



Socio-Economic Impact Report

First Metropolitan United Church

Victoria, BC



Sphaera Research

10/16/2020

Table of Contents

Executive Summary	Page 2
Congregational Profile	Page 3
Neighbourhood Profile	Page 4
Valuation	Page 13
Methodology	Page 16
Limitations	Page 16
Understanding Halo Values	Page 17
Halo Canada Project Findings	Page 21
First Metropolitan United Halo Findings	Page 22
Range of Impact	Page 32
Strategic Considerations	Page 35
Conclusions	Page 37
Appendix A - First Metropolitan United Halo Matrix	Page 39
Endnotes	Page 42

LOCAL HALO INDEX:
\$15.8 Million

NATIONAL HALO INDEX:
\$19.0 Million

SECONDARY HALO INDEX:
\$20.2 Million

LOCAL SPENDING INDEX:
\$1 TO \$18.46
(UCC National Median = \$4.06)
(Halo Canada Median = \$3.23)

LOCAL PER CAPITA
\$99,555
(UCC National Median = \$14,569)
(Halo Canada Median = (\$8,893)

**COMMUNITY VOLUNTEER
HOURS:**
49,385

**COMMUNITY VOLUNTEER
VALUE:**
\$1,333,395

HALO TAX BENEFIT:
Local Halo Impact is 59.9
times the financial benefit
society would receive if the
congregation were taxed.
(Halo Canada = 10.4)

DIRECT EMPLOYMENT:
1 Full-time positions
14 Part-time positions

1. Executive Summary

In Canada, the social, spiritual and communal value of local congregations has long been accepted. The economic value these congregations bring to their surrounding neighbourhoods, however, is an entirely different matter. While the economic valuation of “soft assets” has gained increasing traction over the past several years in many social service sectors, only recently have researchers begun to explore this question in the Canadian religious context.

“What if we could measure the economic value of what local congregations contribute to their surrounding communities?”

This study of First Metropolitan United Church in Victoria, British Columbia forms part of a larger study to assess the socio-economic impact of Canadian congregations.

Using domestic and international studies from related sectors, we present a case for applying financial benefit to many types of congregational activities that have previously been considered intangible.

To date, these studies suggest that congregations, representing religious Canadians of all faiths, are contributing approximately \$15.5 billion annually to Canada’s social economy.

First Metropolitan United Church in Victoria has a Local Halo Effect of \$15.8 million on its surrounding community.

Taking these factors into account, it is clear that First Metropolitan United Church plays a key role in the social and economic life of Victoria with a Local Halo Effect of \$15.8 million. This represents a local per capita value for every worshipper of \$99,555. Church members, program leaders and community volunteers expend 49,385 community volunteer hours worth more than \$1.3 million in social benefit and for every dollar the congregation spends, the surrounding community receives \$18.46 worth of social impact.

2. Congregational Profile

First Metropolitan United Church is affiliated with the United Church of Canada. It is located at 932 Balmoral Road in central Victoria.

First Met, as many members and community residents refer to it, was formed in 1995 by a merger of Metropolitan United Church and First United Church. These congregations had existed prior to the formation of the United Church of Canada in 1925 as Metropolitan Methodist Church and First Presbyterian Church. Metropolitan Methodist was also known previously as Pandora Avenue Methodist Church and Wesleyan Methodist Church. With amalgamation, the Methodist church building was sold and now houses the Victoria Conservatory of Music. Together, the two congregations moved into the Presbyterian building at the corner of Quadra Street and Balmoral Road, which had been built in 1914.

Key elements that factored into our understanding of and assessment of the congregation's socio-economic impact include:

Building

- Congregation established: 1995 with the merger of First United and Metropolitan United
- Current building constructed: 1914
- Additions to the building: 1952 Fellowship Hall / 1957 addition to Fellowship Hall
1963 Christian Education Wing and Annex to Heritage Building
- Ownership: Owned by the congregation without a mortgage
- Parking: 43 underground spaces / 13 above ground spaces
22 used daily by ICA tenants / 18 weekday renters

Membership

- Mailing List: 1,411
- Active Members: 310
- Adherents: 299
- Average attendance: 159 Adults / 10 children
- Cultural demographic: Moderately diverse / predominantly Caucasian
- Distance travelled: 44% live within 3 km radius / 10% travel more than 10 km

Financial

- 2019 Revenue: \$889,153
- 2019 Expenses: \$857,530
- Charitable donations: \$387,706
- Number of donors: 300
- Property value: \$7,398,000
- Employment: 1 full-time / 14 part-time

In addition to providing services of worship and programs intended for members of the congregation itself, the church offers and partners with other community organizations to provide space for public programs and performances; community events, multi-cultural programs, supports for children, youth, families and seniors; adult learning; life-skills; food security; housing, health, supports for immigrant peoples; arts and cultural programs; and community advocacy.

3. Neighbourhood Profile

An important part of understanding a congregation's socio-economic impact involves understanding the demographics of its surrounding neighbourhood.

First Metropolitan United Church is located at 932 Balmoral Road in downtown Victoria, BC, on the southern tip of Vancouver Island just off Canada's Pacific coast. The city is located approximately 100 km south of Vancouver, BC and 100 km northwest of Seattle, Washington.

Figure 1: First Metropolitan United



Named for Queen Victoria, Victoria is one of the oldest communities in the Pacific Northwest. Beginning as a British settlement in 1843, the area already had a rich Indigenous history prior to that. As the Provincial Capital, Greater Victoria is the 15th most populous metropolitan area in the country. In addition to serving as the seat of provincial government, Victoria is a popular tourist destination with a thriving technology sector. It has a large non-local student population who attend the University of Victoria, Camosun College, Royal

Roads University and the Victoria College of Art. Victoria's temperate climate and seaside ambience is also reflected in its proportionally large retired seniors' population.

The congregation itself is situated in the neighbourhood of North Park. The city's official website describes the community as a growing neighbourhood just northeast of downtown. It is an architecturally diverse neighbourhood with historic churches, popular eateries and retail shops. It is also described as Victoria's recreation centre which includes the Save-On-Foods Memorial Centre, the Royal Athletic Park and is the site of the annual Rifflandia Music Festival.

Figure 2: Victoria Neighbourhood Map

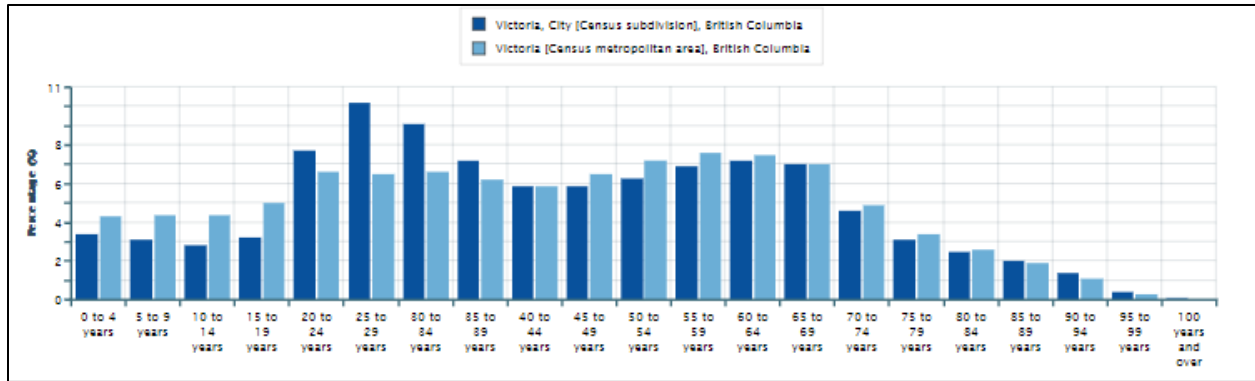


While the congregation most closely identifies with the neighbourhood of North Park, more than 50% of the congregation travel more than 3 km to participate in worship and other congregational programs. As a result, for the purposes of rendering this demographic profile, we have relied on data arising from the 2016 Canadian Census for the City of Victoria¹, the wider Victoria Census Metropolitan Area (CMA) and, where appropriate, the Province of British Columbia.²

3.1 Population

According to the 2016 census, the City of Victoria has a population of 85,792 people, which represents an increase of 7.2% over the 2011 census. Greater Victoria (CMA) has a population of 367,770; an increase of 6.7% over the 2011 census. 2016 figures for North Park are not readily available from the city. However, in 2011 the neighbourhood had a population of 3,050, or about 3.8% of the City of Victoria's population at the time.

Figure 3: Population By Age and Gender



The city has 45,762 privately occupied dwellings, a population density of 4,406 people per sq. km. and covers a land area of about 19.5 sq. km. In 2011, North Park had 2,120 private households.

Compared to Greater Victoria, the City of Victoria has proportionally fewer children and teens, more young adults aged 20 to 39 and more or less the same percentages in each 5-year age category for adults aged 40 and older. The average age in Victoria is 44.5 (median = 42.7) which compares to an average of 44.1 for the CMA. The median age is 45. In 2011, the median age of North Park was much younger at 36.2. Seniors represent 13% of the population, compared to 21% (2016 figures) for the City of Victoria. In 2011, children and youth under the age of 15 in North Park made up 7% of the population compared to 9.2% (2016 figures) for the City of Victoria and 13.1% for the Victoria CMA.

North Park residents tend to be younger on average than the City of Victoria.

3.2 Housing and Dwelling Type

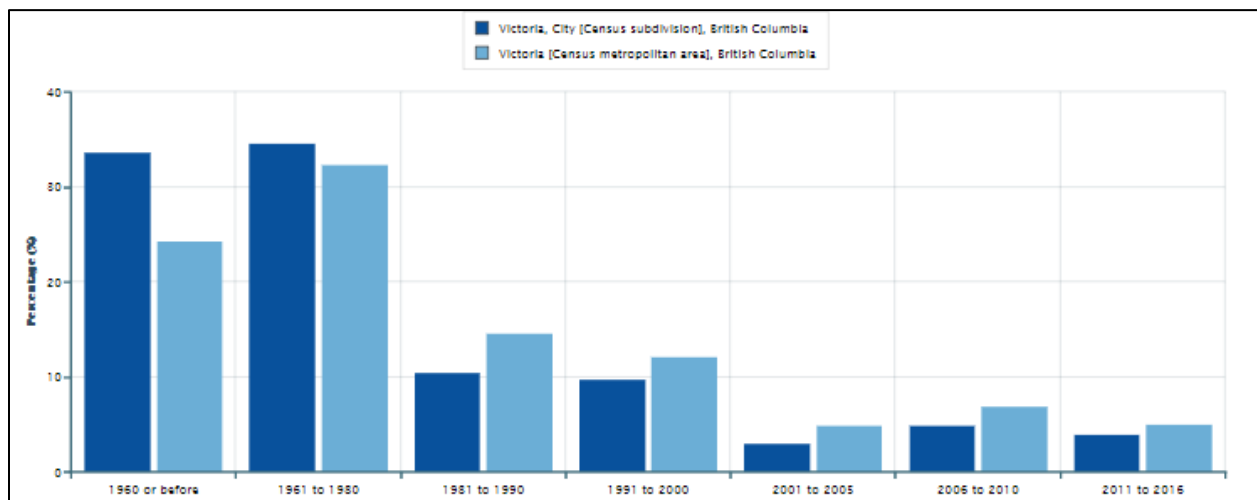
In 2016, 39.4% of Victoria homes were owner-occupied, while 60.6% were renter-occupied. In Greater Victoria, the percentages were almost reversed with 62.6% of homes being owner-occupied, while 37.3% were occupied by tenants. Of the city's 44,495 private households, 69.1% were owner occupied while 30.9% were occupied by renters. This ratio is almost exactly the same as the rest of the province at 69.7% (owner) and 30.2% (renter) and just slightly more balanced than the rest of the city at 72.3% (owner) and 27.7%(renter). In North Park, we observe an even greater differential with 77% of homes in 2011 occupied by renters.

