



**STAFF REPORT
ACTION REQUIRED**

**Advancing Digital Inclusion for Disadvantaged Children:
A Donation to the *kids@computers* Scholarship Project**

Date:	January 16 2013
To:	Economic Development Committee
From:	General Manager, Service Integration & Business Transformation
Wards:	All
Reference Number:	

SUMMARY

In November 2012, SelectCore Ltd (SelectCore) approached Toronto Employment and Social Services (TESS) with a donation of \$250,000 to sponsor the *kids@computers* Scholarship Project (*kids@computers*). This report requests that Council recognize this valuable donation and approve its receipt by TESS. The report begins with a brief overview of the background to *kids@computers*, its introduction in 2001 and its subsequent evolution. The report continues by illustrating the project's success to date, both in terms of sheer numbers (providing some 18,000 computer systems to low income children and families), recognition and awards, and, even more importantly, the testimony of those whose lives it has helped to change. After noting the ongoing need for the project, the report concludes by providing further details of the donation. Following a decade of success, the donation provides an opportunity to raise the profile of *kids@computers*, attract other sponsors and place the project on a sustainable footing so it can continue to address the technological needs of low income children.

RECOMMENDATIONS

The General Manager, Service Integration & Business Transformation recommends that City Council:

1: Recognize a donation of \$250,000, consisting of \$20,000 cash and \$230,000 in-kind internet services for three years, from SelectCore to support the *kids@computers* Scholarship Project;

a: approve its receipt by Toronto Employment and Social Services, amending TESS's 2013 Approved Operating Budget by increasing revenues and expenses

by \$20,000 gross, \$0 net funded from the donation from SelectCore to support the *kids@computers* Scholarship Project; and

b: authorize the General Manager, Toronto Employment and Social Services to negotiate and execute, on behalf of the City, an agreement with SelectCore for the provision by SelectCore of a cash and in-kind donation of \$250,000, all in a form satisfactory to the City Solicitor.

Financial Impact

The \$20,000 cash donation will be contributed to the *kids@computers* fund and used to pay for the purchase and delivery of computers and printers for scholarship recipients. A tax receipt will be issued for this amount. The donation will increase TESS's 2013 Approved Operating Budget by \$20,000 gross, \$0 net. As a result there is no net financial impact to the City.

The \$230,000 in-kind donation will provide approximately \$76,600 of internet service annually for three years and will support more than 500 children. SelectCore has not requested a tax receipt for this in-kind donation.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information. The report has also been reviewed by Legal Services, Accounting Services, Financial Planning and the Office of Partnerships.

DECISION HISTORY

At its meeting in April 2001, City Council approved the establishment of *kids@computers* as a pilot project. Based on its initial success, Council authorized the continuation of the project in November 2001. A subsequent report, approved by Council at its meeting in September 2002 provided a detailed overview of the project, including the governance structure:

http://tss.toronto.ca/tss/commreps/2001/2001_kids_at_computers.htm
http://tss.toronto.ca/tss/commreps/2001/2001_update_kids_computers.htm
http://tss.toronto.ca/tss/commreps/2002/2002_kidscomp.htm

ISSUE BACKGROUND

While major cities like Toronto are widely acknowledged as engines of economic growth and sites of tremendous opportunity, they are also home to high levels of unemployment, concentrated poverty and growing inequality. As the Toronto Community Foundation¹ noted in its most recent assessment of quality of life in the city:

¹ Toronto Community Foundation (2012), *Toronto's Vital Signs 2012 Report: A Report on the Overall Quality of Life in the City of Toronto*, TCF.

- Between 1980 and 2005, median earnings of full-time workers in the top income group increased 16% while median incomes of full-time workers in the bottom group declined 21%;
- More than 360,000 families and single-person households in Toronto (30% of the total) were living in poverty in 2010; and
- Toronto has become the least equitable metropolitan centre in Canada and by 2025 almost 60% of Toronto neighbourhoods will be low or very low income.

