

# NGOs prove their use when multiplier effects come into play

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The proverb goes: "Give a man a fish, and you feed him for a day. Teach a man to fish, and you feed him for a lifetime." This saying has been attributed to the Chinese, the Italians, Native Americans and others. But whoever said it first, matters less than its implication: helping others to help themselves is at the heart of sustainability and also of many successful NGOs who succeed in reaching their objectives.

Stats SA's latest records show that South Africa's current unemployment rate is 27.6%, with our youth unemployment rate at an alarming 55.2%. It is of the utmost urgency that our cities and communities work towards addressing this huge challenge. At the same time, we have to develop – but even more importantly implement – plans of action on how best to achieve the United Nation's Sustainable Development Goals (SDGs) by 2030. Training forms a vital part of bridging the employment gap to ensure that employable people are ready for the workplace, but notably also to ensure that entrepreneurs – those who create both their own jobs in new businesses, but also for others when successful in their undertakings – have the skills to start the multiplier effect.

As a training and mentorship non-profit company (NPC), The Hope Factory is passionate about empowering individuals in a sustainable way to bring change to their communities. Among others, it aims at helping to save South Africa billions of rands by empowering people to become financially sustainable in their own businesses instead of the state carrying them financially through grants and therefore also chip away at the problem of unemployment.

Explains Annie McWalter, CEO of The Hope Factory: "The Hope Factory's socio-economic and skills development initiatives help to mobilise sustainable economic activity by ensuring that individuals have vital and solid foundations to successfully operate their own businesses. The multiplying effect of the standard of living, not only for that specific individual but also for their family, and their communities is large indeed. The development of a robust entrepreneurial approach is vital for any country that battles with unemployment."

"If we picture a simple growth model looking at a multiplier effect principle, we can see that if *one* programme beneficiary of The Hope Factory becomes financially self-sufficient, this will lead to an increase in standards of living not just for themselves, but their family as well. If an average of three family members are dependent financially on that one individual, that would mean that all the family members now have accommodation, are able to eat, go to school etc. Applying the same principle, in 20 years' time a total of 49 people could benefit from one person successfully becoming self-sufficient. In a further 20 years, that figure jumps to 343 people who can live a better life, due to a single successful participant in The Hope Factory's training and mentoring programme," add McWalter.

To achieve its aims, the Hope Factory partners with a number of organisations and corporates. These resources are pooled to ensure that the work to assist the programme participants is done cost-effectively. Most importantly, combined initiatives help to improve success rates and, indeed, to help as many people as possible to be 'fed' for a lifetime.

## **The Hope Factory – growing people, developing businesses and impacting communities**

While not every family will grow at the same rate, and not every entrepreneur or gainfully employed person based on new businesses being developed will sustain the same number of people in his or her family, the theoretic numbers mentioned – based on a very conservative success rate and three dependents per person – remains a good illustration of what can be achieved.

However, there are more specific statistics that already show how The Hope Factory affects lives and starts the multiplier

effect. Looking at specific impact statistics from its 2018 programme, a full 80% of the individuals saw an improvement in their ability to meet their family's basic needs after being on the programme. No less than 95% of the individuals indicated that the programme improved their and their family's quality of life. This is a clear illustration that the programme works. If continuing its work at the current pace, in another decade the programme would have graduated 2,950 people who would have become financially self-sufficient. This is the kind of statistic that shows how teaching people to 'fish' has a very big impact in communities and also for the country.

The costs saved to the country in having to sustain jobless individuals run in the millions. Based on the figure of 2,950 people, The Hope Factory calculates that savings for the country could run to R3.5 billion, if the often-quoted figure of R1.2 million as the cost to South Africa for an unemployed person over a lifetime is used.

### **How does this all fit in with the UN's SDGs?**

The Hope Factory, an initiative supported by the South African Institute of Chartered Accountants (SAICA), contributes towards achieving two of the UN's Global namely decent work and no poverty. Its aims are to "reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions by 2030 as well as promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all by 2030."

This, in addition to various other initiatives, forms part of SAICA's ongoing national campaign to assist towards achieving these goals to support our nation – and indeed our world – for the better.

For more about The Hope Factory and how you can partner with it to ignite hope in South Africa, visit [www.thehopefactory.co.za](http://www.thehopefactory.co.za).

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