the ongoing services of the SNC agencies to the community. Usually economic impact studies illustrate the change in income and jobs that would occur if a new project were undertaken. This study indicates the ongoing economic impact of the SNC. The economic impact illustrates the value of services contributed by the community and to the community. The impact also illustrates what would have happened if these agencies were not here.

The similarities to other economic impact studies are four-fold. First, this study addresses one economic unit, the greater Memphis regional economy. The Safety Net Collaborative works in this area alone and has an impact in this economy. Memphis is a region of almost 1.1 million people with about 600,000 jobs available for its residents. It is usually considered a low-income metropolitan area, but the area is home to several important corporations, mentioned above. The area has a large African-American population with the City of Memphis being majority black. Immigrants, particularly undocumented Latinos, are a rapidly growing demographic component of the area’s population.

Second, this study assumes that there would not be good or adequate substitutes for the services provided by the SNC members if SNC emergency services were to be terminated tomorrow. Most clients of the SNC agencies would not find easy alternatives to the current services that they receive that have been painstakingly developed by the agencies over the years. Clearly other social services agencies exist, both public and private, and there is a large public hospital called The Med. However, these agencies are

usually stretched to their limits – operating at both their financial and physical capacities – so that the impact of the SNC members is real. Without the Safety Net Collaborative, their extension of services would not exist.

Third, this study used RIMS II multipliers to estimate the total income impact and the total employment impact of the services provided by SNC agencies. Fourth, the study assumes that no new methods for delivering emergency services to people in need would be developed immediately. That is, in almost every instance, the SNC members have been innovative in both their individual service delivery and in their inter-agency cooperation. SNC members already are the state-of-the-art service delivery system.

### **Other Social Service Economic Impact Studies**

This study of the Safety Net Collaborative is unique. It deals with the economic and social impact of the nine member agencies on the lives of its clients and on the Memphis metro region. While there are studies in other regions, none have provided the focus that this study details. Most other studies, reviewed below, focus on the total economic impact of the not-for-profit sector of a region or a city. Not-for-profits are, after all, one of the most

rapidly growing segments of the economy.

- The Center for Philanthropy at Indiana University, *Giving Memphis 2003* AAFRC.
- Public Sector Consultants, Inc. *Economic Contributions of Florida Nonprofit Organizations: A Resource for the Public Good*. Philanthropy and Nonprofit Leadership Center, Rollins College. Winter Park, FL. April 2002.
- Kleine, Robert J. and Nick A. Khouri. *Economic Benefits of Michigan's Nonprofit Sector: Description and Analysis*. ed. Wilma Harrison and Amy Roseware. Public Sector Consultants, Inc. Lansing, MI. April 1999.
- Allinace for the Arts, *The Economic Impact of the Arts on New York City and New York State* <http://hellskitchen.net/develop/news> 1995

They are often able to blend modern business practices and caring environment more effectively than for-profit businesses and government agencies. Not-for-profits are flexible and often very innovative, adjusting their activities to the needs of today.

But most other studies have focused on the entire not-for-profit sector, often including hospitals, and the arts and educational sector. The dollars and the number of employees in hospitals, educational institutions, arts councils and large church service organizations can

overwhelm the impact of the social service agencies that specialize in emergency assistance to the poor, the hungry and people in crisis. The Safety Net Collaborative's

impact is measured in the millions, not billions, of dollars. It is the work of a few thousand men and women. This study focuses on one critical area of the not-for-profit sector, emergency service delivery.

The common theme of economic impact studies of the not-for-profit sector is that not-for-profits are large, they help create income and jobs in their communities, and they often grow more quickly than organizations in the regular business sector. The study of Florida is important. That report indicates “Florida nonprofit organizations...have grown faster than the state’s overall... In short, Florida’s nonprofit sector generates significant economics benefits for state residents.” The economic impact study of the arts in New York focuses on the increase in well-being that accompanies expenditures on the arts: “The excellence, diversity and scope of cultural activity in New York City and New York State – indeed the growth of the arts industry – are important contributors to our economic dynamism as well as our quality of life.”

The economic analysis of not-for-profits in Michigan explains the importance of the not-for-profit organizations and their funding sources. “[A]lthough the nonprofit sector does not create base economic activity, it does provide significant numbers of jobs, some of which are funded with resources from outside the state and would not be replaced if the sector did not exist.”