In addition, at approximately 9.5% Toronto's unemployment rate continues to be significantly higher than that of Ontario and Canada. Such high levels of unemployment and a protracted economic recovery have led to a growth in the social assistance caseload in Toronto. As a result, significant numbers of Torontonians continue to face poverty and disadvantage, as well as social and economic exclusion.

From “Digital Divide” to “Digital Inclusion”

While there are many factors that contribute to exclusion, it has become widely accepted that in a fast-paced, rapidly-changing economy and society, access to technology is one crucial element. For children in particular, access to and use of computers increases educational, employment and earnings opportunities as technological transformations change the knowledge and skills workers need to succeed in the labour market.

In the early 2000s, this growing understanding of the benefits of computers led to concerns about a widening “digital divide” between those who could access technology and those who could not. Research showed that while access to home computers and the Internet increased across all groups, growth rates were more significant in upper income households.² Overall, the evidence showed a “Sesame Street effect”, where an innovation that held great promise for low income children to catch up educationally with more affluent children actually increased educational gaps.

Subsequently, debate shifted from the notion of “digital divide” to “digital inclusion” to describe a range of activities related to more accessible and inclusive technology. The evidence confirms that digital inclusion is capable of enhancing opportunity for marginalized individuals and communities by reducing their social exclusion, facilitating access and participation and by simplifying communication and engagement.³

Putting the Knowledge of Digital Inclusion into Practice

² See, for example, Eamon, M. K. (2004), “Digital Divide in computer access and use between poor and non-poor youth”, *Journal of Sociology and Social Welfare*, 31, 2: 91-112; Du, J., Havard, B., Sansing, W. and Yu C. (2004), “The Impact of Technology Use on Low-income and minority students’ academic achievement: Educational longitudinal study of 2002”, *Journal of Educational Research and Policy Studies*, 4, 2: 21-38; Fuchs, T. and Wößmann, L. (2005), “Computers and Student Learning: Bivariate and Multivariate Evidence on the Availability and Use of Computers at Home and at School”, IFO Working Paper No 8, Institute for Economic Research, Munich, University of Munich.

³ Fresh Minds Research (2008), *Economic benefits of digital inclusion*, London.

In 2001, Toronto Employment and Social Service (TESS) put the growing knowledge about digital inclusion into practice by launching *kids@computers* with the objective of ensuring that as many children from low income families as possible received home computers to assist them in bridging the digital divide. The focus was on children between the ages of 8 and 14 years in low income families in Toronto who did not have a computer. During these years, access and exposure to the internet and computers is increasingly essential to success in school and to inclusion in peer-based activities.

Initially, the project operated as a pilot, enabling innovation to take place in a relatively low risk way, as well as providing an opportunity to accumulate evidence, challenge assumptions and adjust to lessons. Initial funding was realized through TESS' success in exceeding social assistance program targets established by the provincial government for the Community Placement or "workfare" component of Ontario Works. With the approval of City Council, TESS proposed *kids@computers* as a merit-based approach to reinvesting a portion of this funding back into low income families in Toronto.

Based on the success of the pilot, City Council authorized the continuation and expansion of the project for 2002 and onward. Since that time, through the leadership of TESS and the oversight of a cross-divisional Senior Advisory Group consisting of senior representatives from Toronto Fire Services, Toronto Public Library, Toronto Community Housing, Information and Technology, Toronto Office of Partnerships and Toronto Employment and Social Services, *kids@computers* has successfully helped to address the technology needs of low income children and families in Toronto.

