



Social Capital, Civic Health, and Economic Resilience

Mike Stout, Ph.D.

Dept. of Sociology and Anthropology

Missouri State University

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Social Capital

- Social networks and the associated norms of reciprocity and trustworthiness
- Social networks are resources that have value for both individuals and communities
 - Health
 - Public safety
 - Education
 - Happiness
 - Government
 - Economic resilience

Civic Health

- The measure of the civic attitudes, actions, and behaviors of a group of individuals.
- Indicators:
 - Volunteering and Service
 - Participating in a Group
 - Connecting to Information and Current Events
 - Social Connectedness
 - Political Action
 - Community Attachment

Economic Resilience

- Goldman Sachs:
 - Lower housing price inflation
 - Presence of oil and gas industry
 - High proportion of “professional” workers (BLS)
- Other significant indicators:
 - Proportion of population with high school diploma
 - Residential mobility

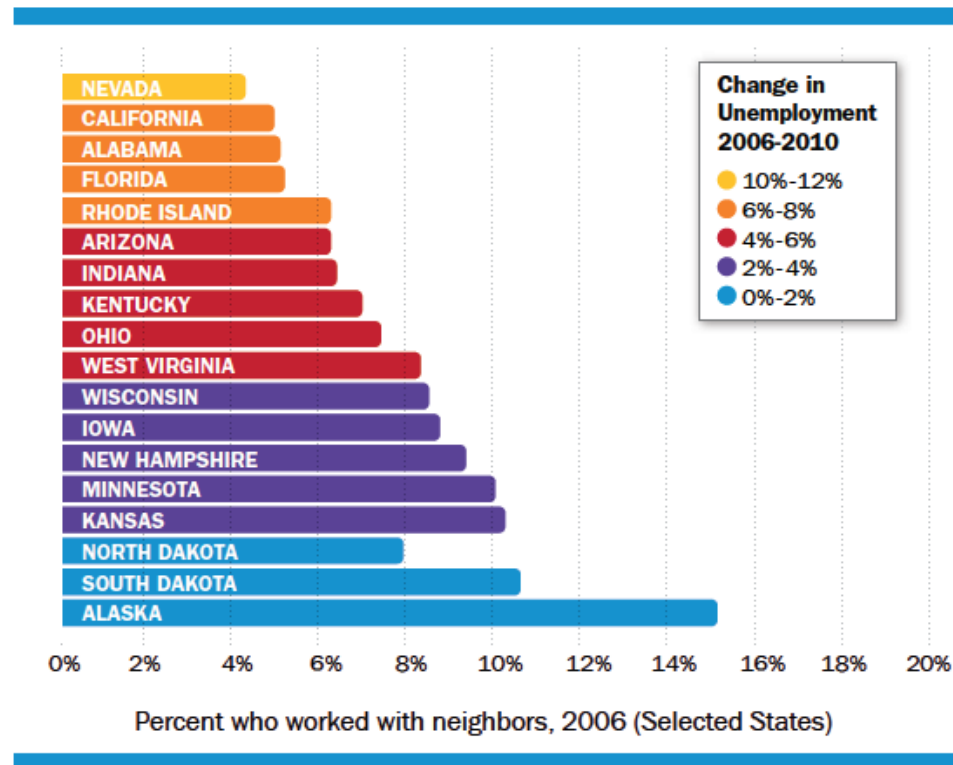
What About Civic Health?

- IN 2011 the National Conference on Citizenship (NCoC) released preliminary results of an analysis of the relationship between civic health and unemployment.
- *Civic Health and Unemployment: Can Engagement Strengthen the Economy?*
(<http://ncoc.net/unemployment>)