In the City of Victoria, condominiums also represent a far greater percentage of the housing stock (28.1%) compared to the Census Metropolitan Area at 18.4%.

Predictably, the majority of homes located within Victoria’s city limits tend to be smaller than those outside the city limits. Most homes in the City of Victoria have only one bedroom (38.6%) while the majority of homes in Greater Victoria have 3 bedrooms (26.8%). Only 9.6% of city homes have 8 or more rooms in total, while in Greater Victoria, 27% of homes have 8 or more rooms. The average number of rooms in Victoria is 4.4. In Greater Victoria the value is 5.9.

As illustrated in Figure 4, close to 70% of city homes were built prior to 1981, while the figure for the Victoria CMA is just over half. The chart also shows that significantly fewer homes have been built within the city since 2001 relative to the wider CMA, with only 3.9% of Victoria homes being constructed between 2011 and 2016.

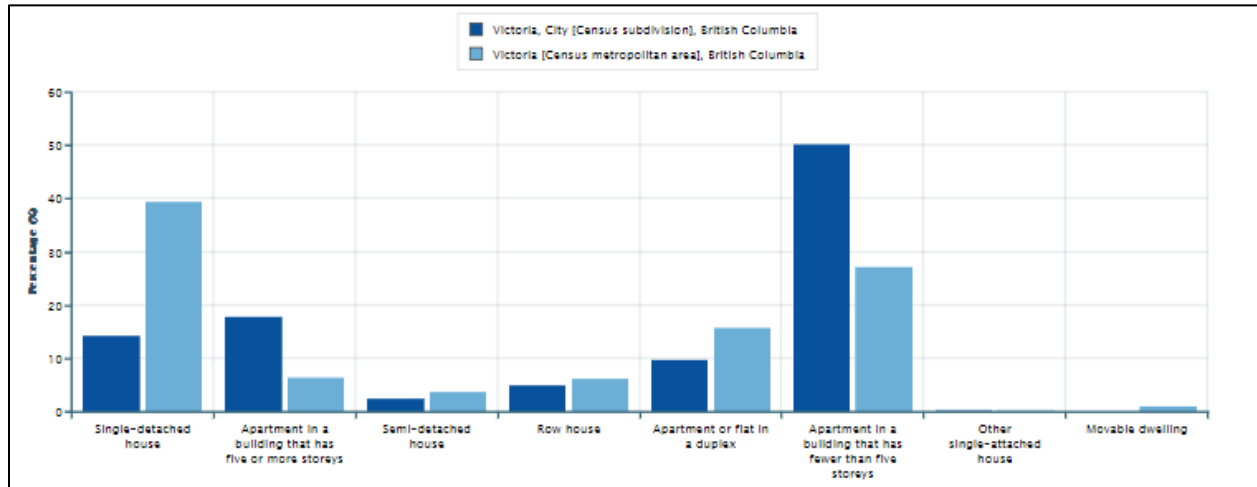
Figure 4: Occupied Private Dwellings by Period of Construction



In 2016, 94.9% of city homes were considered “suitable” for its residents, compared to 96.4% of CMA homes. Suitability refers to whether a private household has enough bedrooms of an appropriate size for those who live there. In terms of repair, 6.3% of homes were estimated to be in need of major repair as compared to 5.4% of homes throughout Greater Victoria.

While most homes in Greater Victoria are single detached (39.5%), half of city residents live in an apartment building of 5 storeys or less.

Figure 5: Occupied Private Dwellings by Structural Type



Shelter costs offer important insights into community affordability and the economic health of residents. In Victoria, it is estimated that 22.3% of owner households spend more than 30% of their income on shelter costs. This registers slightly higher than Greater Victoria at 19.0%. Tenants, however, experience a significantly greater challenge with 45.9% of city renters and 44.3% of CMA renters spending more than 30% of their income on shelter costs.

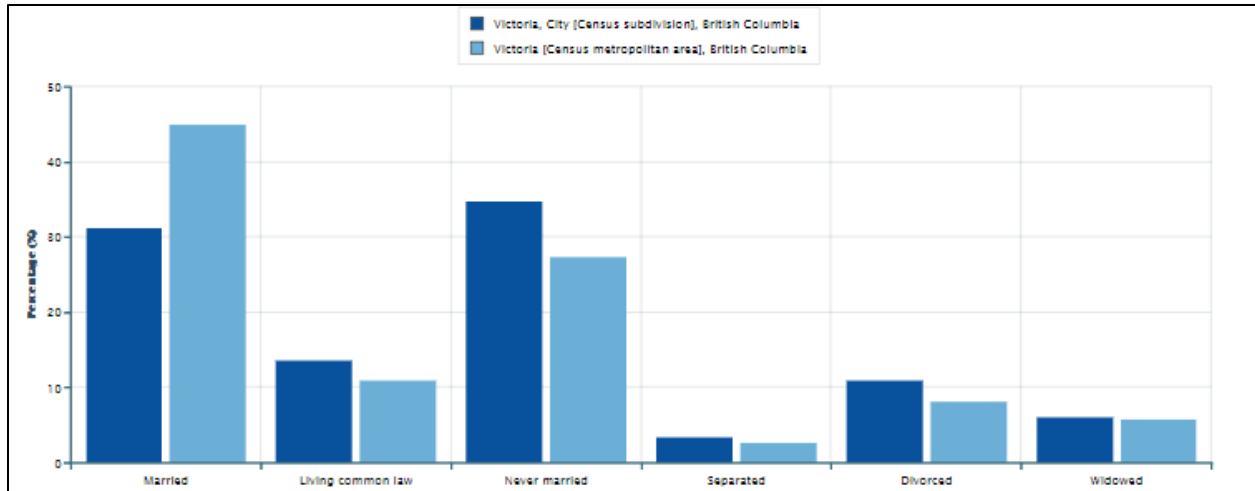
The median monthly shelter costs for owned dwellings in Victoria is \$1,610. For tenants, monthly shelter costs come to \$962. This registers just slightly lower than for owners and renters throughout the CMA. The average cost of a home in Victoria is \$566,156. In Greater Victoria the average cost is \$637,064.

3.3 Families, Households and Marital Status

Almost half of Victoria homes (48.4%) are occupied by only one person. Compared to Greater Victoria, the city has proportionally fewer married individuals, more individuals living common-law, more that have never been married, more separated, and more divorced. It also has slightly more single parent families with the vast majority of these (81.4%) led by females.

Effective congregational planning is also careful to include Statistics Canada reporting for census families. Census families are defined as a married couple (with or without children), a common-law couple (with or without children) or a lone parent, of any marital status, with at least one child living in the same dwelling. Couples with no children make up 69.0% of the census families in Victoria (CMA = 58.2%). Conversely, couples with children make up 31% of the census family population (CMA = 41.8%). The average census family size in Victoria is 2.5. In Greater Victoria, the average family has 2.7 individuals.

Figure 6: Married Status for the population aged 15 years and older



3.4 Immigration and Cultural Characteristics

91.7% of Victoria residents identify as Canadian citizens. This compares to 93.8% of CMA residents. 77.8% were born in Canada while in Greater Victoria the figure is 79.8%. Throughout the rest of the province, only 69.5% of residents were born in Canada.

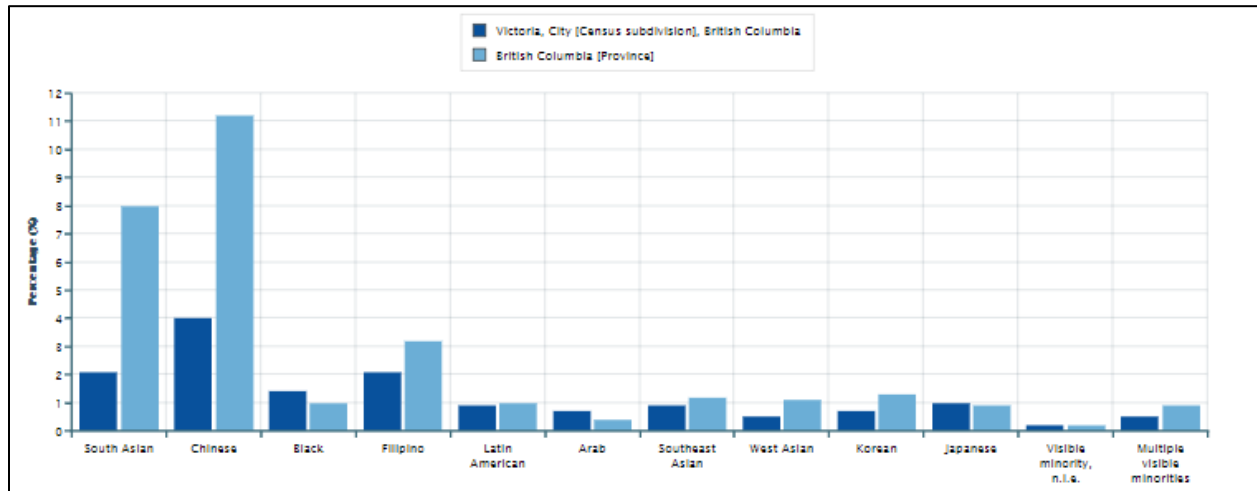
Of those city residents who immigrated to Canada, 15.9% arrived between 2011 to 2016. This compares to 13.4% of provincial residents. 51.8% of Victoria's immigrants arrived as "economic" immigrants (BC = 56.3%). 37.6% were sponsored by family (BC = 33.8%) while 9.6% arrived as refugees (BC = 8.6%).

Similarly, as illustrated in Figure 7, visible minorities make up 15.2% of the city's population, in stark contrast to the provincial figure of 30.3%. Chinese (4.0%), Filipino (2.1%) and South Asian (2.1%) represent the City of Victoria's three largest visible minorities.

15.9% of Victoria's immigrant population arrived between 2011 and 2016.

9.6% arrived as refugees.

