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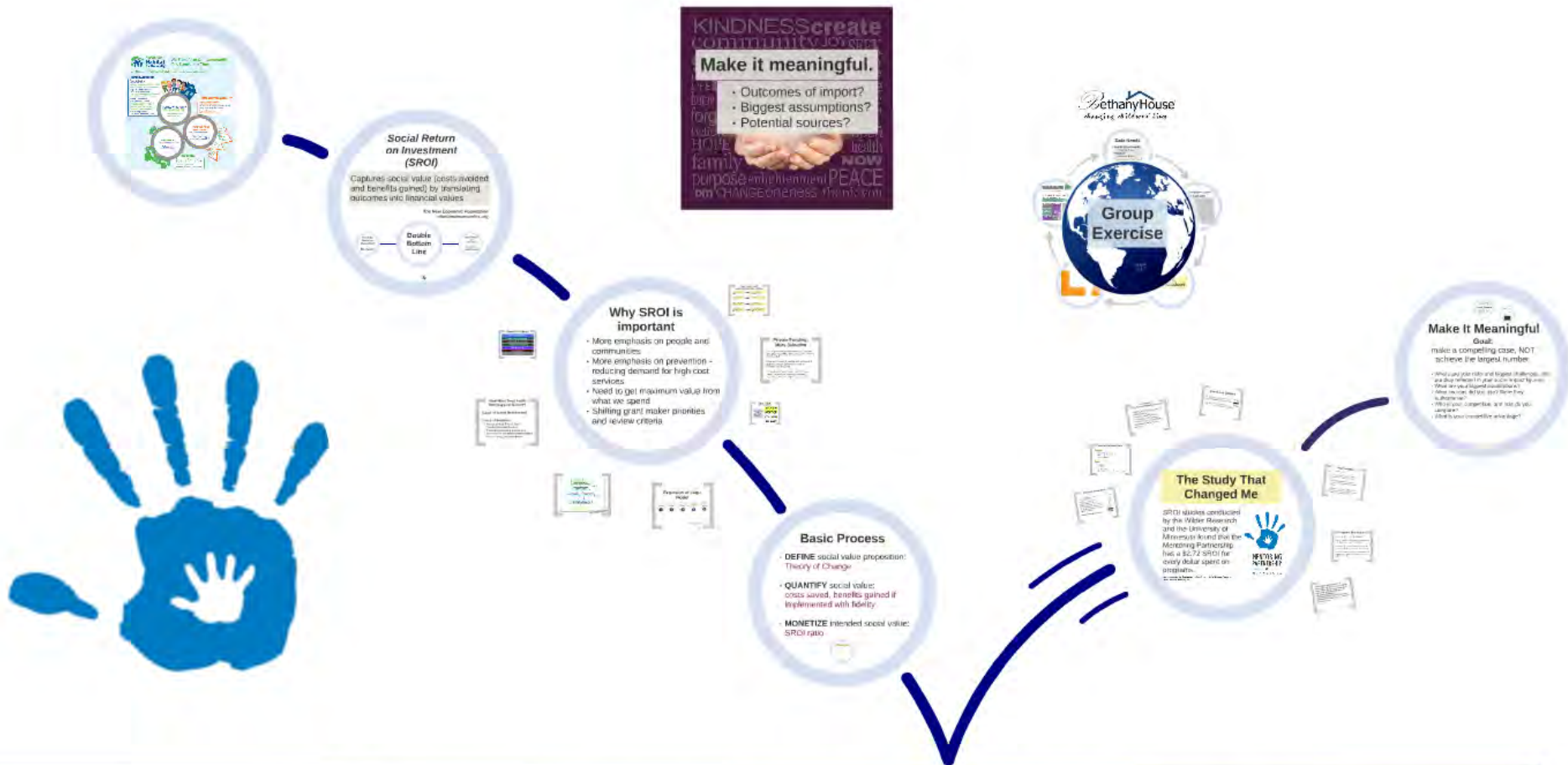
# The Value of Doing Good

*Measuring & Communicating Impact Through SROI*

Heather Stombaugh, MBA, CFRE, GPC


[www.justwrite-solutions.com/news](http://www.justwrite-solutions.com/news)





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Maumee Valley  
**Habitat**  
for Humanity®

**We Transform Our Community  
One Family at a Time**

**Every \$1 invested in MVHFH yields \$141.47 in social benefits gained and cost saved.\***

## HOMEOWNERSHIP

### Family Stabilization:

\$614,144,635 for 337 served

*Educational Benefits, Civic Engagement Benefits,  
Improved Health, and Public Assistance Avoided*

### Neighborhood Stabilization:

\$313,090 per household served

*Property Maintenance/Improvements, Avoidance  
of Criminal Activity, Asset/Wealth Creation*

### Economic Development:

\$334,270 per home constructed

*Wages Created/Supported, Taxes/Fees  
Generated Immediately, Taxes/Fees  
Generated Over the Long-Term, New  
Direct/Indirect Spending in First Year*