Civic Health and Unemployment

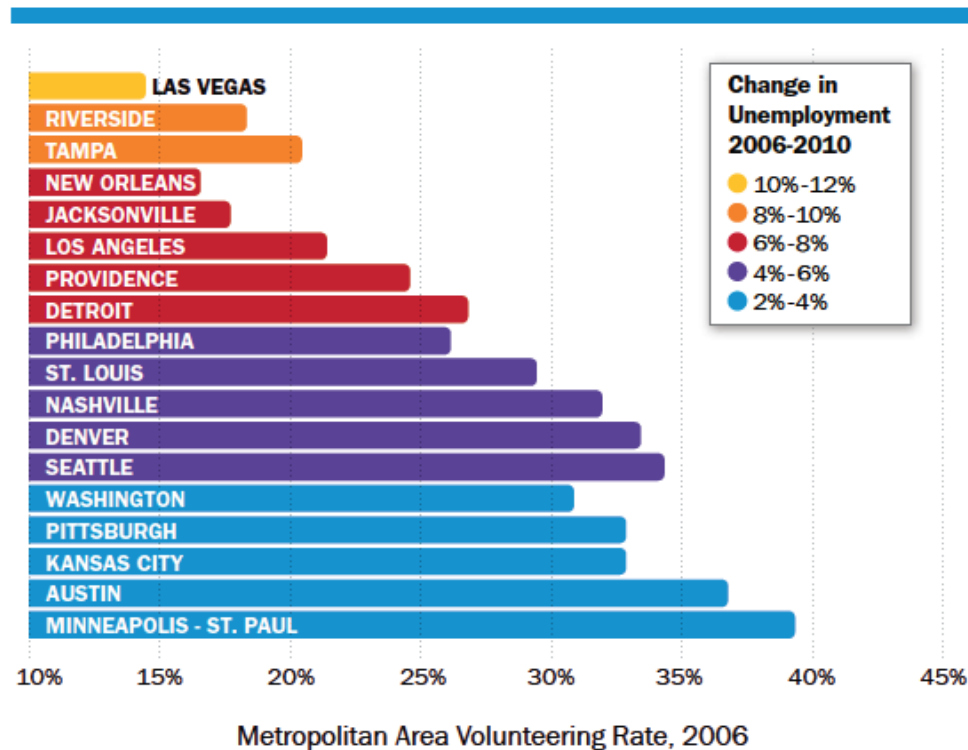
- States and localities with more civic engagement in 2006 saw less growth in unemployment between 2006 and 2010.
 - An increase of one point in the state's rate of **working with neighbors** was associated with a decrease of 0.256 percentage points in the unemployment rate, when controlling for the economic factors.
 - A one percent increase in **public meeting attendance** corresponded with a 0.239% decrease in unemployment.
 - A one percent increase in **voter registration** was associated with a 0.10% decrease in unemployment.

Working with Neighbors (States)



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Volunteering (Metro Areas)



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The Case Builds

- This summer the NCoC, the Center for Information and Research on Civic Learning and Engagement (CIRCLE), John S. and James L. Knight Foundation, Civic Enterprises, and the Saguaro Seminar: Civic Engagement in America collaborated with a national working group on a follow-up to the 2011 issue brief.
- *Civic Health and Unemployment II: The Case Builds*
(<http://ncoc.net/unemployment2>)

