The Bermuda Community Foundation (the “foundation”) introduced Vital Signs® as an important step in identifying resident’s priorities related to their quality of life in Bermuda and the issues most important to them. The Vital Signs® programme has become a standard of excellence among community foundations around the world. It provides a methodology that evaluates community vitality and wellbeing and plays an important role in informing the allocation of resources. The reporting and prioritisation process is tailor-made to suit each jurisdiction’s needs.

In Bermuda, we conducted research on the community’s priorities, determined standardised outcomes based on that information and then sought further input from field experts in order to prioritise funding needs. This last step is carried out through convenings, known as “Vital Conversations”.

The foundation is hosting the Vital Conversation Series to further refine the valuable information gathered from the community. In this phase, local stakeholders convene to access public opinion, local, and international data for each of the Vital Signs® areas and prioritize the top outcomes that will guide the foundation’s funding strategy.

**THE FINDINGS**

The 2017 Bermuda Vital Signs Report revealed that Bermuda’s performance on factors related to the economy and work were areas of concern for many residents. Indeed, residents generally perceived the Island’s performance as only fair in this regard. With respect to factors assessed in Bermuda’s quality of life, the perceived cost of living appeared to be the most problematic area. This was evidenced by the rate of inflation, as well as perceptions of unchanged household well-being and conditions for making a large purchase. Nearly two-thirds of residents reported unchanged conditions in their own household economic wellbeing over the past year (62%). That said, two in ten residents had experienced improvement (19%), while the same proportion reported that their economic well-being was worse than it was a year ago. Taking into consideration the impact of inflation on the purchasing power of the dollar, it was no surprise that the level of stress regarding household financial debt increased. At the time of the Vital Signs report, the Bermuda Debt Stress Index was at 33 points, up 13 points compared to a low point observed in 1999.

**ECONOMY & WORK: COST OF LIVING CONVENING REPORT**

This aspect of quality of life refers to the overall economic viability and sustainability of a community, including the role and contribution that the local economy plays in the broader regional and global context.

**BERMUDA VITAL CONVERSATIONS**

The Bermuda Community Foundation (the “foundation”) introduced Vital Signs® as an important step in identifying resident’s priorities related to their quality of life in Bermuda and the issues most important to them. The Vital Signs® programme has become a standard of excellence among community foundations around the world. It provides a methodology that evaluates community vitality and wellbeing and plays an important role in informing the allocation of resources. The reporting and prioritisation process is tailor-made to suit each jurisdiction’s needs.

In Bermuda, we conducted research on the community’s priorities, determined standardised outcomes based on that information and then sought further input from field experts in order to prioritise funding needs. This last step is carried out through convenings, known as “Vital Conversations”.

The foundation is hosting the Vital Conversation Series to further refine the valuable information gathered from the community. In this phase, local stakeholders convene to access public opinion, local, and international data for each of the Vital Signs® areas and prioritize the top outcomes that will guide the foundation’s funding strategy.

**THE FINDINGS**

The 2017 Bermuda Vital Signs Report revealed that Bermuda’s performance on factors related to the economy and work were areas of concern for many residents. Indeed, residents generally perceived the Island’s performance as only fair in this regard. With respect to factors assessed in Bermuda’s quality of life, the perceived cost of living appeared to be the most problematic area. This was evidenced by the rate of inflation, as well as perceptions of unchanged household well-being and conditions for making a large purchase. Nearly two-thirds of residents reported unchanged conditions in their own household economic wellbeing over the past year (62%). That said, two in ten residents had experienced improvement (19%), while the same proportion reported that their economic well-being was worse than it was a year ago. Taking into consideration the impact of inflation on the purchasing power of the dollar, it was no surprise that the level of stress regarding household financial debt increased. At the time of the Vital Signs report, the Bermuda Debt Stress Index was at 33 points, up 13 points compared to a low point observed in 1999.

**HOW DO WE COMPARE?**

<table>
<thead>
<tr>
<th></th>
<th>Bermuda</th>
<th>United Kingdom</th>
<th>Canada</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017</strong></td>
<td>-1%</td>
<td>1.8%</td>
<td>3%</td>
<td>2.2%</td>
</tr>
<tr>
<td><strong>2019</strong></td>
<td>3%</td>
<td>-1.9%</td>
<td>0.7%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

**REAL GDP**

The gross domestic product (GDP) is one of the primary indicators used to gauge the health of a country’s economy. It represents the total dollar value of all goods and services produced over a specific time period, often referred to as the size of the economy. Real growth rate compares GDP growth on an annual basis adjusted for inflation and expressed as a percent.

