

Cadmus study shows return on investment

From Jock Pitts, president of People Working Cooperatively

Last year, PWC was able to acquire dollars to commission an independent evaluation of our Whole House Services. The Cadmus Group, an internationally known evaluator based in Boston, MA was chosen to lead the project.

This is a very ambitious study that examines PWC's work over a three year period. Cadmus has enlisted the very capable support of two local institutions – The University of Cincinnati's Economics Center, and Xavier University, as well as The University of Iowa, to perform portions of this study.

Phase I of the study is complete. It was done by Dr. Jennifer Pitzer at the U.C. Economics Center and Dr. Sami Khawaja and Jamie Drakos from the Cadmus Group.

There are three top findings:

#1- The study examined PWC's impact on residential property values. On average, homes served by PWC would have a sale price value of 6.4% to 10.6% greater than a home not serviced by PWC. On a home price of \$70,000, PWC's Whole House services influenced the value of a house somewhere between \$4,500 to \$7,000. PWC's average investment in our client's homes is well below these numbers.

And possibly, the most important discovery was that each surrounding home in a neighborhood serviced by PWC was influenced upward 1.9% to 3.8%. This works out to a range of approximately \$2,600 to \$4,000 in increased value in homes where PWC had no investment. PWC performed work on over 7,000 homes last year. Certainly not all, but a significant number of these homes increased in value (\$4,500 – \$7,000) because of PWC's work. The total financial impact to residential home value cannot be precisely calculated, but it's a big number. The resulting impact on improving our community's tax base is also a very big number, many multiples of PWC's budget.

#2- The study also examined PWC's Impact on Student Mobility and Academic Performance. Most people know that the majority of PWC's homeowner heads of households are elderly. What many do not know is that about one-third of all the individuals PWC serves are kids. This would seem counter-intuitive, yet the percentage has been consistent for a long time. A lot of kids are present in the homes served by PWC – many living with grandma and grandpa. The study looked at Hamilton County students who were forced to be highly mobile (move around a lot), and found that they scored on average 15% lower on standardized reading tests and 17% lower on standardized math test than their more stable classmates.

The study also showed that these highly mobile students have a negative impact on the test scores of their stable classmates. Essentially, kids coming and going from school to school, significantly hurts their academic performance, and it also negatively impacts the performance of students present in the classrooms they move in and out of. PWC's work clearly keeps families

in their homes in a safer and more secure environment. Because of this, our work contributes positively to student's achievement in the classroom.

#3- PWC's work keeps people in their homes in a healthy and safe environment. Eighty-seven percent of the clients served by PWC said our services were significant for them staying in their homes. When homeowners' options were reviewed for other living arrangements, very few had viable choices. PWC's typical homeowner earns just \$13,000 year. Their alternative living options included taxpayer-subsidized nursing homes, public housing, and homeless shelters.

After PWC's services, 44% of our clients reported improved health and 15% sought medical attention less frequently.

To summarize, we have learned that there is a positive relationship between PWC's work and the health of our clients including health cost savings for reduced doctor visits.

PWC's ability to keep students in their homes translates to improved performance in the classroom. And, even in the present housing crisis with collapsing home values, PWC's services have actually improved housing values for the homes we serve as well as their neighbor's homes. The entire community benefits from stable, improving property tax revenue.

The first phase results of the evaluation are very encouraging. There is more to come as additional research is completed over the next two years. We greatly look forward to sharing the results of these important studies.