### Volunteer Engagement:

\$1,124,885 of in-kind service in 10 years



## HOMEOWNERSHIP

\$9,759,352 investment 2004-2013

*\*Homeownership returns  
approximately \$68.31*

## HOME REPAIR MINISTRY

### Neighborhood Stabilization:

\$6,390,090 for 142 people served

*Property Maintenance/Improvements, Avoidance of  
Criminal Activity, Asset/Wealth Creation*

### Volunteer Engagement:

\$95,973 of in-kind service in five years

## HOME REPAIR MINISTRY

\$725,650 investment 2008-2013

*\*Home Repair Ministry  
returns approximately \$26.27*

## RESTORE

\$2,505,070 investment 2004-2013

*\*ReStore returns  
approximately \$46.82*

## RESTORE

### Environmental Responsibility:

\$53,549 in waste disposal costs avoided

### Volunteer Engagement:

\$3,622,225 of in-kind service in 10 years



# ***Social Return on Investment (SROI)***

Captures social value (costs avoided and benefits gained) by translating outcomes into financial values

*The New Economic Foundation*  
[www.neweconomics.org](http://www.neweconomics.org)





# Outcomes into financial values

*The New Economic Foundation*  
[www.neweconomics.org](http://www.neweconomics.org)

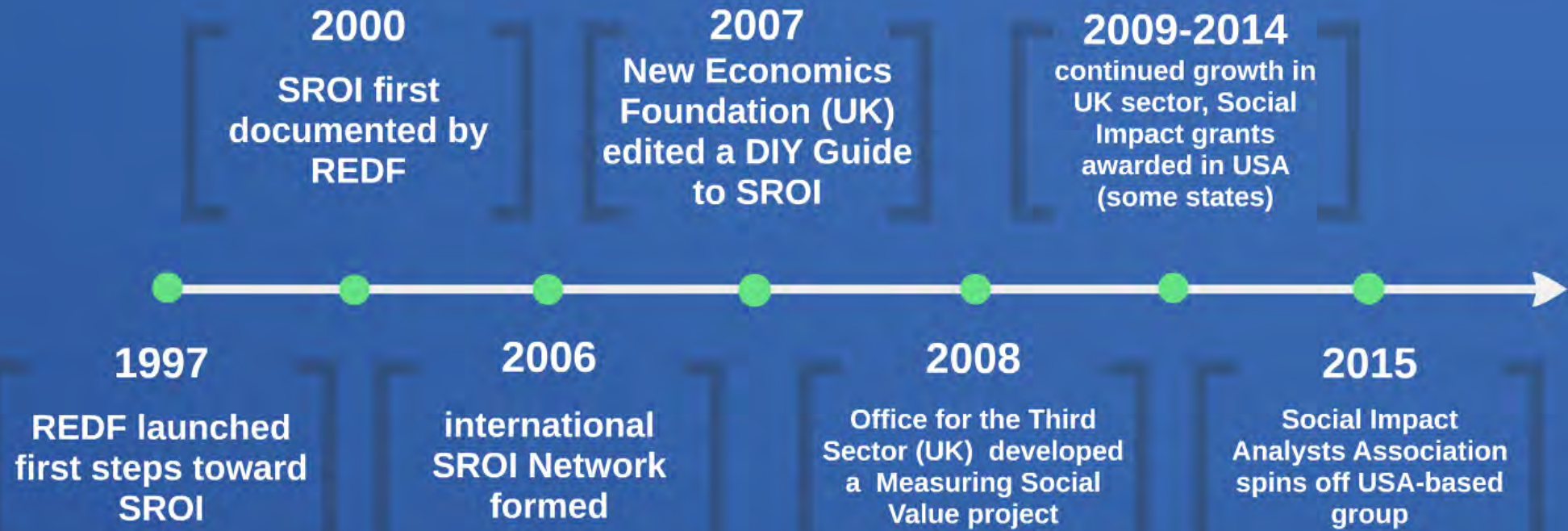


# What does SROI really mean?



What would the world look like  
if your nonprofit didn't exist?

# History of SROI



**1997**

**REDF launched  
first steps toward  
SROI**



# 2015

**Social Impact  
Analysts Association  
spins off USA-based  
group**

THIS IS  
FINE, I CAN  
SEE ALL THE  
EVIDENCE I  
NEED FROM  
HERE



Willet

# Why SROI is important

- More emphasis on people and communities
- More emphasis on prevention - reducing demand for high cost services
- Need to get maximum value from what we spend
- Shifting grant maker priorities and review criteria

## Major Donors and Grant Makers Have Shifted

From contacting with a request.	→	To convincing them of a philanthropic match.
From supporting activities.	→	To investing in social returns.
From being motivated to do the right thing.	→	To being motivated by strategic alignment.
From expecting competence to report activities.	→	To expecting transparency to demonstrate meaningful results.