**RATE OF INFLATION**

A measure of how fast a currency loses its value. The inflation rate measures how fast prices for goods and services rise over time, or how much less one unit of currency buys now compared to one unit of currency at a given time in the past.

The Vital Signs Report also revealed that the employment situation on the Island was a source of concern for residents. The job market (total filled jobs) had declined for a seventh consecutive year, most notably within the public administration sector. The job market grew by half of one per cent in 2016, the first annual increase in eight years.
WHAT PEOPLE THINK

<table>
<thead>
<tr>
<th>HOUSEHOLD ECONOMY</th>
<th>BERMUDA ECONOMY</th>
<th>PURCHASE CONDITION</th>
<th>EMPLOYER COMMITMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>62%</td>
<td>47%</td>
<td>53%</td>
<td>52%</td>
</tr>
<tr>
<td>Residents report unchanged conditions in their own household economic wellbeing over the past year</td>
<td>Believe the economy of Bermuda is now better than it was in the previous year</td>
<td>Residents believe that conditions for making a major purchase have not changed compared with last year</td>
<td>Residents who are employed feel their employer has a high level of commitment to them as employer</td>
</tr>
</tbody>
</table>

Nevertheless, the percentage of households in the lowest income band ($1 - $36,000) increased 4 percentage points during the 2010 to 2016 period while the highest income band ($144,000 and over) decreased by 4 percentage points over the same period. Interestingly, the Consumer Confidence Index had risen over the past four years, which suggested that positive opinions were gaining strength. Although residents were optimistic about the current and future state of the Island’s economy, they were less confident in their household well-being.

THE PLAN

On July 20, 2018 the fifth in the series of Vital Conversations was convened with employment, cost of living and economy experts to examine the public opinion data from the Vital Signs® Report as well as relevant local and international data. The Bermuda Community Foundation selected a list of outcomes and indicators for the group to examine and prioritise. The result of this collaborative prioritisation effort yielded the following key outcomes and indicators that the foundation, and potentially other funders, can use to guide its funding decisions through 2021.

JUST THE FACTS

$65,418

MEDIAN GROSS ANNUAL INCOME

UNEMPLOYMENT RATE

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>7.5%</td>
</tr>
<tr>
<td>2013</td>
<td>5.5%</td>
</tr>
<tr>
<td>2014</td>
<td>8.5%</td>
</tr>
<tr>
<td>2015</td>
<td>6%</td>
</tr>
</tbody>
</table>
### COST OF LIVING

<table>
<thead>
<tr>
<th>Key Outcome Category</th>
<th>Specific Outcome</th>
<th>• Indicator(s)</th>
</tr>
</thead>
</table>
| **Income equality**  | Improved income equality | • Average annual costs of servicing debt  
• Average annual poverty premium [note: the idea that people in poverty often pay more for the same products or services than people above the poverty threshold]  
• Average household disposable income  
• Increase in income as a result of the multiplier effect [note: economic effect where an increase in spending produces an increase in national income and consumption greater than initial amount spend]  
• National levels of poverty  
• Ratios of highest paid to lowest paid employees across private, public and third sectors |
| **Public and corporate policy and expenditure that supports fair income and financial inclusion** | Improved public assistance | • Level of benefits available to address financial inclusion  
• Number of people who qualify for financial assistance  
• Proportion of people who are accessing the financial assistance for which they qualify |
| | Improved investment, expenditure and procurement | • Corporate investment and expenditure (giving) on improving financial inclusion  
• Government expenditure/funding for programmes  
• Government investment in financial inclusion  
• Procurement practices and public sector contracts that are designed to improve social outcomes (eg. contracts and practices that support socially-motivated financial institutions and financial infrastructure, outcomes-aligned contracts) |
| | Improvements in policy and legislation | • Changes in policy and legislation (eg. wage legislation, consumer protection and fair treatment)  
• Changes to regulation  
• Level of relevant parliamentary activity (eg. white papers published, committees formed, consultations or reviews conducted, citations made) |
| **Increased financial literacy** | Improved attitudes to personal financial matters | • Number of people agreeing or disagreeing with attitudes statements:  
- I find it more satisfying to spend money than to save it for the long term  
- I tend to live for today and let tomorrow take care of itself  
- Money is there to be spent |
| | Increased knowledge of personal finance | • Scores on questions relating to value of money, risk and return, interest and budgeting |
| | Increased likelihood of seeking advice on financial matters | • Number of people seeking advice for debt |
### Strong public awareness and participation in matters relating to financial inclusion, and good sectoral understanding of how to achieve it