More than a Decade of Success

Since it was first introduced as a pilot project, *kids@computers* has distributed almost 18,000 computers, with printers and internet access, to disadvantaged children and families in Toronto. As a result, it is the largest project of its kind in the Greater Toronto Area. Administrative data, coupled with research findings from surveys, interviews and focus groups with children, families and teachers, show that:

- More than two thirds of scholarship recipients are from single parent families on social assistance. Nearly three quarters of families who have received a computer have been on assistance in excess of two years. In two out of every five families, the head-of-household has less than a high school education.
- The distribution of computers generally reflects the distribution of families with eligible children who are in receipt of Ontario Works (OW) and Ontario Disability Support Program (ODSP). Areas with the highest concentration of scholarships awarded typically have the highest proportion of children living in poverty.
- The average age of children in families receiving a computer is 11 years. The average number of children in scholarship families is 3, indicative of the efforts of *kids@computers* to maximize the number of children benefiting from each computer awarded.
- Up to a year after receiving the scholarship, two thirds of children use their computers daily and more than 80% use them at least four times per week. Improved academic

performance has been noted by family, teachers and principals. Children with Learning Disabilities gain particular benefits as computers act as visual aids that reinforce the work being taught (e.g., the computers can help children with organizational difficulties to better structure their thoughts).

Reflecting the scale, scope and success of this work, *kids@computers* has received recognition and awards for quality and innovation, including:

- Finalist IPAC/Deloitte Public Sector Leadership Award (2009);
- Ontario Showcase Merit Award (2008);
- Willis Award, Canadian Association of Municipal Administrators (2005);
- Silver Award, Public Sector Quality Fair (2004);
- Community Hero Award, Information Technology Association of Canada (2004); and
- Industry Canada LibraryNet Award for Best Practices (2002).

However, far more than the numbers served or the recognition received, the success of *kids@computers* emerges through the personal testimony of children, youth, families and educators who bring to life, both vividly and emotionally, the opportunities that the project provides, the disadvantage it helps to overcome, and the transformations that it promotes:

This program is something special to my life. Families like mine must be able to come to Canada and continue in this country with hope, and we can't do that without a computer. If anyone can afford to help keep this going, they should. It makes an honest difference in peoples' lives" [Arshia, Participant].

I would like all the people who have created this program to be proud. You are giving kids and families chances to have something that they might have wanted and couldn't afford (Andi, Participant).

(My sons) are more confident in their studies, and now can independently complete their own school work. I work evenings and it was always a challenge for me to find time to take the boys to the library where they used the computer. Having a computer has proved invaluable to my family. The boys' grades have shot up as well (Sandra, Parent).

Having access to a computer at home is instrumental for high achievement in school these days (TDSB Teacher).

Attachment 1 provides additional first-hand insights into the positive impact that *kids@computers* continues to have on the lives of low-income residents.

The *kids@computers* Model: A Recipe for Success

A number of factors have not only been critical to this success but also clearly distinguish *kids@computers* from other similar projects:

- ***Applying for a Scholarship:*** Eligible children apply for a scholarship by submitting a short essay explaining why they should receive a computer, as well as letters of recommendation from sponsors such as teachers, principals, other educators or professionals who have worked with the children. The application process confirms that there is no home computer or that what is available does not meet basic standards. Successful applicants and their families attend and complete basic computer orientation sessions before a computer is delivered to their home.
- ***Reliable, Home-Based Technology:*** Successful applicants receive new computer systems and software which provide reliable, home-based access. Similar programs typically provide low income families with refurbished, previously owned equipment that may be outdated.
- ***Partnership and Collaboration:*** Strong partnerships are key to the success of *kids@computers*. Through TESS' leadership other City divisions, as well as private sector service providers, have been brought on board to raise awareness, provide maximum benefits, and leverage in-house resources and expertise. At different times the project has brought together staff and resources from TESS, Toronto Public Library, Toronto Parks and Recreation, Toronto Fire Services and Toronto Community Housing with those of community and private sector sponsors such as the Kiwanis Boys and Girls Club and Microsoft Canada.
- ***Mentorship:*** While all partners act as role models, a specific mentorship component was added with firefighters from Toronto Fire Services along with staff at TESS and the Kiwanis Boys and Girls Clubs providing strong community role models to the children participating in the program.
- ***Improved Access to City Services:*** Orientation sessions are provided on-site by project partners at Toronto Public Library and Toronto Parks and Recreation facilities. Through this process, children and families are also made aware of a wide range of information, resources and services and programs that support their broader participation in the community.
- ***Value for Money:*** With the support of these City partners, TESS has minimized administrative expenses (which represent only 8% of operating costs) while ensuring high quality of service. Moreover, at a program cost of approximately \$2 million per annum and estimating a cost of approximately \$1000 per system (including computer, printer, internet, delivery and training), an average of two children per family receiving a computer, and an effective computer lifespan of three years, the cost per child per month works out at \$16.70. This is an average cost of under \$35 per month per two-child family, or the equivalent of basic monthly telephone service.