63% of strong  
Forum

Adopt  
evalu  
tradit

Privat  
small  
increa

## Federal Funding: OMB Implications

low funded pre-award guidance effective December 26, 2014, mandatory pre-award risk assessment	OMB requires all federal agencies to conduct a pre-award risk assessment for all federal awards. The assessment must be completed by the agency's risk management officer (RMO) and must be submitted to the OMB for review and approval. The assessment must include information on the agency's risk management processes, the agency's risk management officer, the agency's risk management plan, and the agency's risk management report.
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# Major Donors and Grant Makers Have Shifted

From contacting with a request.



To convincing them of a philanthropic match.

From supporting activities.



To investing in social returns.

From being motivated to do the right thing.



To being motivated by strategic alignments.

From expecting nonprofits to report activities.



To expecting nonprofits to demonstrate meaningful results.

# Private Funding: More Selective

63% of grant makers shift support to “only the strongest, most effective organizations” (Donor’s Forum, 2013)

Adoption of impact measurement processes to evaluate grantee performance (beyond traditional grant reports)

Private foundations provide less funding to small- and medium-sized organizations, increasing awards to larger organizations

# Federal Funding: OMB Implications

**New codified pre-  
award guidance  
effective  
December 26,  
2014, mandates  
pre-award risk  
assessment**

## **§ 215.14 Special award conditions.**

If an applicant or recipient: has a history of poor performance, is not financially stable, has a management system that does not meet the standards prescribed in this part, has not conformed to the terms and conditions of a previous award, or is not otherwise responsible, Federal awarding agencies may impose additional requirements as needed, provided that such applicant or recipient is notified in writing as to: the nature of the additional requirements, the reason why the additional requirements are being imposed, the nature of the corrective action needed, the time allowed for completing the corrective actions, and the method for requesting reconsideration of the additional requirements imposed. Any special conditions shall be promptly removed once the conditions that prompted them have been corrected.



# Extension of Logic Model



Image Credit: New Economics Foundation



**Activity**

**1**



A diagram illustrating a process flow. A large, light blue circular arrow surrounds a central yellow rectangular box. The word "Output" is written in bold black text inside the yellow box. A grey arrow points from the left into the circle, and another grey arrow points from the circle to the right. At the bottom of the circle, there is a large black circle containing a white number "2".

**Output**

**2**





**Service Level  
Outcome**

The diagram features a light blue circular arrow that flows clockwise. A grey arrow points into the circle from the left, and another grey arrow points out of the circle to the right. In the center of the circle is a yellow rectangular box containing the text 'Service Level Outcome'. At the bottom of the circle is a large black circle containing a white number '3'.

**3**



# Community Outcomes

- social
- economic
- environment

4

# **Social Value**

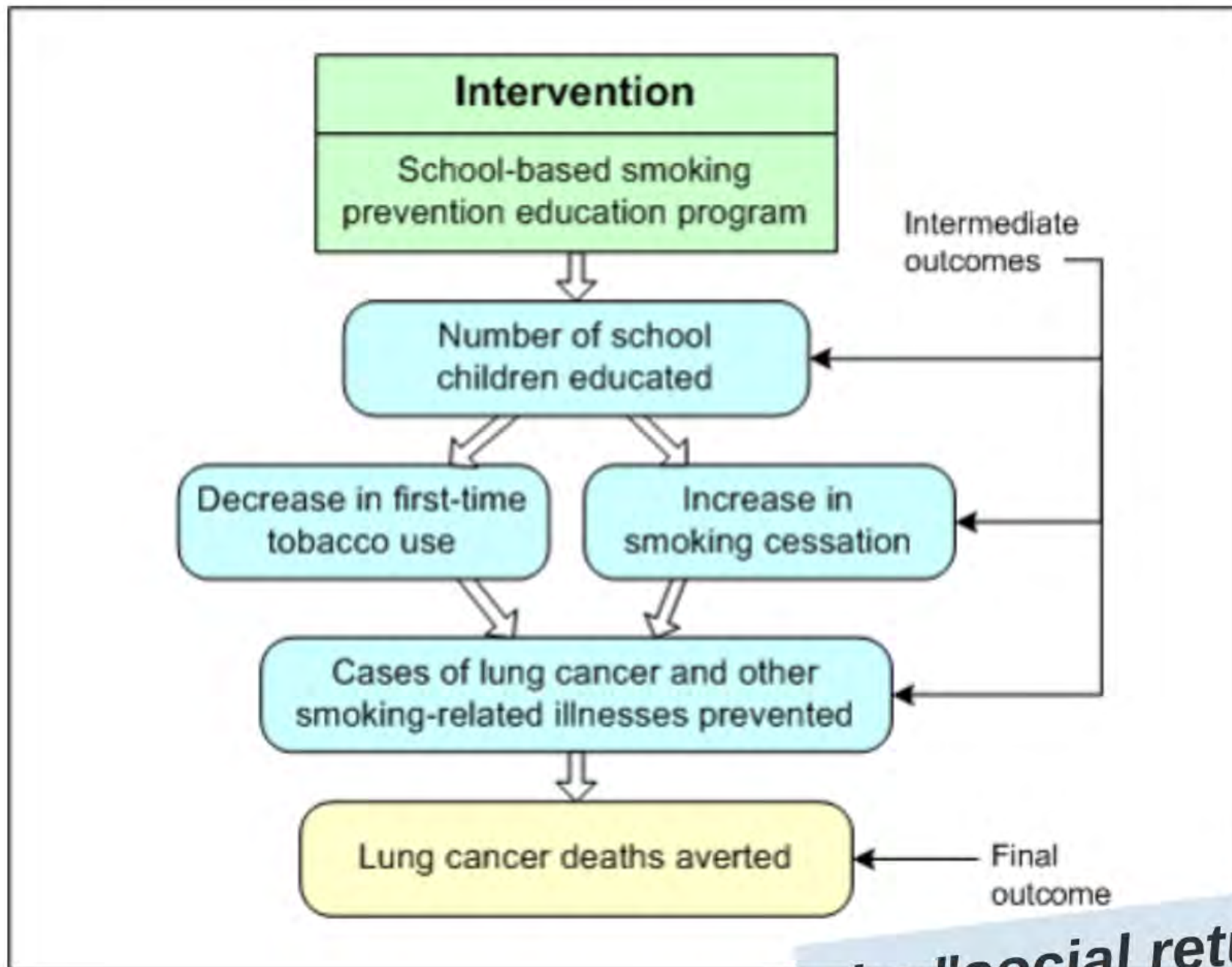
**Quantitative  
Qualitative  
Monetizeable**