Probably the best summary of the role of organizations like the Safety Net Collaborative comes from the locally produced document, Giving Memphis 2003. “The nonprofit sector inhabits an essential place in American society. Charitable organizations in the Memphis area – like those across America – seek to meet the spiritual, intellectual and material needs of people every day.” The role of the Safety Net Collaborative, to provide emergency assistance, medical and social services in the Memphis area, is more focused than many larger organizations in the not-for-profit sector. Yet, the SNC does what all essential irreplaceable organizations do: provides services, increases income and develops useful occupations in the helping arts.

## The Lessons of the Safety Net Collaborative

The importance of the Safety Net Collaborative to the Memphis region is critical. Its member agencies deliver social services that are essential to the assistance of people in crisis. The Safety Net Collaborative has worked to become a respected force in the community that (1) communicates basic human needs to the greater Memphis community and (2) provides effective delivery of services that provide food, clothing, shelter, housing, health care, and crisis counseling.

The Collaborative has seen as its purpose (1) to enhance agency communication, (2) to improve inter-agency education about services, and (3) to bring about improvement and innovation in service delivery. The SNC has enhanced service delivery through discerning gaps in current emergency programs, eliminating duplication of services, and addressing emerging human needs.

What are tools that the SNC agencies used to accomplish these goals?

- They use modest expense budgets financed with revenues generated not only by grants and contributions, but also by client-based revenues and investment income.
- They multiply their effectiveness by employing thousands of hours of volunteer labor – volunteer labor that complements its paid staff – and the use of millions of dollars of in-kind donations to fill the gaps that budgets cannot cover.
- They use the faiths of their staff and volunteers to communicate to clients and the community the importance of their principles and projects.

- They recognize the importance of coordination for efficient client services, but also recognize that the independence of the member agencies is needed for client focus and for agency innovation.

The Safety Net Collaborative provides a model for other urban centers looking for new methods to solve the problems of delivery of emergency services to people in crisis. Modest in size, but expansive in social goals, the SNC is able to reach where others have had difficulties. Each agency specializes in tasks that are in accord with its specific mission, but the needs of people in crisis are cared for because the agencies coordinate and plan their services to be complementary.

As noted by, Burt Waller, the Director of CCHS, in a 2004 presentation to the Memphis Grant Makers Forum:

“To an extent greater than that of others, we see problems directly through the life experiences of those we serve. That’s what we’ve found as our common ground... The clients and their needs are truly the mastic, the adhesive that helps us adhere to one another.”

The success of a not-for-profit service organization depends both upon public confidence and broad public support. The agencies of the SNC have worked to achieve a standard of excellence that incorporates these principles. This study developed the data to demonstrate the Collaborative’s role in the Memphis metro region. Using both qualitative and quantitative information, the SNC achieves a high standard of performance. A brief list below indicates the successes of the SNC:

- The SNC values collaboration among the nine agencies with other emergency service organizations in the Memphis metro region.

- SNC agencies each have distinct missions and objectives that complement one another for successful assistance delivery.
- SNC agencies are not only involved in the community, they work in the geographic parts of the community that are most in need; working and living with the people to whom the agencies minister.
- The SNC provides diversified, quality services that are both cost effective and are often without viable alternatives.
- SNC agencies are fiscally sound, using their modest resources, to grow and to expand the services required in the Memphis community.
- SNC agencies operate close to edge, depending on resources and donations that barely cover their needs, while not having enough funds to completely serve their established missions.
- SNC agencies have large stable, well-trained staffs that are augmented by a large number of volunteers.
- The SNC works to inform and involve the greater community in its projects, its efforts, and its faith-based actions to make a better Memphis.

The Safety Net Collaborative is made up of nine cooperative social service agencies. It is successful, it is important to the regional economy, and its role can be expected to expand in the future. But it is also fragile. Without adequate funding, the work and the benefits of the SNC agencies could disappear. That is the tightrope that the SNC walks every day.

**About the Author:** Dr. David H. Ciscel is Professor of Economics in the Department of Economics in the Fogelman College of Business and Economics at The University of Memphis. In addition, he is also a faculty affiliate with the Center for Research on Women and with the School of Urban Affairs and Public Policy. He has numerous publications on the regional economy and on problems in labor economics. Dr. Ciscel is active in regional community development activities. He is a regular speaker on economic issues before civic groups. In addition to providing expert advice for regional law firms, he has consulted with local organizations including the Southern College of Optometry, the Church Health Center, the Federal Reserve Bank of St. Louis (Memphis Branch), Memphis International Airport, and Methodist Hospitals. He sincerely appreciates the cooperation and assistance provided by the SNC agency Directors in the preparation of this study.