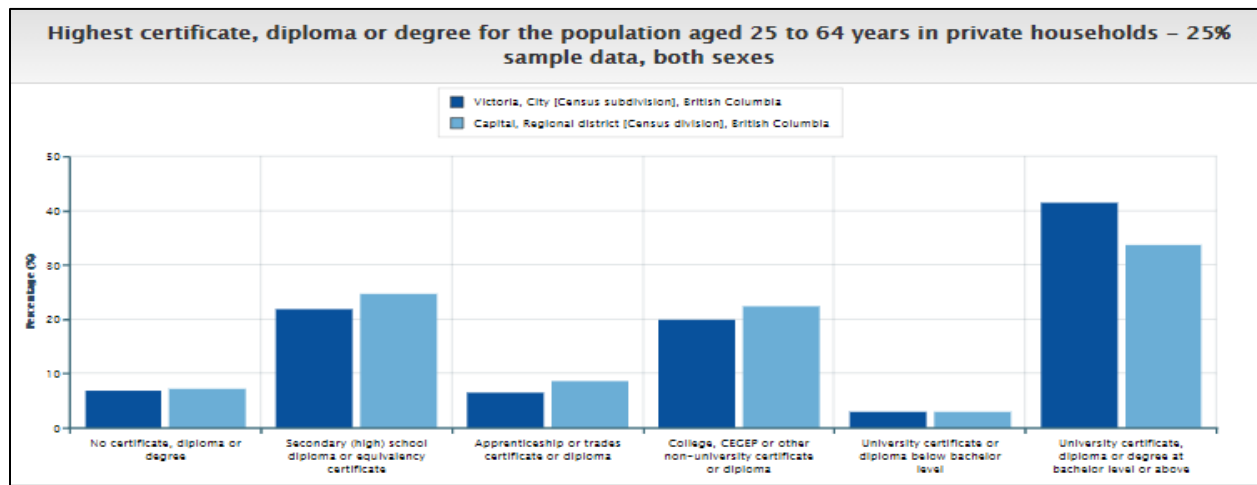
Figure 7: Visible Minority Population



3.5 Education

Victoria area residents compare well to provincial residents in terms of basic levels of education. Only 6.9% of the adult population aged 25-64 in Victoria have not achieved any type of certificate, diploma or degree. This compares to 9.6% of provincial residents. 21.9% of the city's adult population have achieved a high school education as their highest level of education (British Columbia = 26.5%). 41.6% of Victoria residents have a university certificate, diploma or degree at a bachelor's level or above, well above the provincial value of 29.9%.

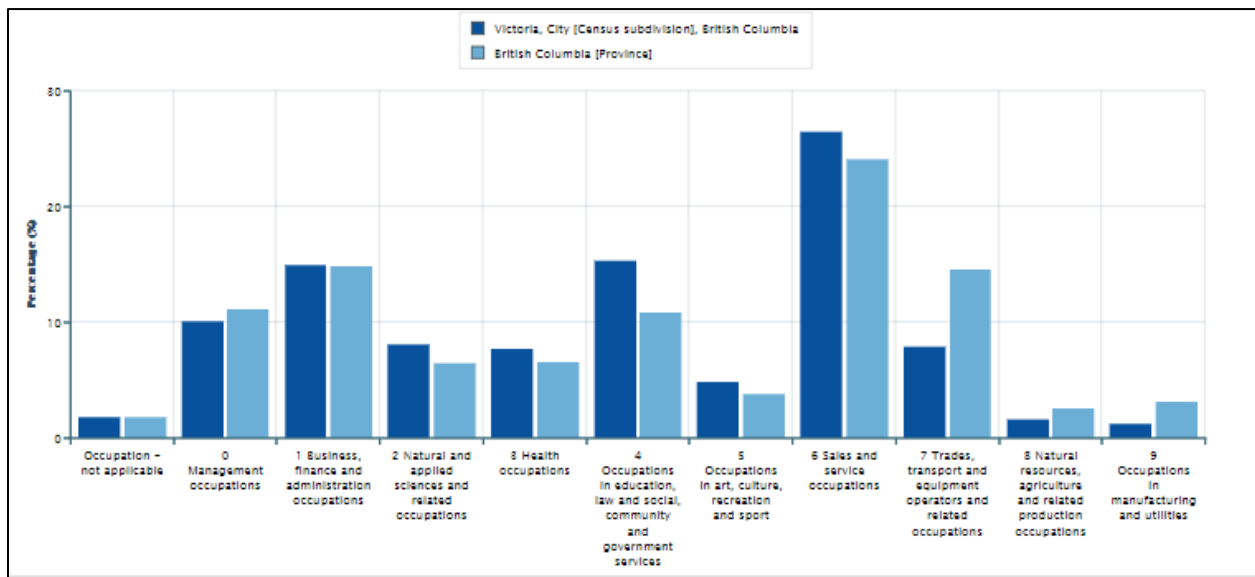
Figure 8: Highest certificate diploma or degree Victoria adults aged 25-64



3.6 Employment

At 6.0%, the unemployment rate in Victoria is slightly better than the provincial rate at 6.7%. Sales and Service represents the largest employment sector for Victoria workers at 26.5% of the workforce. This is followed by occupations in Education, Law, Social, Community and Government Services (15.3%) while Business, Finance and Administration represents 15.0% of the workforce (15.0%). Self-employed workers in Victoria make up 12.5% of the workforce (BC = 13.9%). 8.0% work from home.

Figure 9: Total Labour Force population aged 15 and over by occupation (NOC)^a



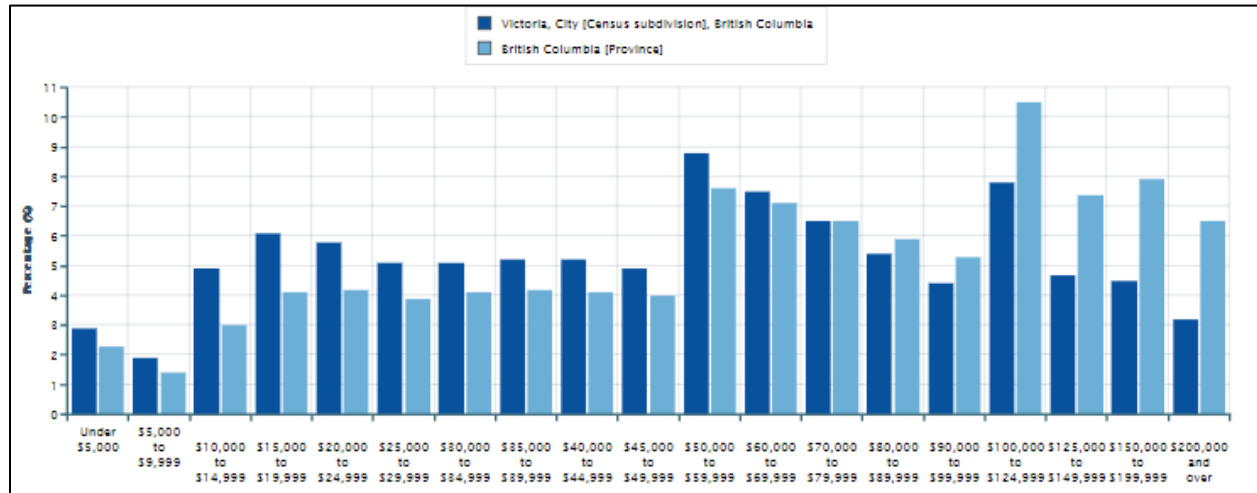
When commuting to work, most Victoria workers (44.4%) travel by car. This compares to 70.5% of provincial residents. Most leave for work between 8 and 9 am (28.4%) while another 25.8% leave between 7 and 8 am. The majority (44%), take between 15 and 30 minutes to travel to work.

3.7 Income

In 2015, the median after-tax income for Victoria households was \$46,804, while the median value for the rest of the province was \$69,995. Figure 10 illustrates a greater proportion of city residents occupying income categories below \$65,000 relative to the rest of the province. This trend reverses as soon as household incomes reach \$70,000.

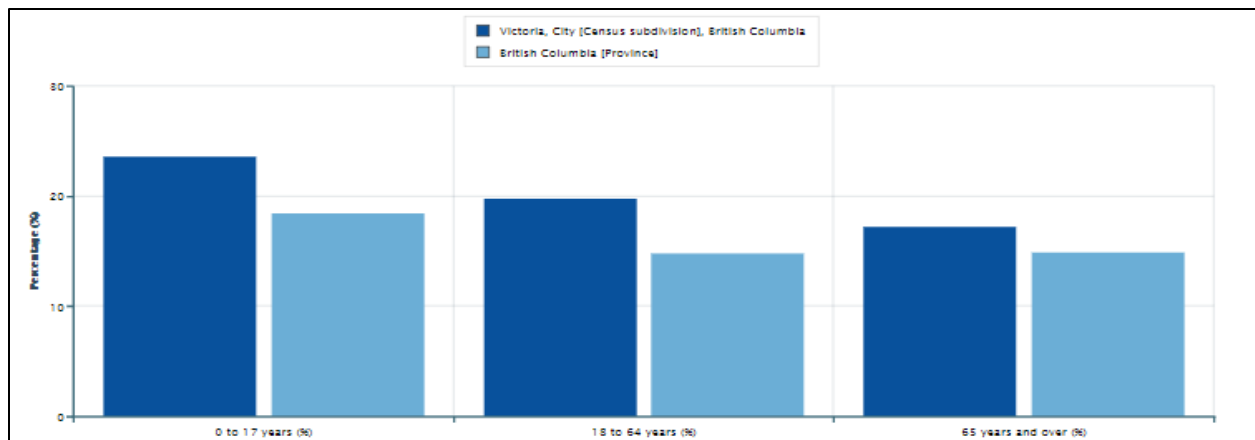
^a NOC represents the National Occupational Classification

Figure 10: Household Total Income Groups in 2015 for Private Households in Victoria



Another important indicator of the financial well-being of individuals in community is the Low-Income Measure After-Tax or LIM-AT. This value is sometimes also referred to as the poverty line. The LIM-AT is calculated to be a fixed percentage (50%) of the median adjusted after-tax income of households observed at the personal level, where 'adjusted' indicates that a household's needs are being taken into account. Typically, those aged 0-17 and those aged 65 and older tend to be more vulnerable than the general population and as a result more likely to fall below the LIM-AT. In the City of Victoria, Statistics Canada reports that 23.6% of young people aged 0 to 17 fall below the LIM-AT, compared to 18.5% of provincial youth. Similarly, 22.1% of children aged 0 to 5 fall below the poverty line, where as only 18% of children the same age do provincially. Victoria seniors are challenged as well, with 17.2% of those aged 65 older, falling below the poverty line. This compares to only 14.9% of provincial seniors.