**Where value accrues:**

- **To Service**
- **Community wide**
- **Government**

**5**





aka "social return"

# **How Much Does Youth Smoking Cost Society?**

## **Costs of action (investment)**

### **Costs of inaction:**

- Increased health care costs
- Years of potential life lost
- Reduced workplace productivity
- Increased absenteeism/presenteeism
- Cost of lung cancer treatment

# Seven Principles

**Involve stakeholders.**

**Understand what changes.**

**Value the things that matter.**

**Only include what is material.**

**Do not over-claim.**

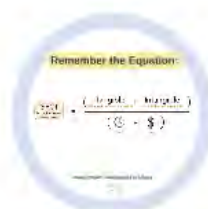
**Be transparent.**

**Verify the result.**



# Basic Process

- **DEFINE** social value proposition:  
Theory of Change
- **QUANTIFY** social value:  
costs saved, benefits gained if  
implemented with fidelity
- **MONETIZE** intended social value:  
SROI ratio



# Remember the Equation:

$$\begin{array}{c} \text{SROI} \\ \text{Social Return On} \\ \text{Investment} \end{array} = \frac{\left( \begin{array}{c} \text{Tangible} \\ \text{Value to the Community (TV)} \end{array} + \begin{array}{c} \text{Intangible} \\ \text{Value to the Community (IV)} \end{array} \right)}{\left( \begin{array}{c} \text{Clock Icon} \\ \text{Total} \end{array} + \begin{array}{c} \text{Dollar Sign Icon} \\ \text{Total} \end{array} \right)}$$

Image Credit: AndJusticeForAll.org



## Gather External Data

### Sources

Peer reviewed literature  
White papers  
Grey literature

### Types

Tangibles  
Analogies  
Attrition rates  
What would have happened anyway

## Outcomes

	371
	150
	3,826
	2,129
Investment	823
Initiation	127
Post initiation	2,262
(Student)	\$9,688



## Implications

Quality Mentoring Helps

- Kids avoid risky behavior in school and improve scores
- Increase opportunities for at-risk youth to grow into economically successful adults
- Enhance corporate image, employee satisfaction, productivity, and building and leadership

## Programs

- A high-quality program
- Youth matches are rigorously screened
- Mentors commit to meet four times a month
- Youth are helped with issues that impact school and work habits

# The Study That Changed Me

SROI studies conducted by the Wilder Research and the University of Minnesota found that the Mentoring Partnership has a \$2.72 SROI for every dollar spent on programs.

*Source: Analyzing the Social Return on Investment in Youth Mentoring Programs, Wilder Research, February, 2007*



**MENTORING  
PARTNERSHIP**  
— of —  
**MINNESOTA**

The Mentoring Partnership of Minnesota and the Minnesota Youth Intervention Programs Association represent more than 500 proven programs delivering a comprehensive support system for 190,000 young people throughout the state each year.





