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The Impact of the YMCA of Greater New York on New York City’s Economy

Executive Summary

Prepared by Appleseed
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Introduction

This report describes the multiple ways in which the YMCA of Greater New York — a not-for-profit organization, founded in 1852, that serves families, individuals and communities in all five boroughs of New York City — contributes to the vitality of the City’s economy. The report describes the YMCA’s current economic impact as an enterprise — as an employer, a buyer of goods and services, and a sponsor of construction projects — and examines as well the long-term benefits that the City (and society at large) derives from the Y’s current investments in youth development, health living and community-building.

– Appleseed 2013

The YMCA currently serves about 500,000 people annually, ranging in age from pre-school and school-age children and teens to young, working-age and older adults. Its programs operate from 22 branches in neighborhoods throughout New York City, and at more than 100 other satellite locations (shown on the map below).
As of the end of 2011, the YMCA of Greater New York employed 4,492 people, including 831 full-time workers, 2,955 part-time and 706 seasonal employees.

Taking into account both the direct effects of the YMCA’s spending on payroll, purchasing and construction, as well as the indirect and induced (or “multiplier”) effect of such spending, we estimate that in 2011 the YMCA directly and indirectly accounted for:

- More than 3,240 full-time-equivalent (FTE) jobs in New York City;
- More than $113 million in earnings; and
- More than $191 million in City-wide economic output.

Between 2007 and 2016, spending on construction and renovation of YMCA facilities (including spending by the Y itself and spending by developers building new facilities on the organization’s behalf) is expected to total approximately $200 million, directly and indirectly supporting approximately 1,100 person-years of employment throughout the City.

Taking into account indirect and induced effects, construction spending by the YMCA and its partners will directly and indirectly generate 1,760 person-years of employment throughout New York City during this period, and $330 million in City-wide economic output.
• In 2011, more than 23,000 children, adolescents and older teens participated in the YMCA’s pre-school, after-school, school partnership, summer camp and college prep programs. By raising student achievement levels, reducing drop-out rates, and encouraging students to pursue higher education, we estimate that each year these programs could add more than $100 million to the potential lifetime earnings of current participants.

• Based on research conducted in New York and elsewhere on the impact of after-school programs on parents’ ability to work, we estimate that the Y’s after-school programs enable about 1,800 parents who would not otherwise be able to do so to work outside the home. We estimate that the annual earnings of parents who are able to work as a result of the services the Y provides total approximately $63 million.

• Based on research conducted at the national level, we estimate that for each person who becomes and stays physically active as a result of YMCA membership or participation in Y fitness programs, the cost of treating chronic diseases and costs related to absenteeism and lower productivity are reduced by approximately $1,000 per person per year, generating about $8.2 million annually in reduced health spending and increased productivity in New York City.
• A National Institutes of Health study of the pilot program that became the Y’s Diabetes Prevention Program (DPP) found that the program reduced the incidence of Type 2 diabetes among participants by 58 percent. Other research has estimated the total lifetime cost of diabetes for those diagnosed at age 50 at $172,000. If we project that the DPP will keep 116 of its 200 first-year participants from developing diabetes, we can estimate that in just one year the program’s lifetime benefits to the participants and to society will exceed $19.9 million.

• Based on research conducted by the federal Substance Abuse and Mental Health Services Administration, we estimate that each year the YMCA’s substance abuse prevention and treatment programs generate $36.3 million in social benefits over the life of the program’s participants.

• By helping more than 4,000 participants in its New Americans programs improve their fluency in English and their basic literacy skills, the YMCA in 2012 increased the aggregate lifetime earnings of these recent immigrants by more than $72 million.

• The YMCA helps strengthen the communities in which it operates in other ways as well:
  - Through programs that provide young New Yorkers with opportunities for civic engagement and service to their communities; and
  - Through participation in local efforts to address critical community issues.

• The YMCA operates residences at seven of its New York City branches, with a total of 1,644 guest rooms. Use of these rooms is roughly evenly divided between longer-term residents – people served by public and non-profit social service agencies, for whom Y guest rooms are used as transitional housing – and visitors to New York City, for whom guest rooms provide convenient, safe and relatively low-cost lodging.

• We estimate that in 2011, incremental spending by visitors to New York City who stay in YMCA residences directly and indirectly supported approximately 275 full-time-equivalent jobs in the City, with wages totaling approximately $10.3 million, and generated approximately $26 million in City-wide economic output.
As significant as the YMCA of Greater New York’s impact has been, it is likely to be even greater over the next five to ten years.