Figure 11: Prevalence of Low Income based on the Low-Income Measure After Tax (LIM-AT)



4. Valuation

The idea that religious congregations add value to society has long been accepted. Several studies, both in Canada³ and the United States,⁴ have considered the contributions that religious congregations make to the cultural, spiritual, and social lives of their surrounding neighbourhoods. Local congregations help people to explore and cultivate deeply held, centuries-old beliefs; to participate in rituals of meaning; to find comfort in their times of deep pain and sorrow; and to foster relationship in community. Communities of faith and places of worship are where people often gather to find answers to life's biggest questions and to explore mysteries like, why are we here? Where do I belong? And what is the meaning of life? Even for people who would not describe themselves as people of faith, these communities act as incubators for commonly-held social values. Through both primary and secondary involvement with community-based ministries, congregations often find ways to extend their desire to serve beyond traditional congregational activities in ways that are of benefit to both participants and those who are not directly involved.⁵

In 2019, a Special Senate Committee on the Charitable Sector,⁶ highlighted the role that faith communities play in Canadian society. At a press conference following the publication of their report, committee members affirmed the benefit that many religious charities bring to Canadians. Senator Robert Black stated: "Churches are community hubs, especially in rural and northern communities ... they form the basis of our communities." Chairperson Senator Terry Mercer added: "Churches, synagogues and mosques have been the focal point in many communities: they have been the cement that kept communities together."⁷

This "social glue" is also highlighted by a recent survey of community-based organizations in the Province of Ontario. Researchers observed that many community groups depend on space in faith buildings to deliver their services effectively. When asked why they used faith buildings, the top three answers given were: 1) location, 2) price, and 3) accessibility. More importantly, when participants were asked if they thought they could find another space if the building they used closed, more than 50% said they could not. 18% said they probably could, but that it would need to be another faith building, and 16% said they were unsure. Of those surveyed, 32% said they used the space for free.⁸

Despite these acknowledgements, few studies have considered the economic benefit that these congregations bring to Canadian society. The lack of "hard numbers" and the quantitative method needed to produce them often puts congregations and their larger religious organizations at a disadvantage when pressed to "prove" their value in a wider context. At the very least, they lack a common language or "currency" when speaking of value with those who are not a part of the congregations themselves. In situations like these, Halo studies can help provide the kind of quantitative measures that can help congregations better articulate the contributions they make to their local economies.

Congregations, and the neighbourhoods in which they find themselves, are not the only groups who stand to benefit from this kind of information. Increasing revenue, cutting costs and increasing service efficiency sound as a hallmark of government at all levels. For example, the City of Toronto 2015 Auditor General's

report highlights the role that careful review of City Services can play; both in cost savings and efficacy of service provision, emphasizing that for every \$1 invested in audit resources, the return in relation to cost savings is about \$11.50.”⁹ Identifying a tool that can articulate the previously hidden economic contributions of local congregations could significantly strengthen the capacity of City Planners and elected officials to further strengthen investment, reduce duplication of services and initiate creative partnerships with communities of faith to better serve the needs of all City residents.

The purpose of valuation is to assess the monetary value of goods that the market does not price: things like happiness, well-being, rehabilitation, responsible parenting and neighbourhood pride. Valuation can also be used to estimate the costs of specific social problems and the quantitative impact of non-profit organizations in addressing them. It follows that the more complex the phenomenon being valued, the more difficult the valuation. For this reason, previous researchers have often limited their attempts to value congregations to one type of methodology or one type of contribution.

In 2013, Cnaan et al¹⁰ published the first extended study of valuation in congregations. They explored the socio-economic value of congregations by examining 7 areas where congregations typically impact their surrounding communities. These include:

1. **Open Space**

This category represents the community value of congregational outdoor space, including elements like public use of congregational parking, community garden plots, play structures and recreational facilities.

2. **Direct Spending**

This aspect accounts for the ways congregational spending contributes to the local economy.

3. **Education**

This value recognizes that many congregations are involved in operating or providing space for childcare and provincially-recognized education programs for children and youth.

4. **Magnet Effect**

This dynamic identifies the capacity that congregations have to attract people into communities and the money they spend while there.

5. **Individual Impact**

This grouping measures the care and support that congregations extend to families and individuals outside their circle of membership.

6. Community Development

These values incorporate the impact that congregations have when involved in housing projects, micro-lending programs, small business development, and the creation of community-based non-profits.

7. Social Capital and Care

This category accounts for the value of volunteer time attributed to the congregation as well as community use of building space at less than market value.

When researchers applied established values from a wide range of sectors to each of these categories in 12 congregations in the City of Philadelphia, their study revealed an accumulated “Halo Effect” or socio-economic contribution of \$51,850,178. This estimate represented an average Halo Effect of about \$4.3 million per congregation. Even the smallest of the congregations studied - a Presbyterian Church with approximately 150 members and an annual operating budget of \$260,000 - had an estimated annual “Halo Effect” of \$1.5 million.

These numbers, as impressive as they are, tell us little about the potential economic impact of congregations in the Canadian context. As a result, in 2015, our researchers partnered with the City of Toronto Planning Department to study the socio-economic impact of 10 congregations in the City of Toronto. The findings from this report can be found at: [Valuing Toronto’s Faith Congregations](#).

Phase 2 of our work reports on findings from 76 congregations across the country and represents more than 28,500 worshippers. The full report can be found at: [Dollars and Sense: Uncovering the Socio-Economic Benefit of Religious Congregations in Canada](#).

Our most current research, based on studies in 84 congregations across the country, suggests that a typical Canadian congregation has a Halo Effect of about \$1.8 million on its surrounding community. This translates to a median per capita value per worshipper of \$8,893. It also suggests that for every dollar these congregations spend, they create \$3.23 worth of social benefit for their surrounding communities.

5. Methodology

This study of First Metropolitan United Church and its associated ministries employs the same methodology used in our Toronto-based and Canada-wide Halo studies. In order to obtain our data, we distributed two basic questionnaires.

1. Congregational leaders were supplied with an organizational template, designed to gather information on broad aspects of organizational identity and presence in the community.
2. Program leaders and community user-groups received a separate program questionnaire in order to assess the impact of programs offered directly by the congregation, in partnership with other organizations, or independently by community residents or community-based organizations out of congregational space.
3. Where congregations were directly involved in providing daycare, alternative education, supportive housing or refugee sponsorships, additional survey tools were provided.
4. In some cases, city records, locally published materials, and organizational reporting such as annual reports and strategic plans were also used to supplement data collection.

Once gathered, data was assessed according to a series of values assigned in accordance with documented research in parallel sectors. These applied values are identified briefly in Appendix A and discussed in detail on our [website](#).

6. Limitations

There are several important limitations to this study.

First, research that relies on participants to “self-report” will always be open to critique regarding the “subjective” vs. “objective” nature of their reporting. In particular, self-reporting opens the study up to the possibility of under-reporting but also, and especially, to over-reporting or exaggerated expressions of impact. To address this, we encouraged respondents to report only on impacts for which they had direct and/or tangible evidence. To compensate for instances where reporting may have been inflated, we elected to choose the most conservative valuations available. When respondents were unable to provide an estimate, (or a response that did not accurately reflect our own observations) we assigned a value of zero, even if the real value was higher.

Further limits were experienced when we observed activities with presumed socio-economic impact, but for which we had no corresponding research to support an applied value.

Thirdly, this study does not take into account any of the financial, physical or property assets a congregation may have.

With the exception of our discussion on the Potential Tax Benefits and Adjusted Halo Values of congregations, this study does not include any negative community impacts that may arise from congregational involvement in society. For example, many congregations are involved in helping couples to address marital challenges. If a clergyperson, counselor or support worker directly contributes to helping this couple choose to stay in their marriage instead of divorcing, this potentially limits the number of clients available to a local divorce lawyer and his/her income as a result. More challenging examples of negative socio-economic impact include the abuse of children by clergy or program leaders, cases of fraud, or in a very small number of cases the recruitment of religious extremists.

We also have not included any potential impacts (positive or negative) on neighbouring real estate values; crime rates; or impacts associated with loitering of young people or other community groups on business that might be associated with the congregational property.

7. Understanding Halo Values

Early Halo studies sought to assess the value of congregational impact in local neighbourhoods. For many congregations, this value is most important when seeking to share their impact with non-church members or other community organizations. Since then, however, we have also found it helpful to express Halo impact in at least four different ways: 1) Local Halo Effect, 2) National Halo Effect, 3) Secondary Halo Effect and 4) Adjusted Halo Effect.

7.1 Local Halo Effect

Local Halo Effect measures the socio-economic impact of a congregation in its immediate neighbourhood. It is comprised of values relating to: 1) Open Space, 2) Direct Spending, 3) Education, 4) Magnet Effect, 5) Individual Impact, 6) Community Development, and 7) Social Capital and Care. Critical to our understanding of this value is an assumption that 80% of congregational expenditures take place within a 3-5 km radius of the worship site.¹¹ There are some exceptions, like capital expenditures (where only 50% of the total cost is likely to be spent locally), and contributions towards denominational operations and domestic and international aid projects (where the contribution tends to be spent outside the local sphere of congregational influence).

7.2 National Halo Effect

Where the Local Halo Effect accounts for only local spending, the National Halo Effect incorporates the full measure of a congregation's spending. Typically, this includes the remaining 20% of general expenditures, which may include contributions to denominational offices and programs as well as other forms of domestic and international support. It also includes the remaining 50% of capital expenditures. This figure is then added to the same measured values from the six other Halo categories that are used to calculate the Local Halo Effect.

7.3 Secondary Halo Effect

A significant portion of congregational impact is fueled by volunteerism and charitable giving.^b While volunteer and donor activity is not unique to religious Canadians, previous research has consistently shown that regular religious involvement is significantly linked to increased levels of volunteerism and charitable giving.¹² On average, religious Canadians contribute an average of 82 more volunteer hours each year than secular Canadians do.¹³ Canada's General Social Survey (2013) shows that religious Canadians even contribute more volunteer time to secular agencies than non-religious Canadians do.¹⁴ Estimates suggest that these additional contributions may range from as little as 5 hours more than secular Canadians to as many as 28 hours more.

Similarly, religious Canadians contribute more financially to charities and non-profits than non-religious Canadians^{15,16,17}. Lasby and Barr¹⁸ further highlight this dynamic by observing that religious Canadians contribute an average of 1.98 times more money than non-religious Canadians. They also observed that religious Canadian donors contribute an average of \$306 annually to non-religious organizations, compared to \$247 for non-religious donors. This means that religious donors contribute an average of \$59 more each year to secular organizations than secular donors.¹⁹

When these observations were applied to a case study of 50 participating Halo congregations, we observed that the presumed volunteer and donor activity of congregational members outside of their own congregation's programming increased a congregation's National Halo Effect by 6.09%. We have referred to this increased value as a congregation's Secondary Halo Effect.

7.4 Adjusted Halo Effect

Earlier, we recognized that in addition to creating positive economic impact, congregations can also have negative financial impacts on Canada's social economy. One of these negative factors involves taxation. Because congregations have charitable status, they 1) are exempt, in most cases, from paying property tax, 2) receive sales tax rebates, and 3) are able to issue charitable tax receipts to their donors who, in turn, are able

^b The 2013 General Social Survey on volunteerism and Charitable Giving in Canada (GSS, 2013) defines "volunteers" as people who have provided a service, without monetary compensation, for a group or organization at least once during the 12 months preceding the survey. Donors are defined as those who have made at least one monetary donation to a charity or a non-profit group during the 12 months preceding the survey.

to claim personal tax credits based on their donations. The Adjusted Halo Effect subtracts any potential financial benefit that Canadians might see from a congregation's total Halo Effect.