**The Mentoring Partnership of Minnesota and the Minnesota Youth Intervention Programs Association represent more than 500 proven programs delivering a comprehensive support system for 190,000 young people throughout the state each year.**



# Program Description

- A high-quality 1:1 mentoring program
- Youth matched with volunteer mentors who are rigorously screened and trained
- Mentors commit for a period of a year and meet four times a month with their mentees
- Youth are helped across a wide spectrum of issues that include social skills, study skills, and work habits



# Program Description

## ***Types of Mentoring***

- One to One
- School-based
- Group & Team
- Peer to Peer
- E-mentor

## ***Types of Programming***

- Community-based
- School-based
- Faith-based
- Business





# Implications

## Quality Mentoring Helps:

- Kids avoid risky behavior, achieve in school and improve social skills
- Increase opportunities for youth to grow into economically self-sufficient adults
- Enhance corporate image, improve employee satisfaction, improve team building and leadership skills



# Inputs and Outputs

Administrative and operating costs	\$1,300
Estimated value of volunteers' time	<u>\$2,262</u>
Total resource cost (per student)	\$3,562
x total number of students	



MENTORING  
PARTNERSHIP  
of  
MINNESOTA

# **Outcomes:**

## **Costs Saved, Benefits Gained**

- Improved school attendance
- Reduced truancy
- Improved health outcomes
- Reduced juvenile crime
- Reduced costs of adult crime
- Reduced need for social services



MENTORING  
PARTNERSHIP  
of  
MINNESOTA

# Gather External Data

## Sources

- Peer reviewed literature
- White papers
- Grey literature

## Types

- Tangibles
- Analogs
- Attrition rates
- What would have happened anyway



# Value of Outcomes

Reduced juvenile crime	371
Reduced truancy	
Reduced school costs	150
Increased graduation rate	3,826
Enhanced school achievement	2,129
Reduced tobacco use initiation	823
Reduced illegal drug use initiation	127
Mentor satisfaction	2,262
	<hr/>
<b>Total benefits (per student)</b>	<b>\$9,688</b>



Source: Analyzing the Social Return on Investment in Youth Mentoring Programs, Wilder Research, February, 2007

# Remember the Equation:

$$\begin{array}{c} \text{SROI} \\ \text{Social Return On} \\ \text{Investment} \end{array} = \frac{\left( \begin{array}{c} \text{Tangible} \\ \text{Value to the Community (TV)} \end{array} + \begin{array}{c} \text{Intangible} \\ \text{Value to the Community (IV)} \end{array} \right)}{\left( \begin{array}{c} \text{Clock Icon} \\ \text{Total} \end{array} + \begin{array}{c} \text{Dollar Sign} \\ \text{Total} \end{array} \right)}$$

Image Credit: AndJusticeForAll.org



# Calculate SROI

Total benefits/costs saved	\$9,688
Total resource cost	\$3,562
Ratio	\$2.72

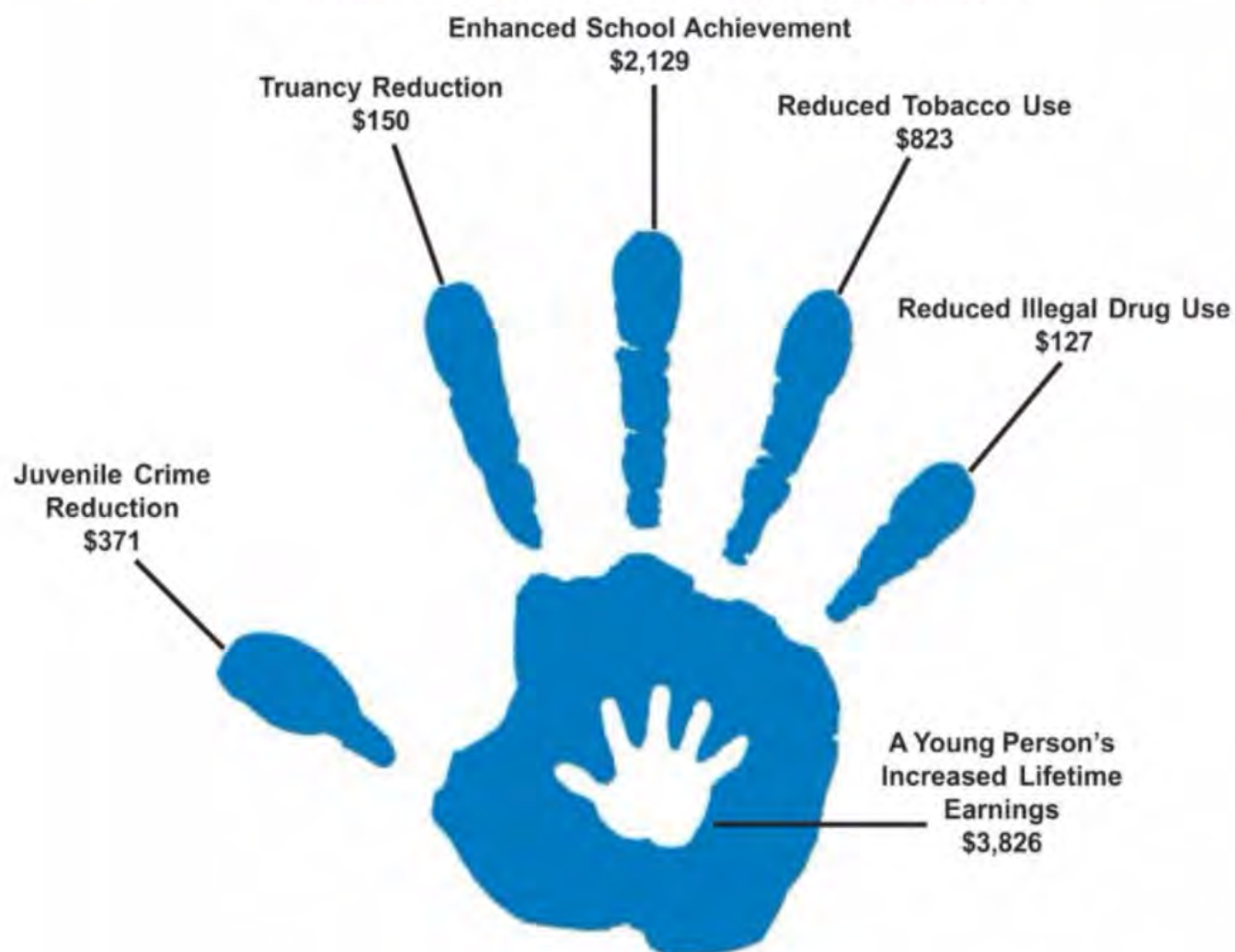
*Source: Analyzing the Social Return on Investment in Youth Mentoring Programs,  
Wilder Research, February, 2007*



