

# The Economic & Social Impact in Hawaii of the Services Provided by



The Mediation Center of the Pacific, Inc.

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Fiscal Year 2023-2024

## OVERVIEW

The Mediation Center of the Pacific, Inc. (MCP) is a 501(c)(3) community based organization that has been dedicated to helping people in Hawaii talk and creatively prevent and resolve conflicts of all types, since 1979. Over the past forty-six years, MCP has assisted thousands of people address a broad variety of issues including custody and visitation of minor children, landlord-tenant disputes, small business matters, family conflicts regarding the care of an elder member and the division of family property, employment disputes, civil rights matters, and more.

To provide these services at a low or no cost for individuals with limited financial resources, MCP relies on grants, government contracts, fundraising, and private donations, as well as the services of 150 mediators and facilitators (neutrals) who provide their services at a low or no cost. With these financial and human resources, MCP helps people in conflict to resolve their immediate issues, and ultimately save on legal costs and other expenses they would have incurred had they continued fighting. Equally important, not only do the services provided by MCP help the individuals who receive the direct services, they also make a significant social and economic impact on everyone in Hawaii's communities.

To show the value of its services and the critical impact that every dollar invested in MCP's programs make, in 2025, MCP commissioned Community Services Analysis LLC (CSACO) to conduct a Social Return on Investment analysis for a year-long period ending on June 30, 2024. The analysis conducted by CSACO was based on the number of issues addressed and the types of mediation and dispute resolution matters (mediation) handled by MCP during the year.

The outcome of the analysis showed that while the total expenditures of MCP to provide mediation services in the various areas was \$921,000 for the one year period, the total net economic impact of the services provided by MCP during Fiscal Year 2023-2024 (FY2024), was \$11,819,000.

**The total net economic impact of MCP's  
services during Fiscal Year 2024 was  
\$11,819,000.**



## THE VALUE OF MCP'S SERVICES EXTENDS BEYOND THE RESOLUTION OF DISPUTES

### Direct Financial Impact of MCP's Services

In a normal financial analysis, return on investment is the ratio of money gained or lost relative to the money invested. In social service organizations, social return on investment (SROI) measures the financial value created by the organization through the delivery of services to the community.

The direct value of mediation services is the fair market replacement cost value of those services (what it would cost community members to replace the services with equivalent services, if MCP did not exist).

**In FY 2024,  
members of the community  
would have had to pay  
\$3,327,000 to replace MCP's  
direct services with  
equivalent services, if MCP did  
not exist.**



In FY 2024, MCP managed 2,679 cases. Of those cases, the neutrals provided assistance with 1,573 legal issues involving people from all backgrounds, more than half of whom were in the lower income and ALICE populations. Of the 1,573 cases that were mediated, 840 resulted in written agreements. These agreements included living arrangements and child support for minor children, family plans to support an elderly family member, payment plans for tenants to remain in their units, and more.

The SROI analysis showed the immediate gross value of the cases that participated in mediation was \$3,327,000.

This value was determined by assessing the fair market replacement cost value of the mediation services provided by MCP for the cases that were actually mediated. This value does not factor in benefits derived by clients who were assisted by MCP's staff but did not participate in a mediation.

### Government and Legal System Cost Savings

MCP'S services also provide cost savings to the Hawaii's government agencies and court systems by reducing work for these systems, as well as by increasing efficiency. In FY 2024, the cases that reached agreement, reduced the court backlog and saved \$1,885,000 for Hawaii's courts and other government operations.

**During FY 2024, the services provided by MCP resulted in  
\$1,885,000 in immediate direct financial savings for Hawaii's  
courts and other government operations**

## The Long-Term Impact of MCP's Services

The long-term value of mediation and dispute resolution services are based on the consequential financial impacts to the community resulting from the outcomes of the services. Consequential impacts include savings in community supports costs, reductions in community medical care expenses, additional community income and taxation revenues from benefit programs, savings in housing and support costs for homeless families, and savings in community law enforcement, court systems, and other government agency costs.