Civic Health and Unemployment

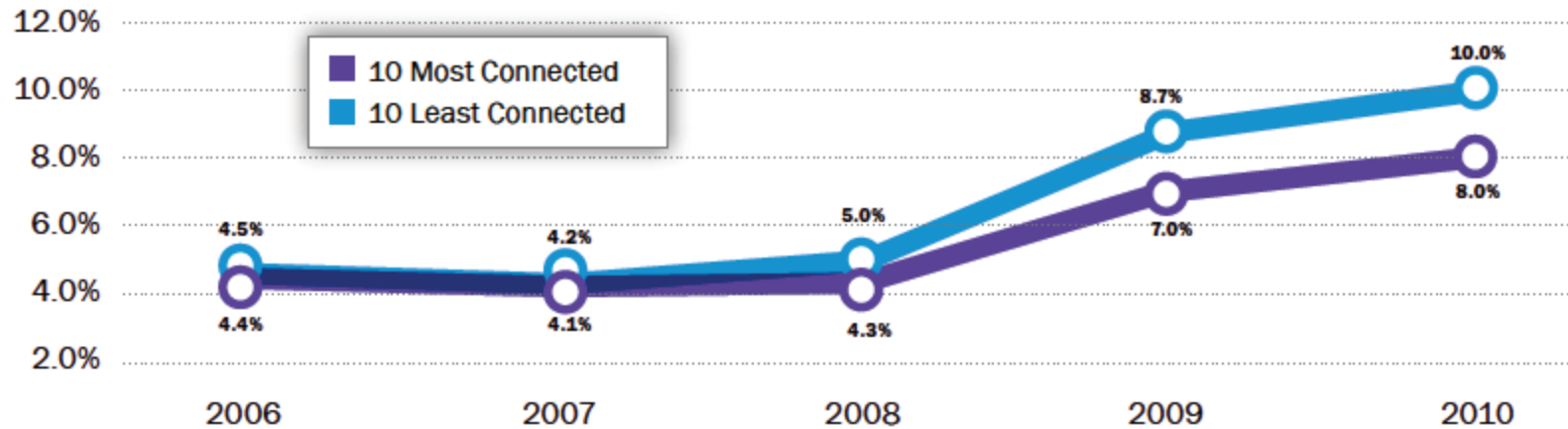
- Used statistical models to examine civic health and unemployment for all 50 states, 942 metro areas, and more than 3,100 counties since 2006.
- Three key indicators mitigate unemployment:
 - Community's nonprofit organization infrastructure
 - Social cohesion
 - Community social capital
- At the core of all three are relationships, peer-to-peer communication, cooperation, solidarity, and care for neighbors — key aspects to avoiding the worst effects of an economic crisis.

Social Cohesion

- Defined as trusting neighbors, talking to and helping neighbors, and socializing with family and friends.
- States with high levels of social cohesion had unemployment rates two percentage points lower than their less connected and trusting counterparts, even after controlling for demographic and economic factors.

Social Cohesion and Unemployment

Unemployment Rate for Most and Least Connected States, 2006-2010



- Working with neighbors continued to be a significant predictor of unemployment change at the state level when economic and educational factors are held constant.
- Volunteering remained a significant predictor of unemployment change once economic factors were accounted for, but it became much weaker after adjusting for the educational level of the state's residents, and it became a non-significant predictor after accounting for nonprofit density and state-level social cohesion. It would appear that volunteering matters for unemployment change only if it leads to stronger social cohesion.¹¹
- The voter registration rate also remained a significant predictor of unemployment change at the state level when economic and educational factors were held constant. When nonprofit density and social cohesion were also accounted for, the registration rate was no longer a significant predictor.
- The number of leaders of associations per capita was also a statistically significant predictor.¹²