COMMENTS

Toronto, like many other global cities, is facing major transformations, as the structure of the labour market and the nature of work continue to change. Both now and in the years ahead, the changing demands of a knowledge-based economy mean that individuals who lack education and skills, including technological skills, risk being left behind both in education and employment. Such exclusion is not only damaging to individuals and

families, but also to communities and the social cohesion and economic competitiveness of the city.⁴

Reflecting these challenges, the City has developed a number of high-level strategies, including the Economic Growth Plan, Workforce Development Strategy and Strong Neighbourhoods Strategy, to sustain prosperity, advance opportunity and address disadvantage. Related to these strategies, the City has numerous projects and activities that address various aspects of social exclusion.

The *kids@computers* Scholarship Project is one unique example. By focusing investments on disadvantaged children, the project yields large short and long-term returns through educational achievements, skills development and inclusion. This approach is consistent with the Economic Growth Plan and the Workforce Development Strategy which both recognize the importance of investing in human capital and skills development. It also reflects the call of others, including the Conference Board of Canada and the Toronto Board of Trade, that addressing inequality and encouraging inclusion are key to ensuring long-term prosperity and competitiveness.⁵

Unmet Need

It is well established that, on average, children living in poverty will not only fare worse academically than peers from higher income groups, but that this disadvantage will increase for each year children remain living in poverty. It is also increasingly recognized that children living in disadvantaged neighbourhoods are also at greater risk of lower academic achievement.

Over the past 11 years, *kids@computers* has established a proven track record in addressing digital exclusion and providing opportunities to children and their families. Home computer access supports academic achievement in a number of ways. Recipients show increased motivation and interest in school work; improved marks as a result of access to more resources and more professional presentation; and enhanced computer knowledge and independent research skills. For those for whom English is not a first language, there is ready access to spell checks, thesaurus and other online resources. Moreover, children with Learning Disabilities gain particular benefits as computers act as visual aids that reinforce the work being taught (e.g., the computers can help children with organizational difficulties to better structure their thoughts).

By providing access to the same resources that other students have, the project provides “equity of access”, as children can complete school projects through the same means as their peers. For the many children living in poverty who have never owned such up-to-date technology, the project supports “inclusion through ownership.”

⁴ Conference Board of Canada, July 2011 Income Inequality; Toronto Board of Trade, (2010) *Lifting All Boats: Promoting Social Cohesion and Economic Inclusion in the Toronto Region*, TBT.

⁵ Toronto Board of Trade, (2010) *Lifting All Boats: Promoting Social Cohesion and Economic Inclusion in the Toronto Region*, TBT.

Despite this success, there remains significant unmet need. Specifically, although *kids@computers* has an annual project budget of approximately \$1.5 million to purchase computers, printers, internet service and computer orientation, applications continue to far outstrip supply. As a result, each year more than 1000 requests for assistance cannot be met.

More generally, in addition to the high levels of poverty and unemployment, and the increased concentration of disadvantage within specific neighbourhoods, highlighted at the beginning of this report, research and experience continue to show that many low income children lack access to a home computer. An unpublished 2010 survey by the Toronto Catholic District School Board, for example, found that 10% of students did not have a computer in the home. This equates to approximately 8,500 students. Similarly, research by the Education Quality and Accountability Office found that approximately 10% of grade 3 and grade 6 respondents to a 2009 question about computer ownership indicated that they did not have a home computer.