MENTORING  
PARTNERSHIP  
OF  
MINNESOTA

# Give Mentoring A Hand...A Strong Return On Investment

## Average Benefits Per Youth 170,000 Minnesota Youth Mentored



**Thumbs Up!**

**Total Benefits  
Per Youth  
=  
\$7,426**

*Based on conservative assumptions and outcomes and valuations, a representative program returns benefits of \$2.72 for every dollar of resources used (dollars spent plus volunteer time). A program returns \$1.87 of public benefits (public cost savings and increased tax revenues) for every dollar spent on the program.*

*\*Reference: Anton, Paul A., Wilder Research, Prof. Judy Temple, University of Minnesota (2007). Social Return on Investment in Youth Mentoring Programs.*



Dear Al, I received your FYI.  
I have a few questions  
about the FYI and  
I would like to know  
more about it.  
Thank you for your  
information.  
Sincerely,  
[Name]

#### Share Your Results




# Make It Meaningful

## Goal:

make a compelling case, NOT  
achieve the largest number.

- Where are your risks and biggest challenges, and are they reflected in your social impact figures?
- What are your biggest assumptions?
- What sources did you use? Were they authoritative?
- Who is your competition, and how do you compare?
- What is your competitive advantage?



Every \$1 invested in XYZ  
children's literacy program  
generates \$17 in social  
benefits for My County  
residents.

## **Powerful Messaging**

- What do you know about this organization from this one sentence?
- How does it make you feel?

# Share Your Results

- Grant writing
- SROI ratio
- Sources for needs statement
- Written report (print or digital or both)
- Infographic
- Case statement
- Community meeting
- Social media



# Basic Process

- **DEFINE** social value proposition:  
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- **MONETIZE** intended social value:  
SROI ratio

Remember the Equation:

$$\text{SROI Ratio} = \frac{(\text{Benefits} - \text{Marginal Costs})}{(\text{Investment})}$$





# Remember the Equation:

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Image Credit: AndJusticeForAll.org





# Data Needs

## Inputs (investments)

- Internal data

## Outputs

- Internal data

## Social costs incurred

- External data





# Assumptions and Limitations

"Not everything that **can be counted counts**, and not everything that **counts can be counted.**"