<table>
<thead>
<tr>
<th>Improved public awareness and engagement</th>
<th>Improved sectoral understanding as to how to achieve better financial inclusion</th>
<th>Improved stakeholder participation with decision making and with issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Change in perception and level of trust from excluded people towards financial institutions</td>
<td>• Funding for research</td>
<td>• Levels of stakeholder choice regarding financial services and support</td>
</tr>
<tr>
<td>• Change in public perception toward issues of financial exclusion and improvements to any underlying prejudice or stigma</td>
<td>• Innovation of new ideas, technologies and approaches</td>
<td>• Institutional and organisational engagement with stakeholders</td>
</tr>
<tr>
<td>• General availability of information</td>
<td>• Research and evidence relating to the problem and interventions (e.g. studies conducted, papers published)</td>
<td>• Levels of stakeholder involvement in the design and provision of financial services and support</td>
</tr>
<tr>
<td>• Level of media exposure (e.g. number of articles published on the subject in mainstream media; exposure on tv, radio; internet traffic)</td>
<td>• Retirement of previous methods shown by research to be ineffective</td>
<td></td>
</tr>
<tr>
<td>• Level of public awareness about the causes and consequences of the problem</td>
<td>• Support for the sector through quality umbrella bodies</td>
<td></td>
</tr>
<tr>
<td>• Public events, rallying and campaigning</td>
<td>• Uptake of new ideas by organisations or the government</td>
<td></td>
</tr>
</tbody>
</table>

### Fewer people have unmet basic needs

<table>
<thead>
<tr>
<th>More people have sufficient and suitable food</th>
<th>The energy (gas/electricity) needs of more people are met</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Number of foodbanks</td>
<td>• Gas and electricity consumption per household</td>
</tr>
<tr>
<td>• Number of people attending foodbanks</td>
<td>• Number of people living in houses without basic utilities</td>
</tr>
<tr>
<td>• Number of people classed as obese</td>
<td>• Proportion of income spent on energy</td>
</tr>
<tr>
<td>• Number of people suffering from malnutrition</td>
<td></td>
</tr>
</tbody>
</table>

---

**Key Outcome Category** | **Specific Outcome** | **Indicator(s)**
---|---|---
We are pleased to make more detailed outcome and indicators reporting available to BCF fund holders. Special terms and conditions apply. Contact info@bcf.bm
WHAT THE EXPERTS SAID

The Vital Conversation on Economy and Work was divided into two sessions focusing on Cost of Living and Employment. The majority of participants attended both topical sessions. The conversations benefited greatly from the diversity of representatives including business, government and non-profit sectors. One participant stated that “it was really important to hear inter-disciplinary and cross organizational perspectives on the employment outcomes.”

With the diversity of sectoral perspective, there was still a healthy majority (68.42%) expressing confidence that the prioritised outcomes would lead to improved quality of life for Bermuda residents. Participants stressed that success was predicated on shared goals and sustained cooperative efforts. One participant stated, “many of the elements have to occur in collaboration - and stakeholders have to remain committed in the long-term.”

Ensuring a high level of training and education to prepare Bermudians for the workforce is critical to improve quality of life for all Bermudians.

- Nonprofit sector member

Participants were mindful of the direct correlation between employment and education, with many expressing the desire to find ways to improve student achievement. For example, one participant stated, “Ensuring a high level of training and education to prepare Bermudians for the workforce is critical to improve quality of life for all Bermudians.”

Concurrently, another participant predicated their level of confidence, in the effectiveness of the prioritised outcomes, on improvements in the education system and student achievement. This participant stated, “My only concern, (which negates my ability to select ‘extremely confident’), is the end result of ‘improved academic success’ within the Employment session. Without the improved performance of our students, we will not be able to achieve or show positive growth in all of the other measurables…as one must be employable, regardless of career path chosen.”