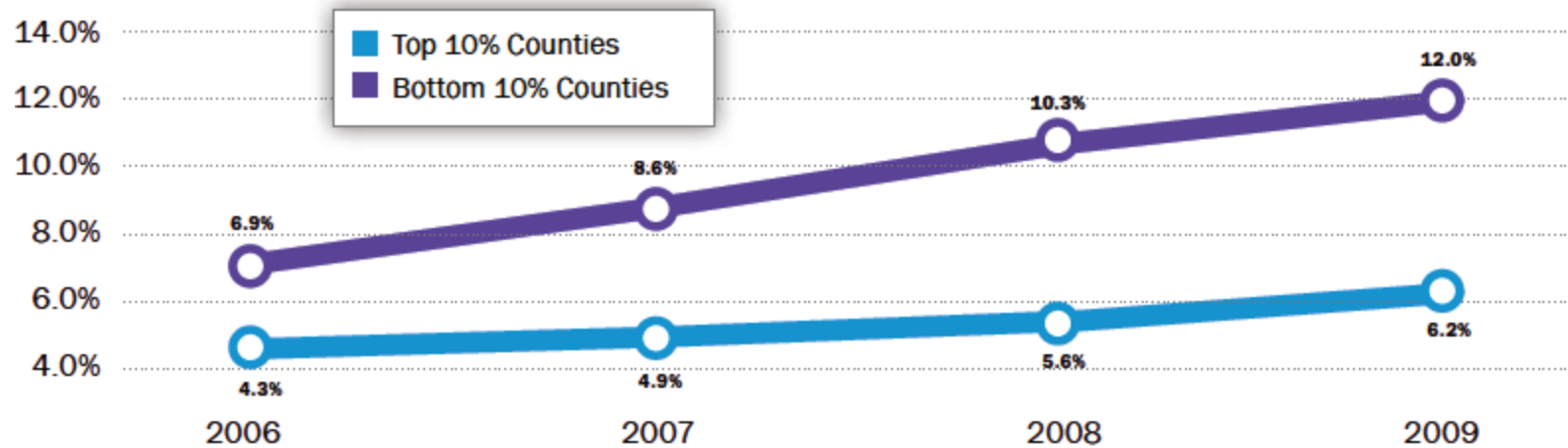


The Role of Nonprofits

- Number of nonprofits per capita (“nonprofit density”)
- A county with one extra nonprofit per 1,000 residents in 2005 would have half a percentage point less unemployment by 2009.
- For individuals with jobs in 2008, the odds of becoming unemployed were cut in half if they lived in a community with many nonprofit organizations rather than one with a few nonprofits, even if the two communities were otherwise comparable.