Reportedly a sign hanging in  
Albert Einstein's office at Princeton

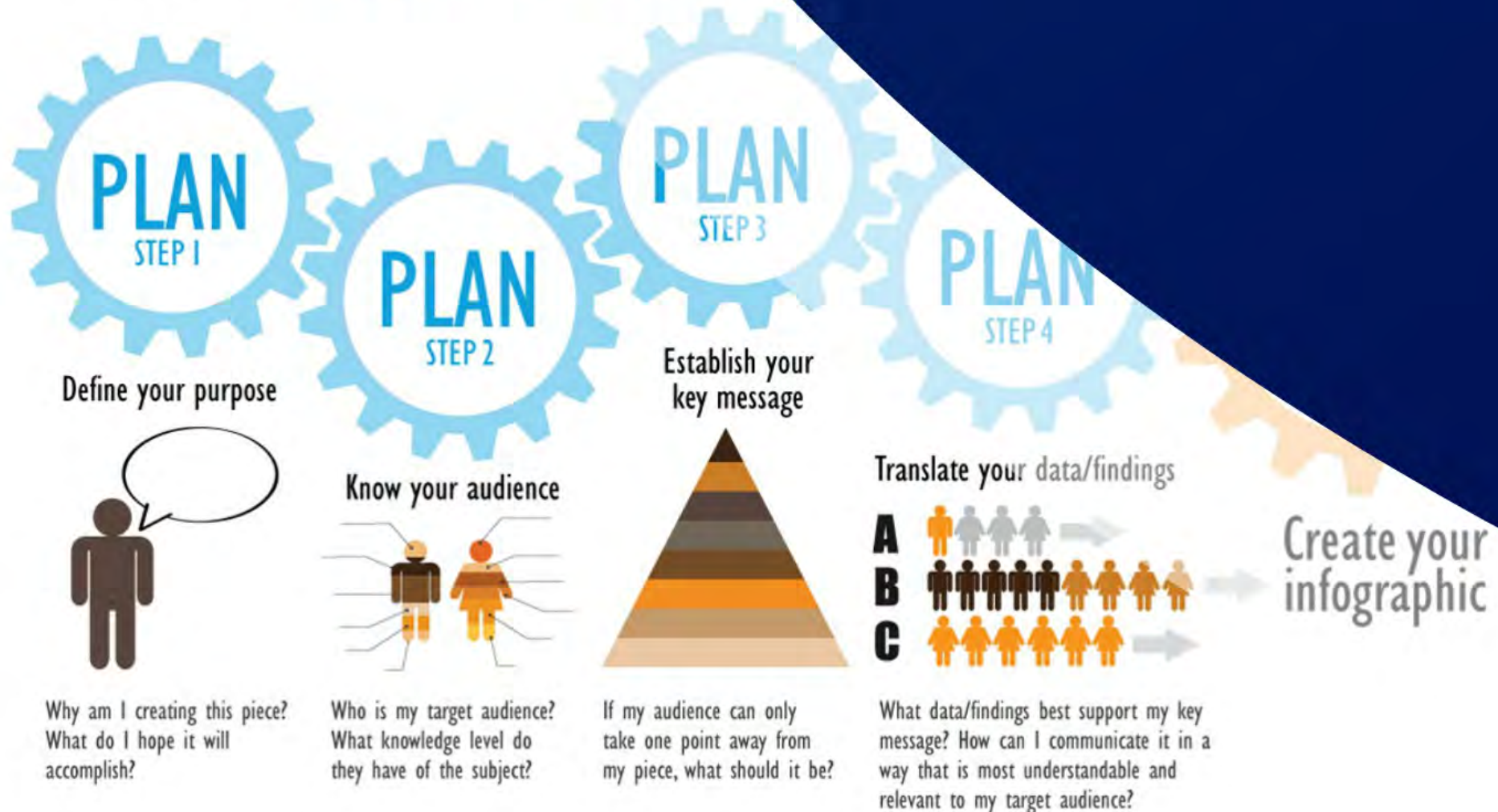


## Group Project

Children's type 1 diabetes self-management  
Historic site in urban community  
Feral cat Trap-Neuter-Release program  
Human trafficking intervention  
Arts appreciation event  
Summer nature camp program for children  
Military cemetery preservation  
Hospital-based pastoral services

# the Readsheet

# 5 STEPS to TRANSLATE EVALUATION



## Bethany House Restores Hope: 1,100 Lives Improved in 30 Years of Unwavering Service



For 30 years Bethany House has helped survivors of domestic violence take back their lives. Our mission is to recognize and respond to the ever-changing needs of families affected by domestic violence (DV). Since 1984 Bethany House has helped **1,100 people** transition from being **victims** to being **survivors**.

DV is the leading cause of injury to women in the United States—research has shown it is a devastating cycle repeated generation after generation. Some studies suggest as many as 10 million children a year are exposed to DV. Children exposed to DV are more likely to exhibit destructive behaviors such as drug abuse and violence toward peers, and they are also more likely to suffer from depression and anxiety. But when victims and their children seek refuge at places like Bethany House to recover, they gain improved coping skills and increased safety.

DV is a **public health and economic issue**. When Bethany House serves survivors of DV, we also improve the overall quality of life in Northwest Ohio through significant benefits and cost savings.

**Every \$1 invested in Bethany House programs saves our community \$10.00** in social costs avoided in police enforcement, lost work productivity, the justice system, and mental health services for adults and children served by Bethany House.