Another participant felt that the education system needed to provide more diverse avenues for student success, thus creating more opportunities for graduates to participate in the economy, “Our population should have the right skill set and ability to access service jobs. Education is a barrier to access. Vocational preparation is important and could have been higher [in outcome priorities] so that everyone can participate in the economy. We have a way to go in terms of offering more vocational opportunities like apprenticeships and intern placements. The essential economy is staffed with the people who hold vocational training and they are essential to our way of life.”

In a related comment, another participant added that the educational system should ensure that all students, regardless of intended profession, graduate with a solid academic foundation but that there also needed to be more of a focus on technology, “Students need to be able to read and write when they graduate. Even essential service providers need these skills and everyone has to be able to use technology. Even service providers now
A wholesale shift in the country. One participant stated that only materialize unless there was a more fundamental paradigm shift in the country. One participant stated that “A wholesale shift in the willingness to change the way Bermuda is led and managed, across the community, political and business [spheres].” Still others expressed that the main issue was economic inequality, as evidenced in the following statements: “Equality remains at the top because historical oppression of black Bermudians is the underlying issue. Equal access to education and opportunities are the problem” and “The elephant in the room that most of our social issues are related to is the extreme income gap, and those people are angry, disconnected, and disenfranchised…until we address that gap, we will continue to see what we see [economic inequality].”

In terms of the impact of the sessions on the participants, everyone reported that their understanding of the topics and outcomes was expanded. This was evidenced in many statements including: “Talking with representatives in their select fields of expertise was helpful in gaining insight. For me, an understanding of the economical climate as seen by those in finance or as economists, was particularly helpful. Looking at and discussing the specific indicators of success outlined the potential impact these outcomes could have on the island” and “I especially appreciated the diversity of voices in the room and the willingness of participants to take on broad divergent perspectives as we sought to assess what is best for Bermuda overall.”

Some participants were also pleased with the group examination of the outcomes and indicators, “It was interesting to see the range of metrics used to measure and evaluate the factors which enabled individuals to participate in the workplace.”

Participants also reported that the sessions had an impact on the goals and outcomes of their respective organisations. For example, one participant from the non-profit sector stated, “Refining our indicators for success and what programs/services are prioritized will be examined as a result of this think tank. The model, and means of facilitating these exercises, was greatly appreciated by my organisation and I was grateful to have had a seat at the table.”

Similarly, other participants stated that, “It [the conversation] challenged me to consider what we are doing as an organisation and whether we could be doing far more” and “There are...
significant training opportunities in the field of ageing and long term care. I will now be mindful to consider the Vital Sign priorities as we work with relevant stakeholders that deliver training."

The desired outcome of value-added conversation was accomplished in the sessions as expressed by this statement, "Yes, I realised that I needed to expand my view of what outcomes and factors support and promote someone being a productive member of society and evaluate my proposed programming against a wider range of factors." Among those that did not believe that the sessions would impact their organisations, some expressed that "their outcomes were already aligned" and that the information shared would "figure into strategic and business planning for the coming years."

Overall, many participants subscribed to the notion that the quality of life would improve for Bermuda residents by safeguarding the economy, creating employment opportunities, and controlling, if not lowering, the cost of living for Bermuda residents. There was also the sentiment that these items were also imperative to broader efforts to facilitate economic equality on the island. One participant expressed that, "income equality would improve the lives of not only individuals, but the overall community, with less dependency on financial assistance, and also the empowerment of the historically disenfranchised. Policy and legislative changes that support financial inclusion, and a living wage would reduce the income gap and provide access to opportunities that are not currently available."

WHO NEEDED TO BE IN THE ROOM

Representatives of key government entities, policy influencers and makers, nonprofits, vendors and service providers in the relevant field were invited to participate in the convening. They were also encouraged to nominate additional participants we may not have considered. The purpose was to ensure that the convening outcome would reflect input from those with the greatest experience and knowledge of the topic under review. This would include senior civil servants, nonprofit executives, industry leaders and community experts in their respective fields. At the convening, participants were asked to step aside from their individual affiliations and participate in the discussions as policy influencers, programme and service providers, researchers and other professionals for the benefit of Bermuda.
## WHO WAS THERE – COST OF LIVING SESSION