*"Both mediators were extraordinary as reflected by their professionalism, experience, patience, and tactful diplomacy. I was thoroughly impressed and satisfied with the agreement they negotiated and attained."*

The high SROI for MCP was based on the fact that successful mediation services result in significant current and future cost savings or additional income for Hawaii's people. These long-term outcomes include (among others):

- ♦ Multiple year income from alimony and child support payments that were agreed to in mediation and consequently reduced the need for ongoing community support and assistance costs;
- ♦ Long-term savings on community emergency medical costs and long-term community support and assistance costs for victims of domestic abuse and elders requiring regular support and care;
- ♦ Significant savings on costs for emergency housing and family assistance resulting from the resolution of landlord-tenant issues

Based on an assessment of these factors, the total gross immediate direct and longer-term consequential outcome of the services delivered by MCP during the FY 2024 was \$13,417,000. Of this total, approximately \$1,598,000 (approximately 11.9% overall) in value will not actually be received due to various factors such as parents not making agreed child support payments; nonpayment of agreed alimony support; nonpayment of landlord-tenant housing claims and repairs; and the death or relocation out of the state by benefit recipients. With these factors incorporated into the formula, the total net economic impact of MCP's services during FY 2024 was \$11,819,000

**The Total Net Economic Impact of  
MCP's Services in FY 2024 was  
\$11,819,000**

**For Every \$1 spent by MCP in providing services in FY 2024, \$12.83 was delivered in immediate and long-term consequential financial benefits to the people of Hawaii.**

The high value of MCP's services is also due to MCP's efficient operations, the use of neutrals who provide services for free or at a cost below current market rates, and the following factors:

- ♦ Mediation is significantly less expensive than traditional litigation, as it avoids the costs of court fees, discovery, and lengthy attorney involvement.
- ♦ Mediation resolves disputes much faster than litigation, which can take months or even years.
- ♦ Mediation can reduce the stress associated with lengthy and expensive legal battles.
- ♦ Mediation allows for creative and flexible solutions that may not be possible within the constraints of a formal legal process.
- ♦ Participation in mediation is voluntary. Parties can choose to engage or disengage at any time.
- ♦ Mediation provides a structured setting for parties to communicate directly and openly, fostering understanding and potentially repairing strained relationships.
- ♦ Mediation can be particularly beneficial in situations where relationships are important, such as family or business disputes, as it allows parties to focus on finding mutually agreeable solutions rather than a win-lose outcome.
- ♦ Mediation aims to satisfy the interests and needs of both parties.
- ♦ Mediation sessions are confidential, meaning that discussions and agreements are not public record.



*"The mediator was wonderful.  
This mediation took a load off  
my mind!"*



## THE LONG-TERM IMPACT OF MCP'S SERVICES

The total gross immediate direct and long-term economic impacts of the services delivered by MCP during Fiscal Year 2024 was **\$13,417,000.**

Of this total, approximately \$1,598,000 (approximately 11.9% overall) in value will not actually be received due to various factors such as parents not making agreed child support payments; non-payment of agreed alimony support nonpayment of landlord/tenant housing claims and repairs; and the death or relocation out of the state by benefit recipients.

The total net economic impact of MCP's services during Fiscal Year 2024 was **\$11,819,000.**

MCP expended a total of \$921,000 in FY 2024 provided through grants, contributions from individuals and businesses, and government contracts to provide the mediation services.

The total Net Social Return on Investment for MCP's services during FY 2024 was **876%.**



*"The mediators were exceptional. They helped us create an agreement from a potentially very volatile situation." Very happy with the outcome."*

## MCP SERVICES PLAY A CRITICAL ROLE IN HAWAII

MCP was founded in 1979 to provide Hawaii's people with peaceful approaches to working through conflict. It was one of the earliest established community mediation centers in the nation, and has continued to grow and evolve since that time. Through a variety of culturally sensitive processes, people from all facets of Hawaii's communities, young and old, are helped to prevent and resolve conflict.