In May of 2012, Toronto Star editorialist Ken Gallinger addressed this situation by asking: "*Are Tax Breaks for Places of Worship Outdated?*"²⁰ The columnist concluded: "I'm not quite ready to argue that houses of worship should be stripped, automatically, of charitable or tax-free status. Many still do community-based work that is enormously valuable both socially and financially ... but perhaps the time has come when places of worship wanting tax breaks should have to prove in some equitable way, that they deserve them."

The two biggest arguments put forward by critics are:

- a) that local congregations are essentially "religious clubs", intended primarily to serve the needs of their own membership
- b) that because of their charitable status, religious congregations do not contribute financially to Canada's social infrastructure.

In response to this first argument, the 2013 General Social Survey of Canadians indicates that religious Canadians not only volunteer and donate more than secular Canadians do generally - but they also volunteer and donate more to secular organizations than secular Canadians do. Places of worship are not just "religious clubs" intended to serve their own; they perform an essential role in supporting community- serving organizations as well.

The second argument focuses largely on economics. In September 2015, the City Council in Langley, British Columbia, approved a strategy to tax properties that had previously been exempt in order, "to reduce the tax burden for the general taxpayers." The plan was scheduled to go into effect in 2017 and would have raised \$82,000 for city coffers. In November of that same year, Langley City Council unanimously decided to revoke its plan following deputations from 15 organizations. When asked about the reversed decision, the City of Langley's Director of Corporate Services said: "It's reasonable to assume that the delegations proved effective."

Those who argue that churches and other religious organizations should no longer be tax exempt suggest that giving religious groups charitable tax status forces all Canadians to support religion, even if they oppose some or all of their religious doctrines. They argue that exempting places of worship from taxation costs the government (and therefore society) billions of dollars in lost revenue.

To address this argument, we developed a means of estimating the economic benefit to society if congregations no longer had charitable tax status. We call this the Potential Tax Benefit, or PTB.

The Potential Tax Benefit anticipates three potential factors:

7.4.1 Property Tax

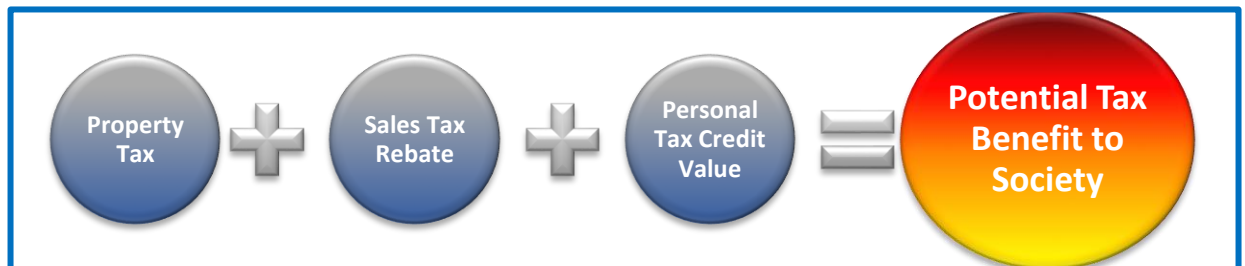
Local congregations are not currently required to pay property tax. In order to calculate the value of this to society, we use the congregation's most recent municipal property assessment and applied the largest tax rate that could reasonably be used under the current zoning by-laws.

7.4.2 Sales Tax Rebates

Currently, places of worship are also permitted to claim a portion of the amounts they pay out in sales tax.²¹ In order to assess a value in this category, we documented the line value recorded in the congregation's annual income statement.

7.4.3 Personal Tax Credits

Finally, if congregations were no longer able to issue charitable tax receipts, individuals would no longer be able to claim their contributions as a personal tax credit on their annual income tax return. This, of course, would result in a net savings / gain to the government and therefore to Canadian society. To assess this value, we asked congregations to provide us with the total number of individuals who received charitable tax receipts during the previous year, as well as the total amount receipted. With this information, we were able to calculate the average tax credit per donor.²² By multiplying this number by the total number of donors, we were able to produce a sum total value for the congregation.



"I'm not quite ready to argue that houses of worship should be stripped, automatically, of charitable or tax-free status. Many still do community-based work that is enormously valuable, both socially and financially ... but perhaps the time has come when places of worship wanting tax breaks should have to prove in some equitable way, that they deserve them."

Ken Gallinger – Toronto Star

When these three values are added together, we arrive at an estimate of the congregation's Potential Tax Benefit. While many Canadians believe they are "missing out" on this benefit as a result of a congregation's charitable tax status, our research estimates that most congregations have a Local Halo Effect that is more than ten times this Potential Tax Benefit.²³

Senator Ratna Omidyar, Deputy Chair of the Senate Review Committee on the Charitable Sector, reinforces the merit of this benefit for local congregations when she states: "I think we need to recognize that religious institutions do more than simply preserve their religious beliefs; they extend themselves in very significant ways, and we should appreciate and recognize that, as opposed to looking at whether they should qualify (*for charitable status*) or not".²⁴

8. Halo Canada Project Findings

To date, the Halo Canada Project has conducted detailed socio-economic assessments in 84 congregations across the country. Table 3 summarizes the cumulative local, national and secondary values derived from this study. Columns 4 and 5 isolate the cumulative values from 35 UCC congregations that have participated in our national study as well as the remaining 49 non-UCC congregations nationwide. Each of these groupings provide important benchmarks for congregations against which they can rank their own assessment.

Table 3: Halo Findings Halo Canada Project	Local Halo Effect	National Halo Effect	Secondary Halo Effect	35 UCC Congregations	49 Non UCC Congregations
Open Space	1.4%	1.3%	1.2%	4.0%	0.4%
Direct Spending	26.7%	31.8%	23.5%	20.2%	29.2%
Education	9.1%	8.5%	8.0%	16.8%	5.3%
Magnet Effect	6.4%	5.9%	5.6%	4.7%	7.0%
Individual Impact	29.7%	27.7%	26.1%	28.5%	30.6%
Community Development	1.9%	1.8%	1.7%	5.0%	0.8%
Social Capital and Care	24.7%	23.0%	21.7%	20.8%	26.8%
Total HALO / Average	\$2,610,690	\$2,822,796	\$2,972,851	\$1,745,672	\$3,221,039
Total HALO / Median	\$1,840,991	\$2,028,446	\$2,137,485	\$1,470,235	\$1,999,813
Per Capita (Average)	\$16,852	\$18,008	\$19,105	\$21,063	\$12,560
Per Capita (Median)	\$8,893	\$9,901	\$10,504	\$14,569	\$6,681
Spending Index (Average)	\$3.85	\$4.04	\$4.30	\$5.02	\$3.29
Spending Index (Median)	\$3.23	\$3.39	\$3.60	\$4.06	\$2.74

These findings suggest that a “typical”^c Canadian congregation has an annual Halo Effect of about \$1.8 million dollars on its surrounding community. This increases to about \$2 million nationally and about \$2.1 million when we account for the secondary volunteer and donor activity of its congregational members. Similarly, a typical Canadian congregation contributes about \$3.23 to its surrounding neighbourhood for every dollar it spends. That figure rises to \$3.39 nationally and \$3.60 when we account for the Secondary Halo Effect of its members.

Our per capita findings, also suggest that individual worshippers are contributing significantly, with contributions equalling \$8,893 worth of social benefit to their immediate communities. Nationally, this figure rises to \$9,901 and finally to \$10,504 when we account for the Secondary Halo Impact of religious Canadians.

We also observe some important differences when comparing United Church Halo values to those of congregations from other faith traditions. United Churches tend to have congregational totals that are significantly smaller than congregations from other faiths. This is due, in large part, to the average attendance figures of participating congregations. The average attendance of the UCC churches we have studied is 100 (median = 85). In non-UCC congregations, the average is 553 with a median of 288. With these increased numbers, we can easily see why UCC totals would be lower. More important is the observation that UCC congregations tend to have significantly higher spending indexes and per capita values than other faith traditions.

9. First Metropolitan Halo Findings

9.1 Local Halo Effect

A congregation’s Local Halo Effect is a measure of the socio-economic impact it provides to its community. This is usually made up of contributions, not only from the congregation itself, but from the various organizations and community groups whose impact is made possible by their relationship with the congregation. Typically, we present this as a single value called the Local Halo Effect.

However, in the case of First Metropolitan United Church, the congregation has a special relationship with Victoria’s Inter-Cultural Association (ICA). Independently, this organization provides a level of impact that is more than six times that of the congregation and its other partner organizations.

^c “Typical”, unless otherwise stated, is based on the median value derived from the Halo Canada Project.

With a planned move for ICA out of First Metropolitan’s congregational space in the near future, we have chosen to present the Halo values for First Metropolitan and Victoria ICA independently as well as corporately. This will permit the congregation to use this information more effectively in its future planning.

Table 5 reveals that the combined Halo Effect of First Metropolitan United Church and Victoria ICA totals approximately \$15.8 million (\$15,829,248). This is made up of a congregational contribution of slightly more than \$2.1 million (\$2,106,162) and Victoria ICA’s contribution of approximately \$13.7 million (\$13,723,086). With an average Sunday attendance of 159, this translates to an average per capita contribution for congregational impact of \$13,246. When the impact of Victoria ICA is accounted for, we find that the per capita contribution of First Metropolitan’s worshipping members swells to \$99,555.

For every dollar that the congregation spends, it creates \$2.46 worth of socio-economic impact. The added impact of Victoria ICA increases this value to \$18.46 for every dollar spent.

Table 4: Local Halo Values First Met and Victoria ICA	First Met	Victoria ICA	COMBINED HALO
Open Space	\$118,619	\$0	\$118,619
Direct Spending	\$715,712	\$2,052,344	\$2,768,056
Education	\$0	\$345,275	\$345,275
Magnet Effect	\$51,695	\$0	\$51,695
Individual Impact	\$398,635	\$6,823,910	\$7,222,545
Community Development	\$0	\$3,367,557	\$3,367,557
Social Capital and Care	\$821,502	\$1,134,000	\$1,955,502
TOTAL	\$2,106,162	\$13,723,086	\$15,829,248
Attendance	159	159	159
Per Capita	\$13,246	\$86,309	\$99,555
Actual Spending	\$857,530	\$857,530	\$857,530
Spending Index	\$2.46	\$16.00	\$18.46

Figure 12 charts the percentage of combined impact that can be contributed directly to the congregation and its other program partners versus the impact of Victoria ICA on its own. In total, 13.3% of the combined impact can be contributed to First Metropolitan, while 86.7% is derived from Victoria ICA’s impact.

