



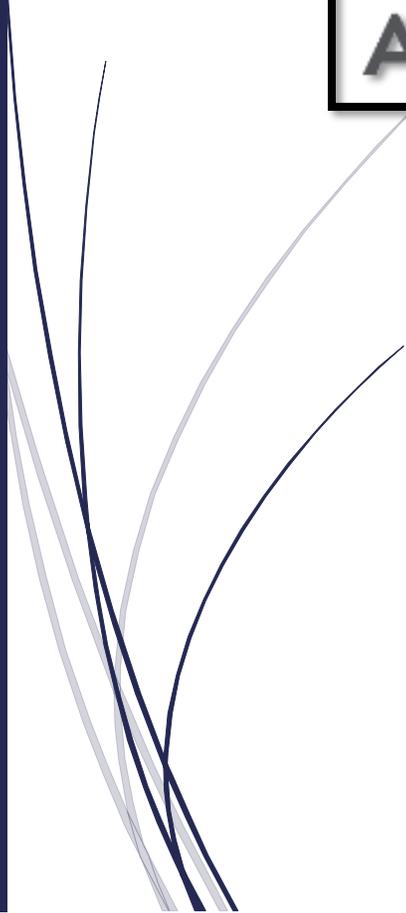
HALO  
CANADA

**A Socio-Economic Impact Scan**



 Sphaera Research

May 2019



## Executive Summary

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In Canada, the social, spiritual and communal value of local congregations has long been accepted. The economic value of these congregations to society, however, is a different matter altogether. While the monetary valuation of “soft assets” has gained increasing traction in social services over the past couple of decades, only recently have researchers begun to explore this question in the Canadian religious context.

This study of the Anglican Diocese of Eastern Newfoundland and Labrador, stems from a larger Canadian study designed to examine this question. Based on a 2010 study carried out in Philadelphia by Partners for Sacred Places and the University of Pennsylvania’s School of Social Policy and Practice, the Halo Canada Project seeks to explore the socio-economic benefit of local congregations on their surrounding neighbourhoods and towards Canadian society in general.

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

Based on in-depth research from more than 50 congregations, representing a wide variety of faith traditions from across the country, we present a case for applying financial benefit to many types of congregational activities that have previously been considered intangible.

By applying values derived from these in-depth studies to congregational spending, we are able to approximate the impact of broad groupings of religious communities. It is important to note, that throughout our research, we have made a deliberate attempt to be conservative in at least three ways: 1) first, if staff or program leaders were unable to estimate or document a particular service or activity we assigned a value of zero; 2)

***Essentially the study asks,  
“If the Anglican congregations Eastern Newfoundland and Labrador ceased to exist, what would it cost their respective municipalities to replace the programs and services these congregations provide to the wider community?”***

where supporting studies from other sectors suggest a range of value we have chosen to apply the lowest range value, 3) we have elected to ascribe value only in situations where we can demonstrate clear cause and effect. Nor do our values take into account the many secondary contributions of empowered church and community members that exponentially magnify these congregational impacts.

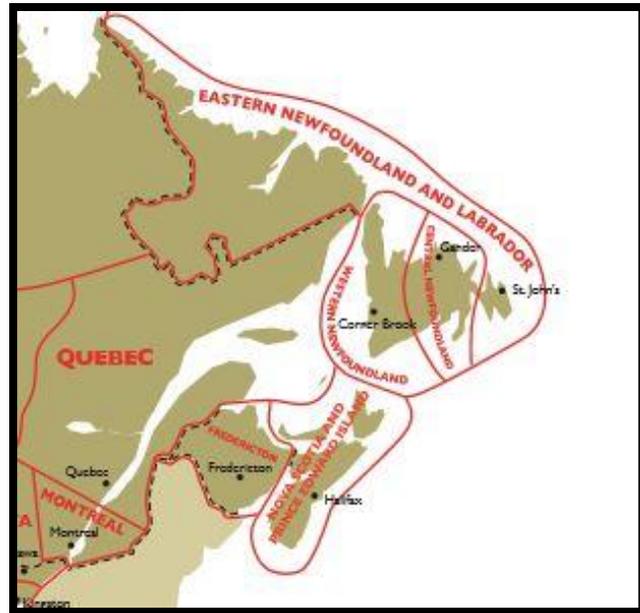
Taking these factors into account, it is clear that the Anglican Diocese of Eastern Newfoundland and Labrador plays a key role in the social and economic life of the region with a Halo (socio-economic) contribution of approximately \$21.5 million. This figure swells to approximately \$22.7 million when their impact is considered beyond the bounds of their immediate communities.