Through mediation and other dispute resolution services provided by MCP, families, friends, co-workers, neighbors, landlords and tenants, and many others, have the opportunity to sit down with a mediator or facilitator in a non-threatening setting to talk and negotiate creative solutions. MCP is the only dispute resolution option for people in the low income and vulnerable populations on Oahu.

*"I used mediation services at the Mediation Center of the Pacific to negotiate a divorce. Both mediators, one female and one male, were seasoned professionals that worked at our pace to resolve issues. They held a non-judgmental space for us to express our emotions and helped us to find a mutually beneficial agreement. We were able to hammer out the most significant grievances in one session lasting 3 hours. I found the whole process to be so humane, effective, and affordable that I highly recommend using their mediation services before escalating to lawyers."*

MCP works with other legal service providers, the courts and the community to offer a broad array of mediation and dispute resolution services to meet community needs including:

- ♦ Community mediation services for those in dispute with family members, neighbors, co-workers and friends.
- ♦ Specialized mediation services, including: divorce; custody; employment; civil rights; condominium; special education; landlord-tenant; foreclosure; adult guardianship; caregiving; and business.
- ♦ District Court mediations including Small Claims, Summary Possession (Eviction) and Temporary Restraining Orders.

Through these services, the individuals in conflict are given a voice to share their perspectives and negotiate customized solutions that work for them.

*"The mediators helped me feel comfortable sharing my story and my values and priorities regarding my children. They listened extremely well and made this (given the situation) a positive experience."*

## THE SROI RESULTS FOR MCP

TOTAL NUMBER OF MEDIATION ISSUES	2,679
IMMEDIATE GROSS DIRECT VALUE OF SERVICES	\$3,327,000
<i>The direct value of mediation and dispute resolution services is the fair market replacement cost value of those services (what it would cost the members of the community to replace the services of The Mediation Center of the Pacific organization did not exist , plus the actual dollar amount of settlements and other monetary awards).</i>	
LONG-TERM GROSS IMPACTS OF SERVICES	\$10,089,000
<i>The long-term impacts of mediation and dispute resolution services are the consequential financial impacts to the community resulting from the outcomes of MCP's services. These consequential benefits include savings in community supports costs, reductions in community medical care expenses, additional community income and taxation revenues from benefit programs, savings in housing and support costs for homeless families, and savings in community law enforcement, court systems, and other government agency costs.</i>	
TOTAL GROSS ECONOMIC IMPACT OF SERVICES	\$13,417,000
TOTAL NET ECONOMIC IMPACT OF SERVICES <i>Approximately 11.9% of the overall long-term impacts will not actually be received.</i>	\$11,819,000
TOTAL PROGRAM EXPENSES	\$921,000
SOCIAL IMPACT RETURN ON INVESTMENT	1,283%
For every \$1 invested in MCP during FY 2024, Hawaii's communities received \$12.83 in immediate and long-term consequential financial benefits.	



MCP provides services in many types of conflict issues. The value of its services are derived from the direct and long-term impact of these services particularly in key areas of need including: Family Matters, Housing Matters, Consumer/Merchant Matters, Restraining orders, Special Education, Civil Rights, and Employment Matters.

<u>Family Issues</u>	<u>No. of Cases</u>	<u>Direct Impact</u>	<u>Long-Term Impact</u>
Paternity	265	\$220,000	\$4,604,000
Divorce	462	\$421,000	\$ 322,000
Child Guardianship	7	\$ 31,000	\$ 68,000
Civil Union Issues	5	\$ 3,000	\$ 16,000
Adult Guardianship	16	\$ 26,000	\$
Family Matters	49	\$ 10,000	\$
Post Divorce	151	\$129,000	\$
<u>Housing Issues</u>		<u>Direct Impact</u>	<u>Long-Term Impact</u>
Eviction (court)	686	\$176,000	\$3,527,000
Early Eviction	143	\$ 24,000	\$ 657,000
Landlord/Tenant	242	\$ 41,000	\$ 632,000
Security Deposit	93	\$ 36,000	\$
Foreclosure	2	\$ 8,000	\$ 12,000
Neighbor	24	\$ 11,000	\$
Condominium & HOA	58	\$ 30,000	\$
Other Housing Issues	62	\$ 19,000	\$
Real Estate Issues	18	\$ 5,000	\$
Friends Issues	15	\$ 3,000	\$
Pet Issues	7	\$ 1,000	\$
<u>Restraining Orders</u>	119	\$ 89,000	\$ 251,000
<u>Consumer/Merchant</u>	122	\$ 41,000	\$ 119,000
<u>Employment Issues</u>	35	\$ 13,000	\$
<u>Special Education</u>	34	\$ 37,000	\$
<u>Auto Accidents</u>	33	\$ 15,000	\$
<u>Civil Rights</u>	15	\$ 18,000	\$
<u>Business</u>	8	\$ 2,000	\$
<u>Other</u>	10	\$ 12,000	\$