Figure 12:
Percentage of Combined Halo Impact First Met vs. Victoria ICA

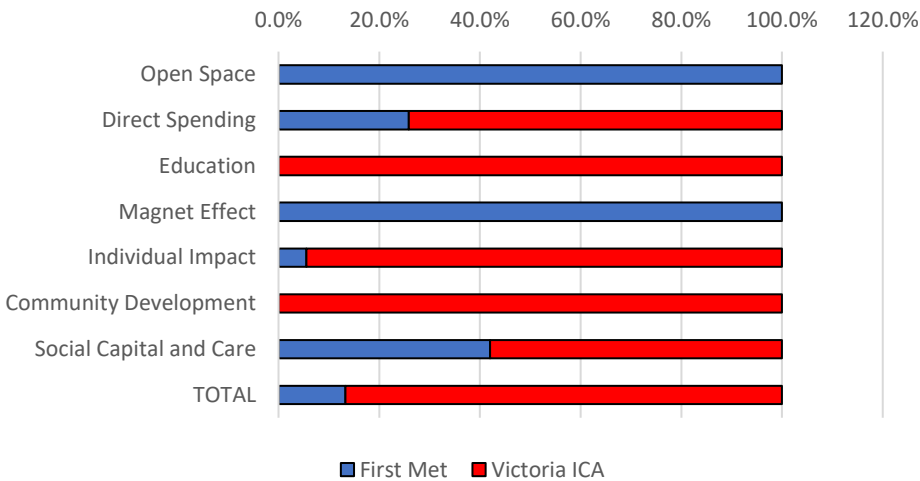
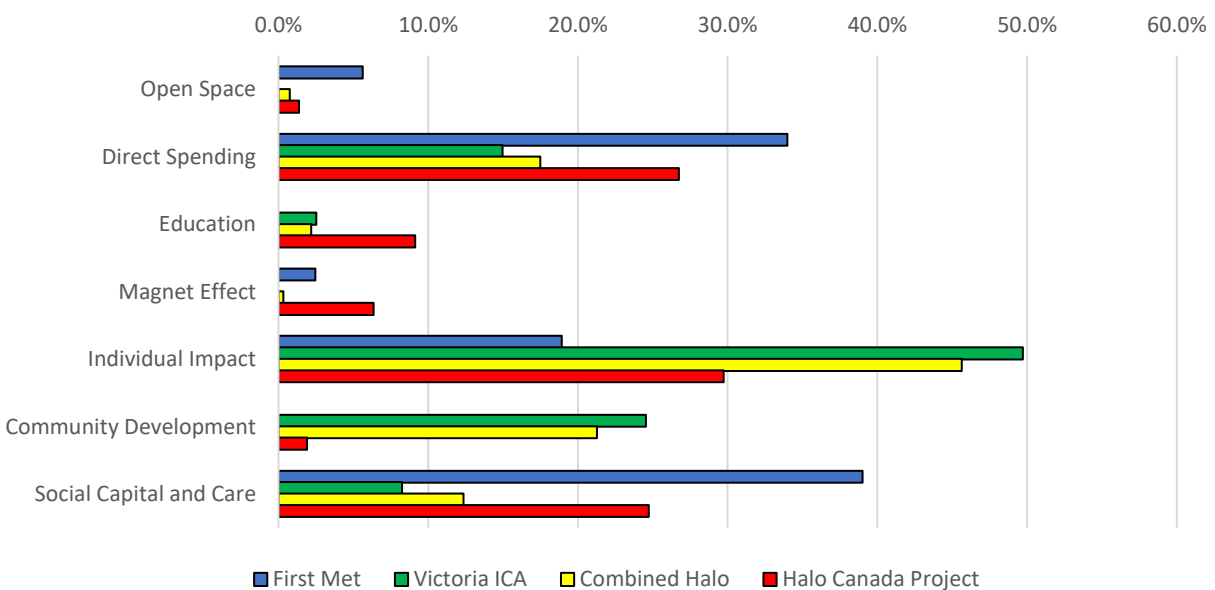


Figure 13 illustrates the relative percentages in each Halo Category for First Metropolitan, Victoria ICA, the combined Local Halo Effect, as well as the local Halo values from the 84-congregation national Halo Canada Project.

Figure 13:
Halo Impact by Category



As a member church of the United Church of Canada, it is also helpful to consider how First Met's impact compares to other UCC congregations. Table 5 reiterates the local Halo Effect that First Metropolitan provides on its own, its combined contribution with Victoria ICA followed by comparisons to the values of 35 United Church congregations and 39 non-UCC congregations derived from the Halo Canada Project.

Of special note are the relative comparisons in the lower portion of the chart. The total Halo contribution of First Met is slightly above the average and moderately above the median values of United Church congregations that participated in our 35 congregation National UCC study. However, when its contributions are combined with the Halo contributions of Victoria ICA, the combined Halo totals measure almost 11 times the median value of other United Church congregations. While the per capita contribution of the congregation is slightly behind the national UCC median value, the combined per capita value is almost seven times the national UCC median value. Perhaps the most telling factor, however, is the combined spending index which is about 4.5 times the median value of UCC congregations nationwide and more than eight times the median value of non-UCC congregations across the country. For every dollar First Met spends, it generates \$18.46 worth of social impact through its own and shared community programs.

Table 5: Local Halo Comparative Values	First Met Halo Percentage	Victoria ICA Halo Percentage	First Met Combined Percentage	35 UCC Churches	39 Non-UCC Congregations	Halo Canada Project
Open Space	5.6%	0.0%	0.7%	4.0%	0.4%	1.4%
Direct Spending	34.0%	15.0%	17.5%	20.2%	29.2%	26.7%
Education	0.0%	2.5%	2.2%	16.8%	5.3%	9.1%
Magnet Effect	2.5%	0.0%	0.3%	4.7%	7.0%	6.4%
Individual Impact	18.9%	49.7%	45.6%	28.5%	30.6%	29.7%
Community Development	0.0%	24.5%	21.3%	5.0%	0.8%	1.9%
Social Capital and Care	39.0%	8.3%	12.4%	20.8%	26.8%	24.7%
TOTAL (Average)	\$2,106,162	\$13,723,086	\$15,829,248	\$1,745,672	\$3,221,039	\$2,610,690
TOTAL (Median)	\$2,106,162	\$13,723,086	\$15,829,248	\$1,470,235	\$1,470,235	\$1,840,991
Per Capita (Median)	\$13,246	\$86,309	\$99,555	\$14,569	\$6,681	\$8,893
Spending Index (Median)	\$2.46	\$16.00	\$18.46	\$4.06	\$2.24	\$3.23

Without ICA's contribution, First Met generates more impact from Open Space, Direct Spending and Social Capital and Care than most other congregations. When its contributions are combined with Victoria ICA, we see that the congregation's reliance on Direct Spending for impact drops considerably and its contributions in the areas of Individual Impact and Community Development rise significantly.

9.2 Local Halo Effect Discussion Points

As we have already noted, First Metropolitan gains more than 80% of its local Halo contribution through a tenant relationship with Victoria ICA. While this impact should not be diminished, ICA's impending move prompts us to focus most of our following discussion the congregation's impact independent of ICA. In each sub-heading below, we have identified the congregational impact first, followed by combined impact.

9.2.1 Open Space - 6% / 1%

Many congregations have open spaces that include trees, lawns, gardens and other types of green space which have a positive impact on the aesthetic, environmental and socio-economic status of a neighbourhood. The Halo pilot study in Philadelphia also attempted to include social value for the oxygen exchange provided by trees on the property. There are additional studies which demonstrate that property values are significantly enhanced when located next to large parcels of green space. In our study, we have restricted our consideration to the socio-economic benefit of garden plots, play structures, less-than-market value charge for parking, and situations where municipalities are charging a management fee for storm-water run-off.

First Metropolitan performs well in this category with significant community impact derived from the less-than-market value parking and garden space it makes available to the community.

9.2.2 Direct Spending - 34% / 18%

Research demonstrates that approximately 80% of congregational spending happens within a 3 to 5 km radius of the building. Congregational budgets are spent mostly on salaries, music programs, social services, maintenance and upkeep, all of which tend to be local. Most congregational staff tend to live locally and therefore spend the bulk of their salary locally. Because congregations exist in communities, they contribute to local economies through their purchasing power and employment capacity. For congregations like First Metropolitan, where Capital Campaigns have been active, typically 50% of this spending is attributed to local impact.

While Direct Spending represents a real socio-economic contribution to society, this category generally follows the principle that less is more. A certain amount of spending is, of course, necessary to pay staff, maintain buildings and property, support programming and generally maintain the infrastructure that makes community socio-economic impact possible. However, the more a congregation spends, the lower the relative impact its other categories will have. As a result, it is also helpful to assess the congregation's spending index (the socio-economic impact in the community relative to actual dollars spent).

First Metropolitan United's Direct Spending represents close to 34% of its overall local impact. This value measures about 14 percentage points higher than most other UCC congregations (20%) and well above non-UCC congregations (29%). In other words, First Metropolitan United, on its own, requires more spending than most to achieve the socio-economic impact it generates. This observation is further reinforced by the congregation's spending index which indicates a social benefit of \$2.46 for every dollar it spends. This compares to \$4.06 for typical United Church congregations and 2.74 for non-UCC congregations.

First Met's relationship with Victoria ICA corrects this dynamic considerably by reducing the relative value of Direct Spending to 17.5% and increasing its combined spending index to \$18.46 for every dollar spent.

It is important to note several factors that can influence upward movement in this category. Typically, older buildings require more spending on maintenance and repairs. The congregation's capacity to partner, particularly with ICA in a way that reduces its relative spending index, is an important indicator of the strength of First Metropolitan United Church's socio-economic relationship with the wider community and offers a strong counter-argument to those that would contend faith communities are simply "religious clubs" established solely to meet the needs of their own members.

9.2.3 Education - 0% / 2%

Some faith communities offer various forms of childcare and formal education to the wider community. These programs can help to maximize use of the building, generate revenue to support other ministries and provide a much-needed service in the community. Infant and nursery care have been shown to provide up to \$20,000 worth of annual social benefit for each child enrolled, while alternative education programs offer about \$12,500 worth of social benefit by helping to promote increased earning potential for its students and by helping to reduce the public cost of health care, policing and the criminal justice system.²⁵

While these programs do offer significant social benefit, many congregations have chosen to limit their involvement in this area due to high maintenance, liability and operational costs.

9.2.4 Magnet Effect - 3% / 0%

Magnet Effect measures the extent to which congregational programs and services attract people from outside the community into a congregation's neighbourhood and the value of their spending while in the community. Based on values put forward by Ontario's Ministry of Tourism, our study assumes that those travelling more than 10 km to attend worship will spend an average of \$20 per visit on items like gas, groceries, and meals. Activities like conferences, weddings, funerals, arts events, community and religious festivals, and seminars all provide additional opportunities to attract individuals from outside the neighbourhood to support this dynamic.

First Metropolitan United's values in this category are just over half the value most other UCC study congregations exhibit and just over a third of what we witnessed in non-UCC congregations.

It is important to recognize that values in this category are heavily influenced by the geographical distribution of a congregation's members. Of the 35 UCC congregations we have studied to date, UCC congregants tend to live closer to the worship site than in other denominations. This is certainly true for First Metropolitan, where 44% of the regular attenders live within 3 km of the church, while only 10% travel more than 10 km. With 90% of regular attenders living within a 10 km radius, there is little congregant spending to account for when attending church. Contrast this with a Cathedral-type church where a majority of worshippers may travel long distances to attend.