SelectCore's Donation

Recognising the important role that *kids@computers* plays, in November 2012, SelectCore approached TESS with a donation of \$250,000 to sponsor the project.

SelectCore, a pioneer in prepaid payment solutions for under-served markets, offer a range of services including gift card/store credit cards, open-use prepaid debit cards, and single service/single retailer prepaid cards for corporate clients, government agencies, telecom carriers and retail partners. SelectCore was contracted through RFP in 2012 by TESS to implement the City Services Benefit Card, a new and improved method of payment for clients of Ontario Works.

SelectCore's donation consists of \$20,000 cash and \$230,000 in-kind internet services for three years. The in-kind donation will provide approximately \$76,600 of internet service annually for three years and will support more than 500 children. The cash donation will go towards the purchase and delivery of computers and printers to more than 30 children in need.

Previously, *kids@computers* has accepted significant donations, most notably a \$3.5 million in-kind donation from Microsoft to provide after-market educational software between 2003-2005.

Given the ongoing need for *kids@computers*, this donation will play a key role in ensuring that a project which has already helped to transform the lives of many disadvantaged youth and families, can continue to make a positive difference in the lives of residents who need this support.

Following a decade of success, as *kids@computers* continues to evolve, this donation provides an opportunity to raise the profile of this important project, attract other

sponsors and place the project on a sustainable footing so it can continue to address the technological needs of low income children.

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ATTACHMENTS

Attachment 1: Quotes – The Importance and Impact of *kids@computers*

Attachment 2: Awards Presented to *kids@computers*

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Finalist for the 2009 I.P.A.C./Deloitte Public Sector Leadership Award:

The IPAC/Deloitte Public Sector Leadership Awards program recognizes organizations that have demonstrated outstanding leadership by taking bold steps to improve Canada, through advancements in public policy and management.

The 2008 Ontario Showcase Merit Award –Small Project Achievement

Showcase Ontario Awards of Merit from the provincial I&T public sector at this year's Showcase Ontario conference and exhibition. Showcase Ontario Awards of Merit recognize projects that demonstrate excellence in the use of information technology to improve services for Ontarians.

The Canadian Association of Municipal Administrators (CAMA) 2005 Willis Award for Innovation for a municipality with a population over 20,000

The Willis Award for Innovation, awarded in recognition of Jack Willis for his contribution to the CAMA, is presented for programs, projects or services that demonstrate exceptional innovation or meritorious initiative.

The Public Sector Quality Fair (PSQF) 2004 Silver Award

The Public Sector Quality Fair is a province-wide showcase for service excellence in the broader public sector across the Province of Ontario. It gives exceptional public service initiatives the opportunity to be recognized for their achievements as well as an opportunity to network and learn from other service quality practitioners. All applications to the PSQF are evaluated against the same quality criteria -- leadership, citizen/client focus, process management, supplier/partner focus, and organizational performance -- that the National Quality Institute uses for the Canada Awards for Excellence.

Information Technology Association of Canada (ITAC) 2004 Community IT Hero Award

The Information Technology Association of Canada is a prominent advocate for the expansion of Canada's innovative capacity and for stronger productivity across all sectors through the strategic use of technology. ITAC's community of companies accounts for more than 70% of the 572,000 jobs, \$140 billion in revenue, \$6 billion in R&D investment, \$31 billion in exports and \$11 billion in capital expenditures that information and communication industries contribute annually to the Canadian economy. These awards recognize the creative application of information technology in improving the lives of Canadians.

The Industry Canada LibraryNet Award for Best Practices in 2002: Innovative Internet Use in Canadian Public Libraries

Industry Canada created its Best Practices Awards in 1997 to recognize the achievements of public libraries in e-learning and to encourage further innovation. These awards come under the auspices of Industry Canada's LibraryNet initiative which encourages public libraries to use information and communication technologies to better serve their communities.