## The Anglican Diocese of Eastern Newfoundland and Labrador

The earliest presence of the Anglican Church in Newfoundland and Labrador can be traced back to the early excursions of military chaplains and travelling clerics in the 16<sup>th</sup> and 17<sup>th</sup> centuries. It was not until 1701, however, that the earliest resident Anglican clergy was appointed.

Today, the Anglican Diocese of Eastern Newfoundland and Labrador, with its Cathedral in St. John's, is spread across 38 parishes on the Avalon Peninsula and throughout most of Labrador, offering spiritual care and nurture to more than 30,000 parishioners.

The Diocese consists of three Archdeaconries: Avalon, Labrador and Trinity/Conception/Placentia.



## Valuation

Several studies in recent years, both in Canada<sup>1</sup> and the United States,<sup>2</sup> have considered the contributions that faith communities or local religious congregations make to the cultural, spiritual, and social lives of their surrounding neighbourhoods. Faith-based organizations 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.<sup>3</sup>

In 2006, Imagine Canada published: *“Understanding the Capacity of Religious Organizations: A Synthesis of Findings from the National Survey of Non-profit and Voluntary Organizations and the National Survey of Giving, Volunteering and Participating.”*<sup>4</sup> In it, the authors assert that: “religious organizations are well-established institutions with stable revenues. The key strengths of religious organizations appear to be their local community focus, and the strength that they draw from dedicated donors, volunteers and staff.”

According to this same study, Canada has more than 30,000 religious organizations, with more than 20 million members and annual revenues of \$6.8 billion. Interestingly, only 27% of these organizations say it is their members who benefit most from their activities. Most of them (69%) report that both members and non-members benefit most from their activities and services. The study reports that 1.3 million Canadians volunteered with religious organizations in the year 2000, contributing a total of 170 million hours. Canadians who report a religious affiliation, attend religious services weekly, or consider themselves to be religious are more likely than other Canadians to donate to non-profits and voluntary organizations. They also contribute, on average, more money.

Despite this qualitative acknowledgement, few studies have considered the economic benefit faith groups provide to their surrounding communities. 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, tools such as the one employed in this study, that help provide a quantitative measurement of the contribution congregations make to their local economies, would be of great help.

Congregations, and the neighbourhoods in which they find themselves; however, are not the only groups who stand to benefit from such a tool. 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 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.<sup>5</sup> 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. It follows that the more complex the phenomenon being valued, the more difficult the valuation. For this reason, researchers have often limited their attempts to value congregations to one type of methodology or one type of contribution.

In 2013, Cnaan et al<sup>6</sup> published the first extended study of valuation in congregations. Applying established valuations from a wide range of sectors in 12 congregations in the City of Philadelphia, their study revealed an accumulated “halo effect” or annual economic contribution of \$51,850,178. This estimate translates to an average value of \$4,320, 848 per congregation. Even the smallest of the congregations studied; a Presbyterian Church with approximately 150 members, and an annual operating budget of \$260,000, was estimated to have an annual “halo effect” of \$1.5 million.