Nonprofits and Unemployment

**Fig. 1: Unemployment Estimated Trajectories for Best and Worst Counties
In Nonprofit Density**



Nonprofits and Unemployment

Fig. 2: Percent Change in Unemployment Rate in Nonprofit Density, 2006-2009

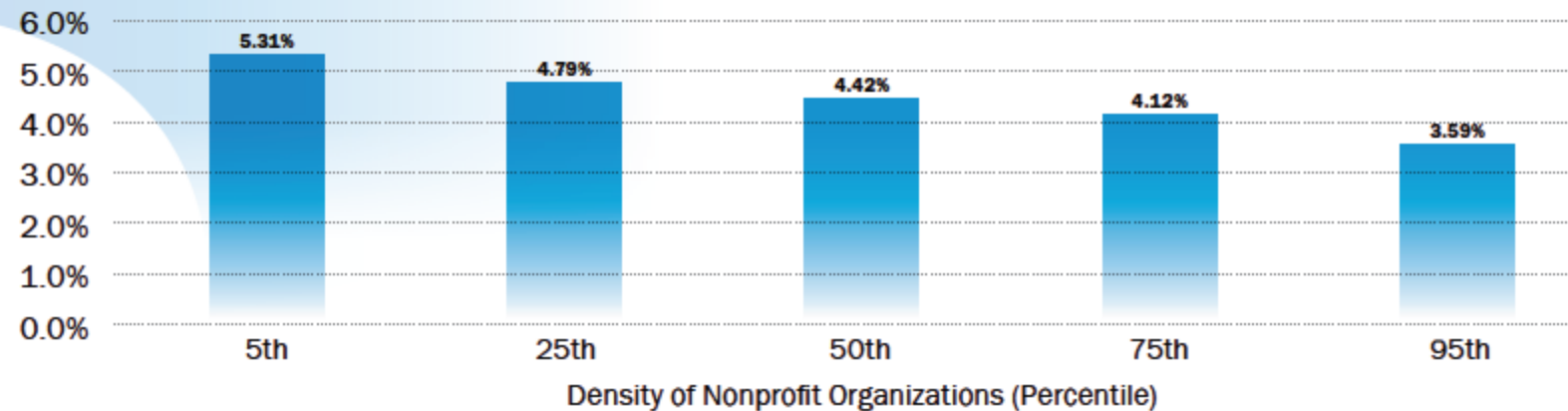
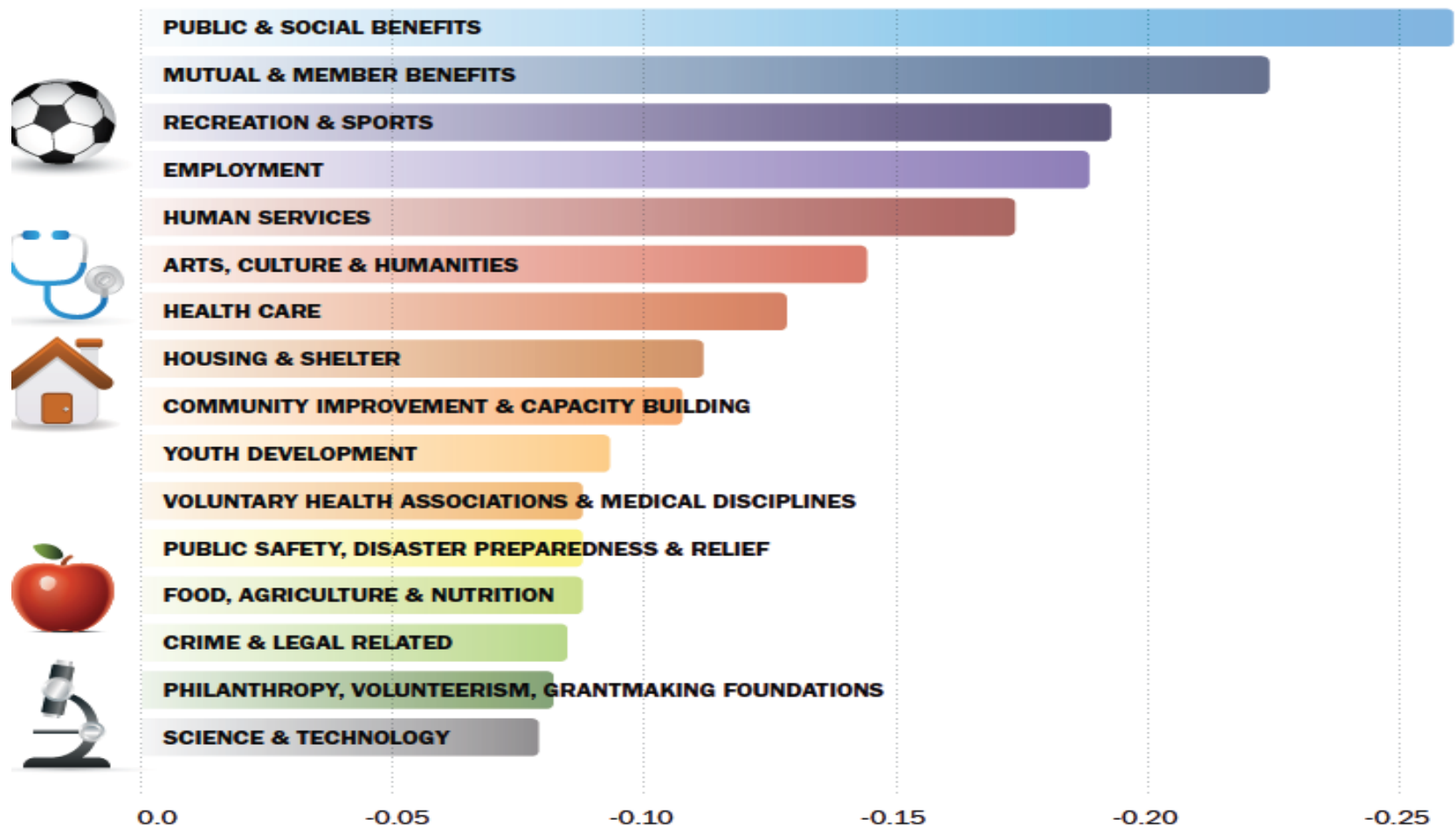


Fig. 4: Types of NPOs that Significantly Predict Change in Unemployment



These numbers represent standardized regression coefficients that tell us the relative strength of the relationship between each type of NPO and the change in unemployment.