# THE SOCIAL RETURN ON INVESTMENT ANALYSIS FOR MCP

## Overview

The State of Hawaii and many other governmental funding sources nationwide are reviewing their “Performance Measurement” processes, including metrics such as Return on Investment, Output and Outcome Measures, and Efficiency Measures, in an effort to improve efficiency, effectiveness and the value of their multiple community services and funding requirements and options. This report provides these measurement results to funding sources, stakeholders, and members of the community.

This analysis follows the basic structure, definitions, and procedures encompassed in the Social Value International standardized internationally defined methodology. Additional input was taken from the International Foundation for Valuing Impacts Conceptual Framework, the New Economics Foundation study “*Measuring Real Value: a DIY Guide to Social Return on Investment*”, the Nonprofit Good Practice Guide, and various financial analysis tools and methods used in the private sector.

## Scope of the Project

The process of developing this analysis included the identification of measurable benefits provided to the community by The Mediation Center of the Pacific as a result of their operations.

The definitions of value to the community are based on a variety of published sources where available, surveys of local costs when appropriate, surveys of State residents, and realistic formula calculations. These same methodologies have been used in multiple other social service provider engagements and have been reviewed in detail by multiple organizations and outside researchers.

## Conclusion

Based on a review of the transaction records, internal reports, financial statements, and reports submitted to various state and federal stakeholders by the participating organizations, and the detailed analysis of values delivered to the community of the individual services provided by the organizations, this report presents on a conservative basis the Social Economic Impacts and Social Value Return on Funding Investment from the mediation services delivered by The Mediation Center of the Pacific for the fiscal year 2023-2024.

John Byrnes  
Principal  
Community Services Analysis, LLC

## ABOUT COMMUNITY SERVICES ANALYSIS LLC

Community Services Analysis LLC (CSACO) is a leading provider of Social Economic Impact and Social Return on Investment Analysis in the United States. Since 2007, CSACO has completed over 300 SROI studies for local and state organizations and agencies around the country, including such clients as the U.S. Dept. of the Interior, the U.S. Department of Education, the National Science Foundation, the State of California Department of Rehabilitation, United Way, United Cerebral Palsy, Community College Districts in multiple states, Disability Service Providers (disability, substance abuse, and mental/physical handicaps) in multiple states, Habitat for Humanity, State Libraries and Public Archives, Community Investment Corporations, Cultural Events organizations, Community Foundations, and over 250 Legal Aid organizations nationwide.

Community Services Analysis LLC was the first organization in the United States to be a member of The SROI Network (now Social Value International), the international Social Return on Investment standards and accreditation organization, and has been recognized by many national social services organizations such as ANCOR (the American Network of Community Options and Resources), ACCSES (the American Congress of Community Support and Employment Services), and NLADA (the National Legal Aid and Defenders Association). CSACO is also a member of Social Value International, Social Value - United States, and the American Evaluation Association.

In 2013, following a detailed analysis of multiple Cost Benefit/Return on Investment methodologies and providers, the National Legal Aid and Defenders Association selected CSACO as their SROI analysis national partner.

In 2021, John Byrnes (Founder and Principal) was named the Evaluation Expert of the Year by Global Finance Magazine.