**Philadelphia Halo Study**  
**12 Congregations - \$51,850,178**

**Toronto Halo Study**  
**10 Congregations - \$45,450,127**

These numbers, as impressive as they are, tell us little about the potential economic impact of congregations in the Canadian context. To this end, in 2015 our researchers undertook a study of 10 Toronto congregations<sup>7</sup>, using essentially the same methodology used in the Philadelphia study. Values were modified using a wide range of domestic studies to reflect more accurately the Canadian economy and social landscape. This study revealed an estimated cumulative annual economic impact of \$45,405,127 on the neighbourhoods surrounding these congregations ([www.haloproject.ca](http://www.haloproject.ca)).

Since that time, the Halo Canada Project has expanded to complete assessments in 50 congregations across the country, with further studies underway. These studies reveal an average impact of approximately \$2.8 million per congregation on their surrounding neighbourhoods each year. This figure grows to just over \$3 million per congregation when their contributions beyond their own communities are measured.

## Methodology

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The Halo Canada Project evaluates 7 areas where congregations typically enter into socio-economic relationships with the communities around them. They include: 1) Open Space – which includes the value of elements like available parking, community gardens, play structures and recreational facilities; 2) Direct Spending – studies suggest that 80% of a congregation’s annual expenditures are spent within a 3 to 5 km radius of the worship space<sup>8</sup>; 3) Education – many congregations provide space and/or programs that allow for educational programs of socio-economic value such as daycares, nursery schools and alternative educational instruction; 4) Magnet Effect – offers a measure of the community purchasing power created through people who attend activities at the Place of Worship. Studies suggest that those who travel more than 10 km to attend are inclined to spend \$20 per visit on things like gas, groceries and eating out; 5) Individual Impact – measures what those in churches would understand as Pastoral Care to those living in the surrounding neighbourhood; 6) Community Development – offers an estimate of the value congregations have in promoting employment and skills training, housing opportunities and the development of small business and community non-profits; and finally 7) Social Capital and Care – incorporates community use of

building space at less than market value as well as the contributions of volunteer time facilitated through the congregation.

In our study to date of 50 congregations across the country, Direct Spending is observed to be the most consistent of the 7 elements. When considering local impact, Direct Spending (on average) represents about 29.72% of a congregation’s total impact. When contributions further afield are taken into account that figure rises to 35.17%. It follows, that if these figures are applied to congregational spending, we can approximate the relative contribution of other sample groups of congregations.

*The Anglican Diocese of Eastern Newfoundland and Labrador has an annual Halo contribution of more than \$22.7 million to Canadian society.*

In this study, these values were applied to Parishes in the Anglican Diocese of Eastern Newfoundland and Labrador. Financial figures for 2017 were provided by the Diocesan office.

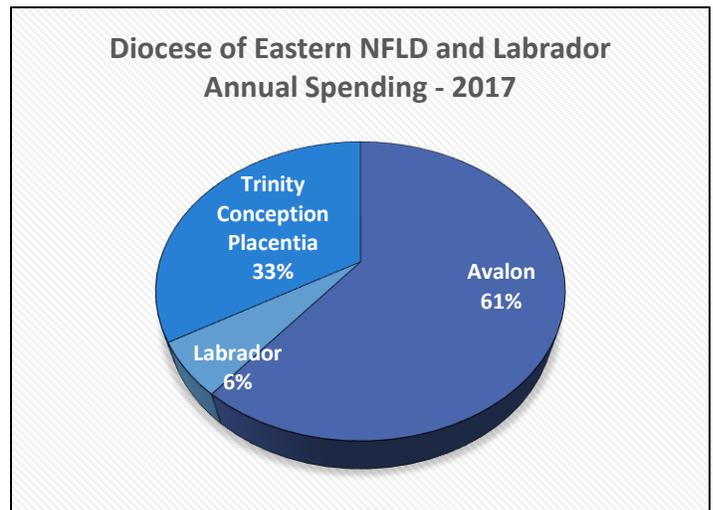
The sample included data from 3 Archdeaconries, comprised of 38 parishes. Of these, 8 parishes were considered by the Diocesan office to be urban, and 30 were considered to be rural.