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization/Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne Marwick</td>
<td>Orbis Investments Director</td>
</tr>
<tr>
<td>Hadleigh Farrer</td>
<td>Ministry of Economic Development &amp; Tourism Financial Comptroller</td>
</tr>
<tr>
<td>Erica Smith</td>
<td>Bermuda Economic Development Corporation Executive Director</td>
</tr>
<tr>
<td>Jennifer Mahoney</td>
<td>The Eliza DoLittle Society Executive Director</td>
</tr>
<tr>
<td>Joe Mahoney</td>
<td>Youth Enterprise Initiative Executive Director</td>
</tr>
<tr>
<td>John Barritt</td>
<td>Bermuda Housing Trust Chair</td>
</tr>
<tr>
<td>Judy Teart</td>
<td>Government of Bermuda - Workforce Development Acting Director / Vocational Officer</td>
</tr>
<tr>
<td>Kelly Hunt</td>
<td>Coalition for the Protection of Children Executive Director</td>
</tr>
<tr>
<td>Kerry Judd</td>
<td>BermudaFirst Executive Director</td>
</tr>
<tr>
<td>Llewellyn Trott</td>
<td>Impact Mentoring Academy Board Member</td>
</tr>
<tr>
<td>Marva-Jean O’Brien*</td>
<td>Government of Bermuda Permanent Secretary</td>
</tr>
<tr>
<td>Nathan Kowalski</td>
<td>Anchor Investment Management Ltd. Chief Financial Officer</td>
</tr>
<tr>
<td>Rochelle Simons</td>
<td>Bermuda Housing Trust Trustee</td>
</tr>
<tr>
<td>Robert Stubbs, CFA</td>
<td>G-Mass Head of Research</td>
</tr>
<tr>
<td>Tawana Flood</td>
<td>Bermuda College Director of Professional and Career Education (PACE)</td>
</tr>
<tr>
<td>Trace White</td>
<td>Impact Mentoring Academy Director of Development</td>
</tr>
</tbody>
</table>

*Regrets = Confirmed but not in attendance

The Vital Signs Convenings are facilitated with the support of the BCF Vital Signs team: Research Coordinator, Dr. Tamara Gathright Fritz of Strategic Evaluation Consulting; BCF Managing Director, Dr. Myra Virgil; BCF Programme Associate, Michelle Grant; and BCF Intern Raequan Rochester.

## AN EVOLVING PROCESS

We strive to inform these convenings with high-level field and content area expertise. We ask participants to use their knowledge to inform this work at a national level. We appreciate the participation of the attendees of this convening. Also considered for participation, and therefore, potential community resources on this issue are:

**COST OF LIVING**
- Banking and Financial Services reps
- Bermuda Government - Home Affairs
- BELCO
- Bermuda Industrial Union
- Bermuda Housing Corporation
- Bermuda Public Services Union
- Caribcash or similar
- Centre for Justice
- Coalition for Protection of Children
- Consumer Affairs and Rent Commission
- Eliza Doolittle Society (The)
- Ministry/Department of Energy
- Financial Assistance - Bermuda Government
- Habitat for Humanity
- Legal Aid Office
- Meals on Wheels
- Pension Commission
- Price Control Commission
- Rent Increases Advisory Panel
- Salvation Army
- Social Insurance Department – Bermuda Government
- Western Union or other financial services company

**EMPLOYMENT**
- Banking and Financial Services representatives
- Bermuda Business Development Agency
- Bermuda Career Centre
- Bermuda College
- Bermuda College (PACE)
- Bermuda Economic Development Corp.
- Department of Corrections representatives
- Education and Workforce Development
- Financial Assistance – Bermuda Government
- Department of Immigration
- Ministry of Public Works
- National Training Board
- Technology Leadership Forum
- Uptown Market Association
- Workforce Development (Bermuda Government)

**THE ECONOMY**
- Adult Education School
- Age Concern (Bermuda)
- Association of Bermuda International Companies (The)
- Atlantic Institute for Policy Research
- Banks and Financial Services Institutions
- Bermuda Government - Ministry of Finance
- Bermuda Chamber of Commerce
- Bermuda First
- Bermuda Monetary Authority
- Bermuda Shipping and Maritime Authority
- Bermuda Tourism Association
- C.A.R.E. Computer Services Scholarship Fund
- CitiBank Limited
- Cost of Living Committee
- Economic Development and Tourism
- Family Centre (The)
- Finance (Ministry of Finance)
- Home Affairs
- HSBC Bank
- ICT Policy and Innovation
- Independent Field Experts
- Joint Select Committee reps - Living Wage
- My Future.Bermuda
- Office of The Tax Commissioner
- Department of Statistics
- Tax Reform Commission
- Visitor Industries Partnership (VIP)