### Public Assistance Savings Per Survivor Served

- **\$57,300** cost per survivor  
x 5 years

### Health Savings Per Survivor Served

- **\$14,220** cost per female  
survivor x 15 years
- **\$5,239.74** cost per child  
x 3 years

### Long-Term Savings Per Case of Child Abuse Avoided

- **\$210,012** low-end estimated  
cost per case of child abuse

### Police Enforcement Savings Per Survivor Served

- **\$23.17** cost of intervention  
without an arrest of abuser
- **\$1,000** cost of intervention  
with an arrest
- **\$6,106** cost for those  
abusers imprisoned and jailed  
in Northwest Ohio 2014
- **\$1,273.85** cost of probation  
following sentences served

### Lost Work Productivity Savings Per Survivor Served

- **\$924.48** cost of lost work  
productivity per DV case

### Justice System Savings Per Survivor Served

- **\$1,907** cost of  
system







# Group Project

1. Children's type 1 diabetes self-management
2. Historic site in urban community
3. Feral cat Trap-Neuter-Release program
4. Human trafficking intervention
5. Arts appreciation event
6. Summer nature camp program for children
7. Military cemetery preservation
8. Hospital-based pastoral services

# Make it meaningful.

- Outcomes of import?
- Biggest assumptions?
- Potential sources?

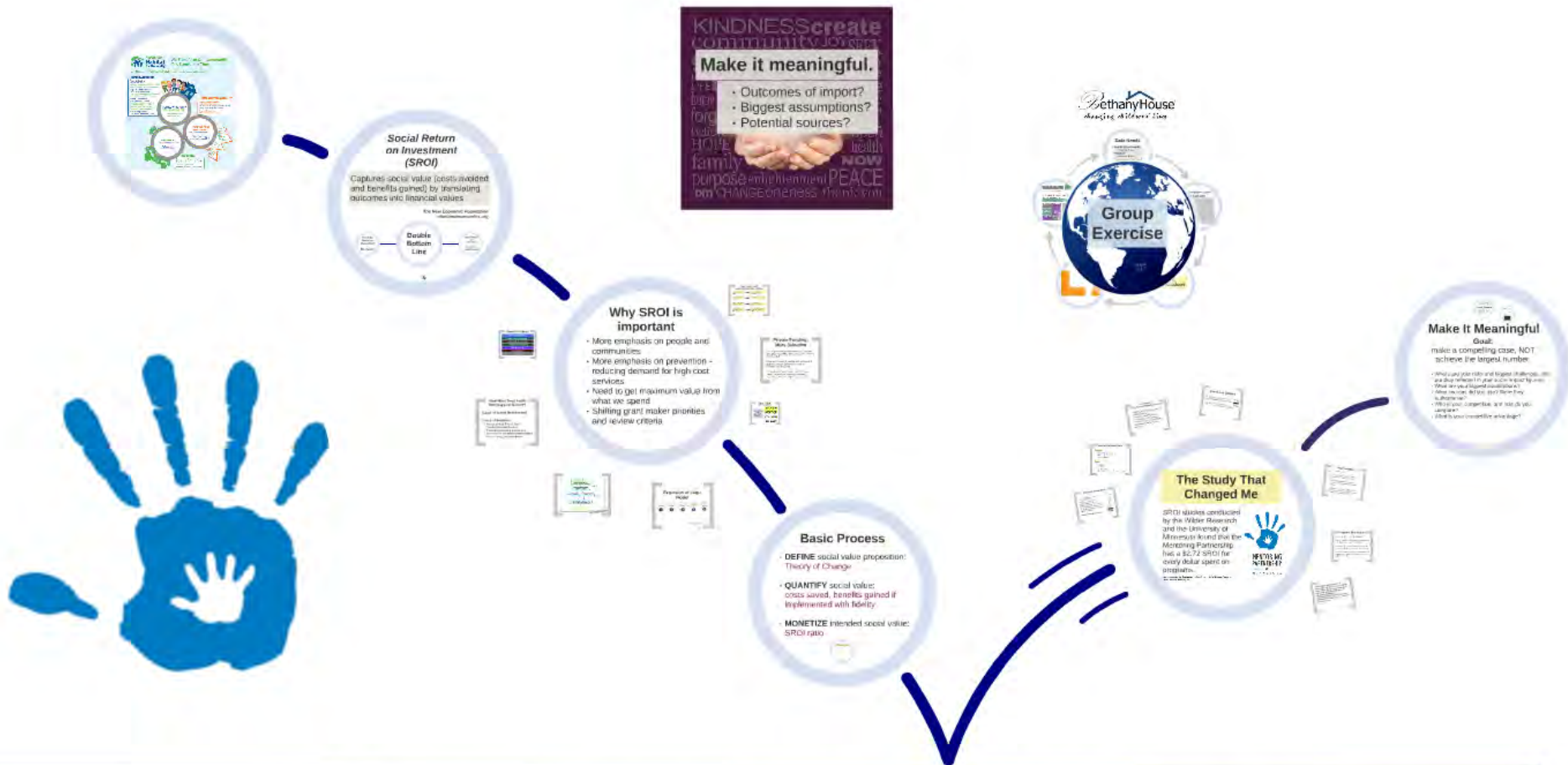


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