## Findings

### **Parish Halo Impact**

The Anglican Diocese of Eastern Newfoundland and Labrador has 38 parishes. In 2017, these parishes combined for annual expenditures of close to \$8 million. Avalon combined for close to \$4.9 million (60.8%), Labrador for \$.46 million (5.8%), and Trinity/Conception/Placentia for \$2.7 million (33.4%).

When Direct Spending ratios of 29.72% and 35.17% respectively, were applied to these spending figures we observed a total Neighbourhood Halo contribution of approximately \$21.5 million and \$22.7 million nationally.



**Diocese of Eastern NFD and Labrador  
Annual Spending and Halo Totals**

TOTAL	Count	Total Expense	Average Expense	Neighbourhood Halo	Average Neighbourhood Halo	National Halo	Average National Halo
Avalon	18	\$4,853,469.03	\$269,637.17	\$13,064,519.60	\$725,806.64	\$13,800,025.68	\$766,668.09
Labrador	5	\$460,988.00	\$92,197.60	\$1,240,882.91	\$248,176.58	\$1,310,742.11	\$262,148.42
Trinity Conception Placentia	15	\$2,669,756.43	\$177,983.76	\$7,186,423.77	\$479,094.92	\$7,591,004.92	\$506,066.99
<b>TOTAL</b>	<b>38</b>	<b>\$7,984,213.46</b>	<b>\$210,110.88</b>	<b>\$21,491,826.27</b>	<b>\$565,574.38</b>	<b>\$22,701,772.70</b>	<b>\$597,415.07</b>

The average spending of each parish is slightly more than \$210,000 with average parish neighbourhood impacts of about \$566K and \$597K nationally.

**Urban / Rural Distinctions**

The Avalon region includes all of the urban congregations within the Diocese. There are no urban congregations within the two other Archdeaconries. Avalon has 8 urban parishes that account for more than \$2.8 million in spending. The average annual parish expenditure in urban settings is \$354.3K.

**Urban Parishes  
Annual Spending and Halo Totals**

URBAN	Count	Urban Expense	Average	Urban Neighbourhood Halo	Average	Urban National Halo	Average
Avalon	8	\$2,834,276.00	\$354,284.50	\$7,629,275.91	\$953,659.49	\$8,058,788.74	\$1,007,348.59
Labrador	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Trinity Conception Placentia	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL</b>	<b>8</b>	<b>\$2,834,276.00</b>	<b>\$354,284.50</b>	<b>\$7,629,275.91</b>	<b>\$953,659.49</b>	<b>\$8,058,788.74</b>	<b>\$1,007,348.59</b>

Accordingly, the urban Halo contribution totals approximately \$7.6 million locally and \$8.1 million nationally, comprising 35.5% of the total contribution. The average figures locally and nationally fall at approximately \$953.7K and just over \$1 million.

In contrast, there are 30 rural parishes spread across the Diocese’s three Archdeaconries. Ten are in Avalon, 5 in Labrador and the remaining 15 are spread throughout Trinity / Conception / Placentia. Together they total \$5.2 million in expenses. Combined, they offer \$13.9 million in local Halo contributions and \$14.6 million nationally. The average Diocesan parish spends \$172K annually, with average local and national Halo contributions of \$462K and \$506K respectively – slightly less than half of the values we observed in rural churches.

RURAL	Count	Rural Expense	Average	Rural Neighbourhood Halo	Average	Rural National Halo	Average
Avalon	10	\$2,019,193.03	\$201,919.30	\$5,435,243.69	\$543,524.37	\$5,741,236.93	\$574,123.69
Labrador	5	\$460,988.00	\$92,197.60	\$1,240,882.91	\$248,176.58	\$1,310,742.11	\$262,148.42
Trinity Conception Placentia	15	\$2,669,756.43	\$177,983.76	\$7,186,423.77	\$479,094.92	\$7,591,004.92	\$506,066.99
TOTAL	30	\$5,149,937.46	\$171,664.58	\$13,862,550.36	\$462,085.01	\$14,642,983.96	\$488,099.47

## Discussion and Recommendations

Faith communities, like those belonging to the Anglican Diocese of Eastern Newfoundland and Labrador, have far-reaching economic benefit for the communities they serve. The staff, worshippers and community volunteers associated with these parishes 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 their time, energy and experience contribute to the common good of all. By applying trends observed in other congregations across the country, it is likely that Anglican parishes throughout this region of Eastern Canada contribute somewhere between \$21.5 and \$22.7 million in social benefit to their neighbours and fellow Canadians.