- Completion of new branches in Coney Island and the Rockaways will increase the number of New York City residents who have access to the services the YMCA provides; and new facilities to be developed in Flushing, Harlem and other neighborhoods will enable the YMCA to expand the services it offers in those communities as well.

- Year by year, the cumulative impact of the YMCA’s youth development programs – including preschool, after-school, and college prep programs will grow, as more and more participants in these programs complete high school, enroll in college and earn degrees.

- Programs such as the Strong Kids Card that engage children, adolescents and older teens in becoming and staying physically active will have a growing impact, as participants in these programs develop habits of exercise and other healthy behavior that last into adulthood.

- Both through their own efforts and through collaboration with other community organizations, YMCA branches are helping to make neighborhoods more attractive places to live, work and raise a family. In an era when New York City’s economic vitality increasingly depends on its ability to develop, attract and retain talented workers, managers and innovators, the quality of life that the City’s neighborhoods offer is central to its future.
The YMCA’s impact: by the numbers – current economic impact and long-term payoff from selected social investments, 2011-12

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<th>The YMCA’s current annual impact</th>
<th>2012 $</th>
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<td>Impact of YMCA spending on payroll, purchasing and construction</td>
<td>$191,658,000</td>
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<td>Impact of spending by visitors staying in YMCA residences</td>
<td>$26,000,000</td>
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<td>Est. annual earnings of parents of children in after-school programs</td>
<td>$63,000,000</td>
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<td>Savings due to increased physical fitness of Y members</td>
<td>$8,222,000</td>
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<th>Long-term pay-off from the YMCA’s current social investments</th>
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<td>Addition to participating students’ lifetime earnings from one year of after-school programs</td>
<td>$12,400,000</td>
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<td>Addition to students’ lifetime earnings from one year of Y Scholars programs</td>
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<td>Lifetime social costs avoided as a result of one year’s operation of YMCA drug abuse prevention and treatment programs</td>
<td>$36,300,000</td>
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<td>Lifetime social costs of Type 2 diabetes avoided as a result of one year’s operation of the YMCA Diabetes Prevention Program</td>
<td>$19,950,000</td>
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<td>Addition to English language learners’ lifetime earnings as a result of one year’s operation of the YMCA’s New Americans program</td>
<td>$72,000,000</td>
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Impact of a Neighborhood YMCA Branch: Bedford-Stuyvesant example

- Between 2005 and 2007, the YMCA of Greater New York invested $13 million in the redevelopment of its Bedford-Stuyvesant branch; and the New York City School Construction Authority invested $7.5 million in an adjoining YMCA-owned building that now houses Bedford Academy High School.

- From fewer than 1,000 member units in 2005 and 2,300 when it reopened in 2005, the Bedford-Stuyvesant Y’s adult membership has grown to 6,800 in 2012, engaging in total 33,197 Bedford-Stuyvesant residents.

- The Bedford-Stuyvesant YMCA operates Y After-School Academy programs in nine public schools in Brooklyn. In 2011, 1,046 students participated in these programs. We estimate that each year, by raising academic achievement levels increasing the likelihood that students will complete high school, these programs increase participating students’ aggregate lifetime earnings by about $1.1 million.

- The Y works closely with Bedford Academy, a four-year high school with 366 students. YMCA staff members teach several courses at the Academy; and the Y’s gym serves as the school’s gym as well; and all Bedford Academy students are Y members.

- In 2011-12, 32 6th through 8th graders participated in the Bedford-Stuyvesant YMCA’s Y Scholars program. We estimate that in 2011-12, by increasing the likelihood that participating students will go to college and earn college degrees, these program increased these students, aggregate future earnings by about $600,000.
• The Bedford-Stuyvesant Y operates one of the largest programs of teen community and civic engagement in New York City, with 513 teens participating in 2011.

• The Bedford-Stuyvesant Y contributes to the health of the community in several ways:
  ▶ By providing facilities and programs that help neighborhood residents stay physically active, and thus reduce their vulnerability to a variety of chronic diseases.
  ▶ Through programs such as Diabetes Prevention that target some of the community’s most serious health problems.

• The Y also works closely with several other community organizations, such as the Coalition to Improve Bedford-Stuyvesant, to address critical needs in the community, such as the need to improve services for older adults and to reduce alcohol and substance abuse.