We should also note that when measuring the Magnet Effect created by church members who travel more than 10 km to church, we have

Opportunity to Increase Impact

Whether our evaluation is based on First Met independently or in combination with Victoria ICA, the congregation's Magnet Effect measures below that of most other congregations.

Where congregations may have decided against including childcare or alternative education programs due to liability concerns or space constraints, some congregations have pursued formal music instruction for youth, either directly or through formal partnerships with local music educators.

Like other forms of education, music instruction, especially at younger ages, has also been shown to promote intellectual, emotional and skill development in ways that contribute to increased learning potential and reduced health care costs.

calculated our values based only on attendance at worship. This, most certainly, understates the value of a congregation's Magnet Effect. While some members might only attend worship once a week, others may find themselves at the church two or three times a week to take part in other programs, either as participants or as volunteers.

As a result, congregations that have significant numbers of actively engaged members who travel more than 10 km to take part in activities beyond worship will be significantly under-reporting their impact in this area. Without polling each member on the number of times they actually travel to church throughout the year for programs and activities other than worship, our estimates regarding this additional activity would be speculative.

Another special note should be added regarding ICA's relative contribution in this area. While church members and other individuals who travel more than 10 km to attend worship or other events at the church are likely to spend an average of \$20 per visit to the community, we assumed that most individuals who travel more than 10 km to access ICA's services are unlikely to have the same spending patterns. As a result, we did not apply a community spending value for ICA clients.

9.2.5 Individual Impact - 19% / 46%

At almost 19%, Individual Impact represents the congregation's second-largest Halo contribution apart from spending. Individual Impact is best described as the pastoral care extended towards the individuals and families in their neighbourhood through activities like counselling, parish-nursing and other individual or family supports. In our Toronto pilot study, this category represented fully

Opportunity to Increase Impact

Even when congregations are rooted deeply in their immediate neighbourhoods, they still have opportunities to promote "visits" from outside the neighbourhood to special worship events, arts performances, conferences, and festivals.

All of these can create opportunities for engagement with potential worshippers. Working with performance groups to keep records of approximate attendance figures can help them to better maintain client relations and assess their relative impact as well as the congregation's impact by helping to facilitate their programming.

half of the combined Halo Effect in the ten congregations we studied. First Metropolitan United measures about 10 percentage points behind other UCC study congregations and about 12 percentage points behind non-UCC congregations.

Many congregations express concern that lower values in this category might suggest the congregation is not good at “caring”. In most cases, this is not true. Remember that Halo studies are designed to measure engagement with the wider community - not the congregation itself. And even if the pastoral care extended towards the community has a relatively low value, there are a number of additional factors that can suppress this value.

One of these factors involves the relative nature of our reporting. When using percentages, a high number in one category will suppress the relative impact in another category. In the case of First Metropolitan, Social Capital and Care as well as Direct Spending measure significantly higher than most other congregations. This will tend to suppress the relative impact of other categories - like Individual Impact.

This category also further highlights the benefit of community partnerships. On its own, and with its many smaller partners, First Met is able to generate just under \$400,000 worth of Individual Impact - about 19% of its overall total. But by partnering with a large community-serving organization like Victoria ICA, it increases the congregation’s impact in this category to more than \$7 million, or 46% of the combined local Halo Effect.

9.2.6 Community Development - 0% / 21%

Community Development represents an area of impact that is often fairly loosely defined in common use. In our study, it represents the role congregations play in offering formal job-training, being active in housing initiatives, operating lending programs and micro-financing, as well as encouraging small business and non-profit development.

Typically, congregations have little to no measurable impact in this area, although United Churches appear to register slightly more impact in this area compared to non-UCC congregations. In our Toronto pilot study, Community Development represented only 1.1% of the total impact.

Many congregations also express concern when they see a relatively low value reported in this category. Typically, that is because most congregations regard what they do as “community development”. While in common terms this may be true, our metric follows the fairly narrow definition outlined above. And because many congregations do not engage in these specific types of activities, their scores in this category are often low.

While First Met generates little to no Community Development Impact on its own, partnering with ICA increases its impact in this category to about \$3.4 million, increasing its relative impact from essentially 0% to 21%.

As First Metropolitan transitions to a period of ministry after ICA's departure, it will be helpful to assess whether any of ICA's departing services or programs can be maintained on-site by the congregation or whether a referral ministry can account for these continued community needs.

One simple example involves English as a Second Language. In Victoria, 16% of all immigrants arrived in Canada between 2011 and 2016. 9.6% arrived as refugees. Where language instruction can increase earning potential by as much as 25%, ESL classes may be one program the congregation might explore maintaining on-site.

Another example involves supportive housing. A recent study of five dedicated-site supportive housing projects in British Columbia suggests that every dollar invested in these types of housing yields \$4.36 worth of social impact.²⁶

9.2.7 Social Capital and Care - 39% / 12%

Social Capital and Care captures how a congregation uses its program space, its volunteer hours and the social value of its in-kind support to create social value. For First Metropolitan United, it represents the congregation's largest independent impact, measuring twice the impact of most other United Church congregations and close to 30% more than congregations from other faith traditions.

Opportunity to Increase Impact

Whether our evaluation is based on First Met independently or in combination with Victoria ICA, the congregation measures below most other congregations in this category.

Where congregations may have decided against including childcare or alternative education programs due to liability concerns or space constraints, some congregations have pursued formal music instruction for youth, either directly or through formal partnerships with local music educators.

Like other forms of education, music instruction, especially at younger ages, has also been shown to promote intellectual, emotional and skill development in ways that contribute to increased learning potential and reduced health-care costs.

Particularly important for the congregation's contribution in this area is the space it provides for community user groups such as Our Place, Unity and of course ICA. Other smaller organizations, many of which have significant social impacts not included in this assessment, include:

- Aboriginal Coalition to End Homelessness
- Boardwalk Strata Council
- Caravan Work Rhythms Society
- Council of Canadians Victoria Chapter
- Indigenous Law Research Unit, UVIC
- Ministry of Advanced Education
- Ministry of Social Development and Poverty Reduction
- Pain BC Society
- The Base Healing Community
- UVic Centre for Studies in Religion and Society
- Videa
- Vox Humans

10. Range of Impact

Earlier we acknowledged that a congregation's Halo Effect generally extends far beyond its immediate community.

10.1 National Halo Effect

In contrast to a congregation's Local Halo Effect, its National Halo Effect takes into account 100% of its annual expenditures. In the case of First Metropolitan, independent of Victoria ICA, we observe an increase in socio-economic impact from just over \$2.1 million (\$2,106,162) to more than \$2.2 million (\$2,247,981). Its per capita contribution increases from \$13,246 to \$14,138, while its spending index increases from \$2.46 to \$2.62.

Table 6: First Met Local / National / Secondary Halo Impact	Local	National	Secondary
TOTAL	\$2,106,162	\$2,247,981	\$2,384,883
Per Capita	\$13,246	\$14,138	\$14,999
Spending Index	\$2.46	\$2.62	\$2.78
Adjusted Halo	\$1,842,019	\$1,983,838	\$2,120,740

When we add the contribution of Victoria ICA, we its Halo value increase from about \$15.8 million (\$15,829,248) to approximately \$19.0 million (\$19,049,582), while the per capita contributions increase from \$99,230 to \$119,809. The Spending Index increase from \$18.46 to \$22.21 (see Table 7).

Table 7: First Met and ICA Combined Range of Halo Impact	Local	National	Secondary
TOTAL	\$15,829,248	\$19,049,582	\$20,209,701
Per Capita	\$99,555	\$119,809	\$127,105
Spending Index	\$18.46	\$22.21	\$23.57
Adjusted Halo	\$15,565,105	\$18,785,439	\$19,945,558

10.2 Secondary Halo Effect

Secondary Halo takes into account the socio-economic benefit of volunteer time that church members contribute outside of their congregational involvement. When we look at First Metropolitan on its own, we find that this secondary contribution increases its Halo Effect to about \$2.4 million (\$2,384,883), its per capita value to \$14,999 and its Spending Index to \$2.78.

The contributions of Victoria ICA generate a combined Secondary Halo value of about \$20.2 million (\$20,209,701), a per capita value of \$127,105 and a Spending Index of \$23.57.

10.3 Adjusted Halo Effect

The Adjusted Halo Effect acknowledges that a congregation's charitable status yields a benefit that effectively reduces its overall contribution to society. This is largely determined by a) the congregation's property tax exemption, b) its annual sales tax rebate, and c) the personal tax credits its donors receive on their annual income tax returns. When these values are added together, they produce what we call the Potential Tax Benefit (PTB). When this value is subtracted from the total Halo Effect, it produces the Adjusted Halo Effect. The PTB remains constant when calculating the Adjusted Local, National and Secondary Halo values.

Table 8 outlines how First Metropolitan's Potential Tax Benefit is calculated:

Table 8: Potential Tax Benefit	Sub-Total	Total
Municipal Property Assessment	\$7,398,000	
Tax Rate	<u>0.01382300</u>	-
TOTAL TAX	\$102,268	\$102,268
SALES TAX REBATE	\$6,679	\$6,679
No. of Donors	300	
Value	\$387,706	
Avg. Donation	\$1,292	
Avg. Credit	<u>\$517</u>	-
TOTAL CREDITS	\$155,196	<u>\$155,196</u>
POTENTIAL TAX BENEFIT		\$264,143

According to these calculations, First Metropolitan's charitable status produces a congregational benefit worth \$264,143. In other words, Canadian society would receive just over \$264,000 from First Metropolitan if it were taxed. To account for this, we subtract the PTB from the congregation's Local, National and Secondary Halo Effects to determine its Adjusted Halo Effect(s).

In the case of First Metropolitan on its own, this produces an Adjusted Local Halo Effect of just over \$1.8 million (\$1,842,019). The Adjusted National value is approximately \$2 million (\$1,983,837), while the Adjusted Secondary Halo Effect is just over \$2.1 million (\$2,120,740) (see Table 6).

When the impact of Victoria ICA is included, we observe Adjusted Halo values of about \$15.6 million (\$15,565,105), \$18.8 million (\$18,785,439) and \$19.9 million (\$19,945,558). It should be noted here that the congregation's combined Local Halo is 59.9 times its Potential Tax Benefit to society. This measures almost 6 times the national average of 10.4.

We should also note that while Victoria ICA also benefits from Canadian charitable status, as a secular agency, its benefits are not called into question in the same way that those of religious congregations with charitable status are. As a result, their benefits do not factor into this equation.

11. Strategic Considerations

Congregations like First Metropolitan United Church have far-reaching economic benefit for the communities they serve. The staff, worshippers and community volunteers associated with First Metropolitan United Church and its various service partners can and should feel affirmed in the good work they are doing. Apart from the satisfaction gained through seeing people's lives changed for the better; they can also feel bolstered by the economic benefit that their time, energy and experience contribute to the common good of all.

Our findings challenge the assumption that communities of faith are merely self-serving clubs. They remind us that local congregations do not exist in isolation from the communities in which they find themselves. The people who make up local congregations ARE MEMBERS of the local community. They are integral parts of the social fabric. They live, shop and raise their families in these communities. The idea that they are somehow separated from the wider community simply because they are part of a community of faith does not hold weight.