These findings clearly 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 separated somehow from the wider community simply because they are part of a worshipping community of faith does not hold weight.

At first glance, our findings might give members of rural parishes, in particular, cause for concern. As mentioned above, their total impact values come in at slightly less than half those of urban diocesan parishes. Total values in this context, however, can be deceiving. Urban congregations tend to be larger in membership, with larger budgets, and larger numbers of people available to minister “to” and “with”. Smaller congregations are sometimes required to tend to spend a disproportionate amount on building and infrastructure relative to other congregations. This pushes the overall impact of urban congregations up and that of rural congregations down.

That said, rural congregations often demonstrate significantly greater volunteer contributions per capita, both in terms of their own operations and community service. This often reveals congregations whose spending impact is greater than the national average. In other words, every dollar they spend goes further in terms of ministry impact. While our sample of rural congregations is not strong enough yet to support these assumptions statistically, anecdotal evidence suggests that Direct Spending in rural congregations typically represents a smaller portion of a congregation’s total Halo impact. If this observation gains further statistical evidence as our study progresses, we might anticipate a higher relative contribution for rural congregations relative to urban congregations based on per capita values.

Finally, while the goal of this study is to create a snapshot of what is – it is also intended as a tool to pursue what can be. Accordingly, our findings suggest several points of consideration for strengthening parish ministries, informing Diocesan planning and strengthening community engagement as a whole.

#1

**Increasing Economic Impact Does Not Necessarily Mean More Effective Ministry:** This study is based on spending to make projections of total socio-economic impact. That said, our detailed studies rely on 6 additional factors to determine the remaining two-thirds benefit. This reminds us that impact involves more than just money. Detailed congregational studies can help Parishes, Archdeaconries and the Diocese as a whole consider in greater detail how and where they create benefit for those in the geographic neighbourhoods they serve. These assessments can help parishes consider how to move beyond merely maintaining the institution and supporting organizational infrastructure to providing powerful ministries that support the common good of all.

#2

**Review the Zero Impact Areas:** Detailed congregational assessments will often reveal areas where congregations appear to have little or no socio-economic impact. It is important to note this is not always a 'bad' thing. Zero reporting in individual categories can arise for several reasons: 1) There may be little or no opportunity for impact in a particular category due to lack of physical or human resource; 2) There may be little or no opportunity for impact in a particular category due to lack of identified need within a community; or 3) There may be inaccurate or insufficient record keeping to report in certain categories. Understanding these dynamics can help congregations explore questions like: 1) what is the demographic of our community telling us? 2) Does our congregation identify as a community or regional church – and does this identification inform our ministry in any way? 3) What kinds of activities might attract people to the church and thereby benefit the community simply by the economic activity it creates? Are there opportunities to creatively expand the use of our buildings for special events, conferences, community seminars or arts performances that further highlight the congregation's place as a true community partner?

#3

**Implement a Rigorous Tracking Plan:** Previous studies suggest that congregations don't typically do a good job of tracking their activity. As a result, they are often found lacking in their ability to assess and report on their impact. Not surprisingly, this often contributes to lower than expected impact values in many congregations. Participating in a detailed study can help congregations build in tracking plans that can be used for ongoing record-keeping, localized strategic planning and communicating benefit to those they hope to serve.