Types of Nonprofits

Public & Social Benefits

Military and Veterans Organizations
Consumers Union of the United States
Army Emergency Relief

Mutual & Membership Benefits

Fraternal Societies
University Retiree Health
Benefits Coverage

Recreation & Sport

National Collegiate Athletic Association
Parks and Playgrounds
Recreational Clubs
Sports Associations and Training Facilities

Employment

AARP Foundation
Goodwill Industries
Labor Unions

Human Services

Family Violence Shelters
Seniors Centers
American National Red Cross
Front Porch Communities and Services

Arts, Culture & Humanities

Arts Education
Metropolitan Museum of Art
Public Broadcasting Service

Health Care

Hospitals
Community Clinics
Blood Banks
Public Health

Housing & Shelter

Low-Income and Subsidized Rental Housing
Homeowners & Tenants Associations
Habitat for Humanity International

Community Improvement & Capacity Building

Neighborhood & Block Associations
Chambers of Commerce and
Business Leagues
Real Estate Associations
Local Initiatives Support Corporation

Youth Development

Youth Community Service Clubs
Boy Scouts of America
Boys & Girls Clubs of America
Mentoring Programs

Voluntary Health Associations & Medical Disciplines

American Heart Association
American Cancer Society
March of Dimes Foundation

Public Safety, Disaster

Preparedness & Relief

Disaster Preparedness & Relief Services
Search & Rescue Squads
Insurance Institute for Highway Safety

Food, Agriculture & Nutrition

Food Banks & Pantries
Farm Bureaus & Granges
International Food Policy Research Institute

Crime & Legal Related

Crime Prevention
Law Enforcement
Legal Aid Society

Philanthropy, Voluntarism, Grantmaking Foundations

Volunteerism Promotion
Fidelity Investments Charitable Gift Fund
California Community Foundation
George Kaiser Family Foundation

Science & Technology

Aerospace Corporation
National Academy of Sciences
Alliance for Sustainable Energy

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The organizations that appear to be helpful could be described as:

- Organizations that provide direct, tangible benefits to their members, instead of pursuing advocacy agendas or impersonal goals, such as research and science.
- Horizontal organizations, characterized by peer-to-peer interactions and collective decision-making, rather than strongly hierarchical organizations in which a few people make the decisions.
- Groups that meet regularly and whose supporters perceive themselves as genuine members, in contrast to mailing-list organizations, “in which ‘membership’ is essentially an honorific rhetorical device for fundraising.”⁹
- “Thick” rather than “thin” organizations.¹⁰ In “thick” organizations, people are loyal to the group and are generally willing to do what it decides to do (within reason), whereas “thin” groups pursue a defined agenda their members endorse. In other words, thick groups involve commitment whereas thin ones are transactional.

Community Social Capital and Unemployment

- The number of associations per capita, the number of nonprofits per capita, proportion of residents who return their Census forms by mail, and presidential election turnout.
- This index also predicts unemployment change when included in the models.

Civic Engagement and Unemployment

- Knight Soul of the Community Study
- 43,000 people in 26 communities from 2008-2011
- Civic engagement is related to trust and community attachment, which in turn, strongly predicts favorable perceptions of the local economy.

Community Attachment

- Top 4 Attachment Factors
 - Social offerings (entertainment venues and places to meet)
 - Openness (how welcoming a place is)
 - Aesthetics (physical beauty and green spaces)
 - Educational opportunities

(<http://www.soulofthecommunity.org/>)

Explaining the Relationship Between Civic Health and Economic Resilience

The 2011 report proposed six explanations for the connection between these civic health indicators and unemployment:

1. **Human capital:** Participation in civic society can help develop skills, confidence, and habits that make people employable.
2. **Networks:** People get jobs through social networks, including neighbors, service organizations, and community groups.
3. **Information:** Better information flow makes it easier to find jobs and employees, and for citizens to communicate with government.
4. **Trust:** Trusting relationships are more likely to spread membership and information, and instill the confidence necessary to invest, hire, and build businesses.
5. **Good Government:** Communities with stronger civil societies are more likely to have good governments, which lead to higher performing schools, and inclusive public policies that affect unemployment and social services.
6. **Attachment:** Feelings of attachment to community increase the odds that one will invest, spend, and hire there.



Questions?

Mike Stout, Ph.D.

mstout@missouristate.edu

@mikestout_msu

417-836-5357