Finally, while the goal of this study is to create a snapshot of what is, it is also intended as a strategic document to pursue what can be. Accordingly, we offer the following strategic considerations:

#1

Spending versus Impact - Increased spending provides increased impact. But it may not necessarily mean more effective ministry. Spending to add or diversify congregational programs may increase the number of people a congregation engages with and, therefore, the value that can be attributed to those services. But it may also undermine the organization's capacity to maintain its current service strengths and reduce both impact and effectiveness in other areas. The purpose of this exercise is not to increase socio-economic impact at all costs.

#2

Zero Impact Areas – All congregations will have areas of strength and weakness. Large scores will likely reveal most of those strengths. Low scores may represent areas of weakness or opportunities for growth - but not necessarily.

1. A congregation may register a low score in a particular category because there is no opportunity or resource for impact in that area. For example, the church building might be land-locked and have no opportunity to provide community parking or garden plot space.
2. There may be little or no impact due to lack of identified need within a community. For example, affluent communities may not require significant community development support, whereas income-challenged communities might. A new subdivision might not have need for senior support, whereas a more established community might.

3. Finally, there might well be significant socio-economic impact in a particular Halo category, but the tools or supporting research might not be in place to measure it. An example of this occurs in congregations that do not regularly keep accurate records of volunteer involvement. Considering that the Conference Board of Canada suggests we can apply \$27 to every volunteer hour provided by the congregation - every unreported volunteer hour adds up quickly, or rather, does not get added to the congregation's Halo total.

#3

Implement a Rigorous Tracking Plan - In light of our previous point, we encourage congregations to review the kinds of things they keep track of and report on in their annual reports. This appears to be something First Metropolitan does relatively well. Typically, though, even congregations that do a good job of this have aspects of their record keeping that can be improved. Keeping relevant statistics can often help programs establish benchmarks that can be used to better support their socio-economic value and be used year over year to improve a program's effectiveness.

Earlier, we mentioned the benefit of closely tracking volunteer involvement. Sometimes congregations will keep track of how many volunteers - but not how many hours. Even for congregations who track both - what if they also tracked how many of these volunteers lived within the community or beyond? What if we knew how many travelled more than 10 km to volunteer? And how many times they make that drive each year? If we did, then based on supporting studies we could add \$20 to a congregation's Magnet Effect for every visit they make.

Other key elements that often go under-reported include community meals served, as well as in-kind donations that are received and redistributed through things like food and clothing banks, benevolent funds and thrifts sales. Numbers served, numbers of bags received, donation weight, can all provide important measures that allow socio-economic value to be applied. Often a quick google search is all it takes to determine what to keep track of in order to evaluate a particular program later on.

#4

Include Demographic Data as part of Strategic Planning - Keeping services and programs impactful also means keeping them relevant. In order to be relevant, it is important to regularly review publicly available demographic reporting that can assist in expanding a congregation's vision. Congregations that develop ministries based on perceived needs, as opposed to real ones, tend to have lower impact.

Some of the tools that are publicly available to congregations include census data from Statistics Canada and neighbourhood profiles that are often prepared by municipalities based on census data. These demographics are available at a variety of different levels, including by postal code. This information can help congregations better understand and plan for local shifts in age distribution, cultural dynamics, immigration statistics, family make-up, housing type, income, employment, and education. Targeted demographic data can also support the task of volunteer recruitment and donor appeals. Development strategies that objectively document current need, alongside rigorous impact reporting have proven to be most effective in creating partner interest and support. Conversations with city planners, BIA representatives and elected officials can also assist congregations in understanding development trends and how these can inform long-term planning. At Sphaera, we believe strongly that information fuels imagination.

Conclusions

First Metropolitan United Church has a long and respected tradition of service to its community and the individuals who live there. For more than 100 years, the congregation and its predecessors have listened and responded to the spiritual and material needs of Victoria residents.

Together, with its various community and ministry partners, First Metropolitan Church contributes \$15.8 million in social benefit to its surrounding community. This figure swells to \$19 million when its broader impact is accounted for and to about \$20.2 million when the secondary volunteer contributions of its members and community volunteers are factored in. This translates to a local per capita contribution of close to \$100,000 for every worshipping member. And for every dollar the congregation spends, it generates \$18.46 locally in social benefit. Even when the congregation's charitable benefits are accounted for, the congregation has a combined local contribution of approximately \$15.6 million.

The values put forward in this report reflect the information shared by the church with our researchers. We suspect that some areas of impact have gone under-reported. There may also be some areas of impact where we do not have adequate metrics to measure that impact. As a result, each of the Halo values we have put forward, including the combined Local Halo Value of about \$15.8 million, is likely a conservative minimum.

Where the question of taxation arises, First Metropolitan's combined local impact is 59.9 times the benefit society would receive if the congregation were taxed. We contend that this is a benefit that Canadians cannot afford to lose. Reducing or eliminating the charitable tax status of places of worship would not only undermine the capacity of congregations to support the common good but also threaten their very existence.

As First Metropolitan shifts to adapt to the absence of Victoria ICA as part of its ministry offering, part of the ongoing task for the church will be to learn how to see itself, not only as a worshipping community that provides spiritual care and practical support, but as an economic engine in the community. The congregation's engagement with the community has real and tangible effects on the personal and communal economics of those it serves. Any ongoing strategic planning should include opportunities for staff, lay leaders and denominational officials to ask how the congregation's programs and services are contributing to the economic well-being of the neighbourhood and how to structure their reporting in ways that reflect this. In other words, how can First Metropolitan United Church incorporate a ministry of stewardship and economy that takes account of and addresses the common good of all?

Finally, it is important to note that this study does not give a final or complete indication of the value of First Metropolitan United Church and its various community ministries. Value is never just about money, but it can be an important part of it. By exploring the socio-economic impact of congregations, this study simply offers one additional way of talking about the relationship between congregation and community - an economic one. As we continue to add additional congregations to this study, we expect to refine, validate and in some cases even dispute some of the assumptions and determinations made in this study. Future studies may include additional categories, while others may be eliminated. What this study does is affirm that First Metropolitan United Church is a strong and essential contributor to the common good of the community it serves. The cumulative data it contributes to further affirms the belief that articulating the value of community-based ministries and the socio-economic contribution they make to their surrounding neighbourhoods is not only possible but essential to our understanding of the relationship between faith and community, and how this relationship contributes to the health and vitality of communities as a whole.

Appendix A - First Metropolitan United Halo Calculations

Type of Contribution	Source of Data	First Met		Victoria ICA		Total Local	National	Secondary
		Halo Elements	Sub-Total	Halo Elements	Sub-Total			
<u>OPEN SPACE</u>								
1. Garden Plot	\$775	\$3,875						
2. Recreation - Children's Play Structure	\$1,200							
3. Recreation - Sports Field	\$6,300							
4. Parking	As reported	\$114,744		\$0				
Sub-Total			\$118,619		\$0	\$118,619	\$118,619	\$125,843
<u>DIRECT SPENDING</u>								
5. Operational Budget	Times 80%	\$686,024		\$2,052,344				
6. Other Budgets	Times 80%							
7. Capital Budgets	\$185,000 x 0.5 / term	\$29,688						
8. Special Projects	Times 80%							
Sub-Total			\$715,712		\$2,052,344	\$2,768,056	\$5,988,389	\$6,353,082
<u>EDUCATION</u>								
9. Nursery School / Day Care	\$19,730 per student			\$345,275				
10. Alternative School	\$12,531 per student							
11. Formal Musical Instruction	\$12717 per student							
Sub-Total			\$0		\$345,275	\$345,275	\$345,275	\$366,302

Type of Contribution	Source of Data	First Met		Victoria ICA		Total Local	National	Secondary
		Halo	Sub-Total	Halo	Sub-Total			
<u>MAGNET EFFECT</u>								
12. Conferences	\$20 per visitor							
13. Weddings	\$20 per visitor							
14. Funerals	\$20 per visitor							
15. Baptisms	\$20 per visitor							
16. Confirmation	NA							
18. Family Events	\$20 per visitor							
19. Artistic Performances	\$20 per visitor	\$35,000						
20. Religious / Community Festivals	\$20 per visitor	\$159						
21. Museum/Exhibit	\$20 per visitor							
23. Attenders Expenses	\$20 per visitor	\$16,536						
Sub-Total			\$51,695	\$0	\$0	\$51,695	\$51,695	\$54,843
<u>INDIVIDUAL IMPACT</u>								
24. Suicide Prevention	\$54,650 per prevention	\$109,300						
25. Helping Gain Employment	Minimum Wage			\$3,075,254				
26. Crime Prevention	\$101,540 per occurrence							
27. Alcohol and Substance Abuse	\$338 per occurrence	\$2,366						
28. Health and Reducing Cost of Illness	\$1831 per occurrence	\$196,833						
29. Teaching Children Pro-Social Values	\$484	\$8,712						
30. Promoting Youth Civic Engagement	\$6,379	\$19,137						
31. Helping Immigrant and Refugee Families	\$124,942 per	\$58,987		\$3,748,656				
32. Preventing Divorce	\$780							
33. Helping End Abusive Relationships	\$1,100	\$3,300						
Sub-Total			\$398,635		\$6,823,910	\$7,222,545	\$7,222,545	\$7,662,397

Type of Contribution	Source of Data	First Met		Victoria ICA		Total Local	National	Secondary
		Halo	Sub-Total	Halo	Sub-Total			
<u>COMMUNITY DEVELOPMENT</u>								
34. Job Training	\$610 per individual			\$210,380				
35. Housing Initiatives	Actual cost divided by 50 years + no. of units created times \$1060)							
36. Lending Programs	Actual amounts loaned							
37. English as a Second Language	25% more earning			\$3,157,177				
38. Small Business and Non-Profit	\$39,375 per small business created							
Sub-Total			\$0		\$3,367,557	\$3,367,557	\$3,367,557	\$3,572,641
<u>SOCIAL CAPITAL AND CARE</u>								
39. Value of Social Program Space	Local School Board	\$324,584						
40. Value of Volunteer Time - Congregational Operations	27 per hour	\$291,546						
41. Value of Volunteer Time - Social Programs	\$27 per hour	\$199,395		\$1,134,000				
42. Social Program In-Kind Support	Estimated Value	\$5,977						
Sub-Total			\$821,502		\$1,134,000	\$1,955,502	\$1,955,502	\$2,074,592
TOTAL		\$2,106,162	\$2,106,162	\$13,723,086	\$13,723,086	\$15,829,248	\$19,049,582	\$20,209,701
ATTENDANCE			159		159	159	159	159
PER CAPITA			\$13,246		\$86,309	\$99,555	\$119,809	\$127,105
ACTUAL SPENDING			\$857,530		\$857,530	\$857,530	\$857,530	\$857,530
SPENDING INDEX			\$2.46		\$16.00	\$18.46	\$22.21	\$23.57
POTENTIAL TAX BENEFIT			\$264,143			\$264,143	\$264,143	\$264,143
ADJUSTED HALO			\$1,842,019		\$13,723,086	\$15,565,105	\$18,785,439	\$19,945,558

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