#4

**Learn to Talk Differently About What We Do:** Church members know the benefits their community of faith provides. But to those outside local congregations, these benefits often remain a mystery. They often have no concept of the spiritual, emotional and communal we find support and benefit from. Money, on the other hand, is a language we can all understand. Money talks. Learning to articulate and communicate the socio-economic contributions our faith communities make can open up conversations with neighbours and society in general in previously unimagined ways. Imagine a conversation that enables a church member to share that their congregation contributes more than half a million dollars in social benefit to their surrounding neighbourhood. Or that each worshipper contributes more than \$7,500 to that value. Or that for every dollar the congregation spends society receives about \$3.60 in socio-economic benefit.

## Conclusions

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For more than four centuries Anglican parishes have served and nurtured the residents of Eastern Newfoundland and Labrador.

Our findings suggest that these contributions have supported not only their spiritual, emotional and communal needs, but created socio-economic benefits as well. Based on studies conducted in 50 congregations across the country, and by applying these values to the annual spending of Anglican parishes, we estimate that the Anglican Diocese of Eastern Newfoundland and Labrador contributes between \$21.5 and \$22.7 million in socio-economic benefit throughout the region and to Canadian society in general. Knowing that impact in individual congregations often goes under-reported, we expect this to be a conservative estimate.

Our hope is that these values will further assist the Diocese in supporting its Parishes, Priests, and Worshippers to be as effective, creative, adventurous, and faithful in their exercise of ministry as possible.

It is also important to note that this study does not give a final or complete indication of the value of the Anglican Diocese of Eastern Newfoundland and Labrador and its various services and parish ministries. Value is never just about money. That's only a part of it. And yet, by exploring the socio-economic impact of the Diocese and its member congregations, Diocesan members can be opened up to different ways of seeing and talking about their relationship with neighbours and society in general. Further detailed studies within the Diocese would assist in refining, validating, and in some cases even challenging some of the assumptions and determinations made in this study.

What this study does, most importantly, is affirm the Anglican Diocese of Eastern Newfoundland and Labrador as a strong and essential contributor to the common good of the community it serves. The cumulative data it contributes, further affirms the belief that articulating the socio-economic value of local congregations is not only possible but important 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.

## Endnotes

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<sup>1</sup> Bearman, L. and S. Lefebvre (eds), (2014). *“Religion in the Public Sphere: Canadian Case Studies”*. University of Toronto Press: Toronto

<sup>2</sup> Vidal, Avis C., (2001), *“Faith Based Organizations in Community Development”*, (U.S. Department of Housing and Community Development.” Available from: <http://www.huduser.org/portal/publications/faithbased.pdf>

<sup>3</sup> Friesen, Milton, and Cheryl Clieff (2014). “Strengthening Vital Signs Through Urban Religious Communities—Calgary City Soul.” Cardus. <https://www.cardus.ca/research/socialcities/calgary/>.

<sup>4</sup> Brownlee, B., Gumulka, G., Barr, C., and D. Lasby, (2006). *“Understanding the Capacity of Religious Organizations: A Synthesis of Findings from the National Survey of Nonprofit and Voluntary Organizations and the National Survey of Giving, Volunteering and Participating.”* Imagine Canada: Ottawa Available from:

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<sup>5</sup> City of Toronto, (2015), *“Auditor General’s Office – 2015 Operating Budget”* Available from: [Auditor General’s Office – 2015 Operating Budget](#)

<sup>6</sup> Cnaan, R.A. , Tuomi Forrest , Joseph Carlsmith & Kelsey Karsh (2013): *“If you do not count it, it does not count: a pilot study of valuing urban congregations”* , Journal of Management, Spirituality & Religion, DOI:10.1080/14766086.2012.758046 Available from: <http://dx.doi.org/10.1080/14766086.2012.758046>

<sup>7</sup> Wood Daly, M., (2016) *“The Halo Project: Valuing Toronto’s Faith Congregations.”* Cardus: Hamilton. Available from: <http://www.haloproject.ca>

<sup>8</sup> Chaves, M. and S.L. Miller (1999). *“Financing American Religion.”* Walnut Creek, CA: Altamira