



The Low Income Investment Fund Social Impact Calculator

At the Low Income Investment Fund (LIIF), we are focused on one key question: *what works to improve the lives of children and families?*

To answer this, we are developing the Social Impact Calculator, a first-of-its-kind tool that allows us to monetize—put a dollar value on—the social impact of our investments. It is a new way for LIIF to assess how effective we are in creating opportunity and reducing inequality. We are making the calculator and its methodology fully accessible or “open source” so that they are transparent and available for comment and improvements by others. Please visit www.liifund.org/calculator to learn more.

WHY MEASURE SOCIAL IMPACT?

The key measure of performance for investors is financial return. As a community development financial institution, LIIF is no different. **Over the past 30 years, LIIF has invested \$1.5 billion dollars and served 1.7 million people. In the last 10 years, we’ve doubled our capital impact and tripled our human impact. Now we want to measure our social impact as a new way of assessing the value of our investments and another way of making sure we are achieving our goals.**

When we invest in a child care center with 30 slots for low-income kids, we want to know: what is the value in increased family income, greater educational attainment and reduced societal costs? When a family gains access to affordable housing, how much more do family members have to spend on food, health care and getting to work?

LIIF’S SOCIAL IMPACT

LIIF organizes its work through five core “impact pathways”: affordable housing, quality child care, quality education, improved health and equitable transit-oriented development.

Based on our investments in each area, we estimate the social value of our \$1.5 billion in investments at more than \$30 billion.

IMPACT CATEGORY	MONETIZED SOCIAL VALUE (billions)
Income Boosts	\$10.4
Health Value	\$5.7
Societal Benefits	\$14
Grand Total	\$30.1

We estimate the monetary value of impacts across three categories: **income boosts, health value** and **societal benefits**.

HOW DOES THE SOCIAL IMPACT CALCULATOR WORK?

Estimating social returns is an emerging area with several potential approaches. The Social Impact Calculator uses an “impact-by-proxy” approach, leveraging high-quality social science research to translate easily collected data into monetized impact estimates. For example:

- **Investments in affordable housing** create discretionary income for families by alleviating housing cost burdens. Research shows that low-income families will spend this additional income to purchase critical necessities such as food and health care.
- **High-performing schools** boost a child’s lifetime earnings via improved high school graduation rates, while also lowering the chances of incarceration and decreasing health care costs.
- **Attending high-quality early care and education programs** is linked to better educational attainment, lower incarceration levels and improved health that persist into adulthood—especially a lower incidence of heart disease, stroke and diabetes.

OUR IMPACT

(AS OF AUGUST 2014)

▢ CALCULATING INCOME BOOSTS

IMPACT CATEGORY	MONETIZED SOCIAL VALUE
Affordable housing: increased discretionary income*	\$8,356,485,958
High-performing schools: lifetime earnings increases**	\$2,028,650,000
Subtotal	\$10,385,135,958

▢ CALCULATING HEALTH VALUE

IMPACT CATEGORY	MONETIZED SOCIAL VALUE
Buying healthy locations: reductions in diabetes and extreme obesity**	\$412,319,566
Increased food expenditures from affordable housing	\$2,812,953,972
Housing as a vaccine: permanent supportive housing for the homeless**	\$1,274,521,176
Equitable TOD: weight loss and increased physical activity**	\$10,800,284
Early childhood education: improvements in adult health	\$72,380,487
Economic value of community health centers	\$1,140,100,500
Subtotal	\$5,723,075,985

▢ CALCULATING SOCIETAL BENEFITS

IMPACT CATEGORY	MONETIZED SOCIAL VALUE
Early childhood education	\$13,182,527,996
High-performing schools**	\$811,460,000
Subtotal	\$13,993,987,996
Grand Total	\$30,102,199,939

* \$2.8 billion in food expenditures generated by income boosts from affordable housing included in Health Value category

** Category does not include pre-2005 data

Learn more at www.liifund.org/calculator #ImpactCalc @liifund facebook.com/liifund