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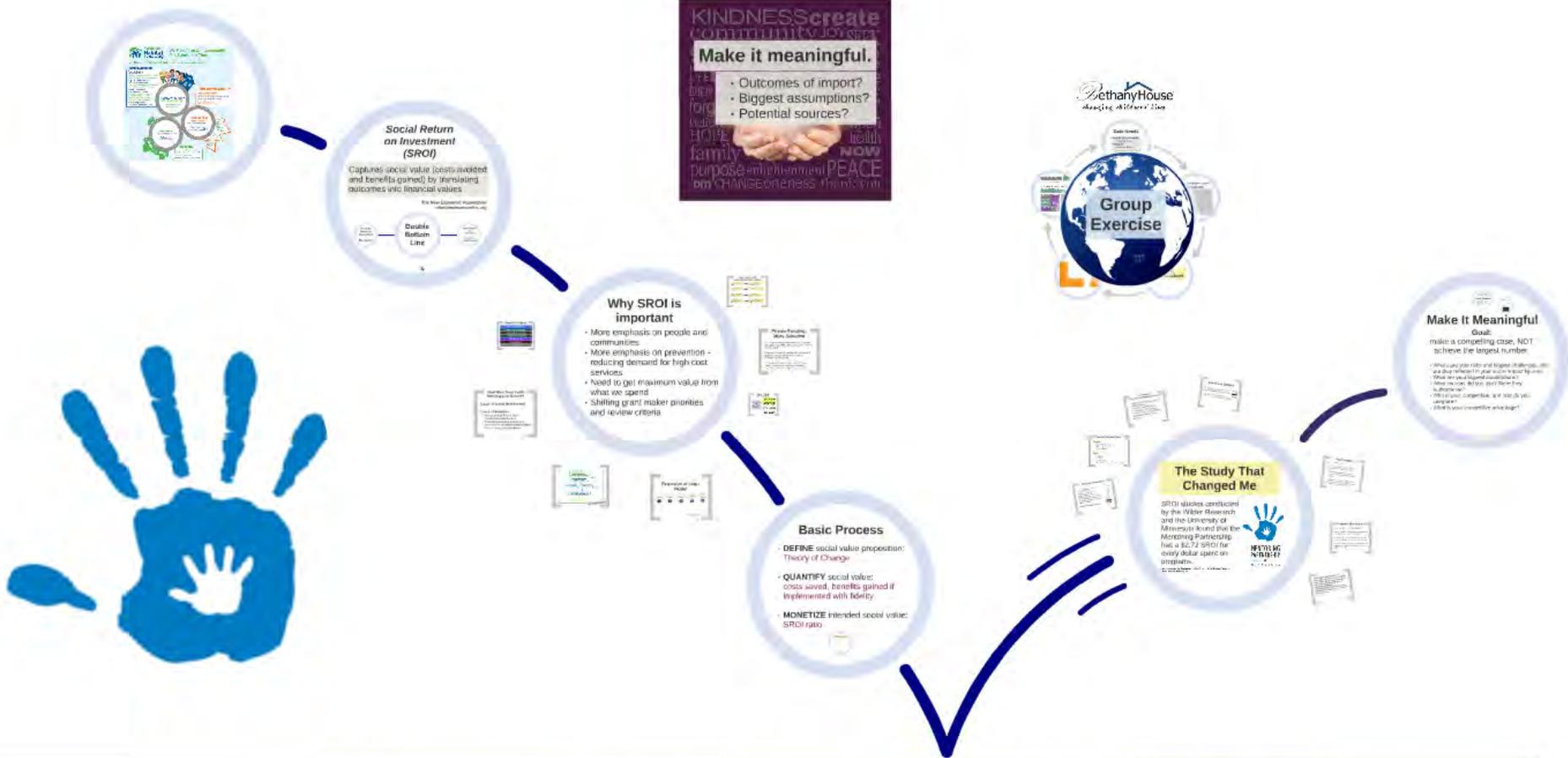
The Value of Doing Good

Measuring & Communicating Impact Through SROI

Heather Stombaugh, MBA, CFRE, GPC

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



Outcomes into financial values

The New Economic Foundation
www.neweconomics.org

Double Bottom Line

Financial
Return on
Investment
=
Profitability

Social Return
on
Investment
=
Monetized
Social Impact

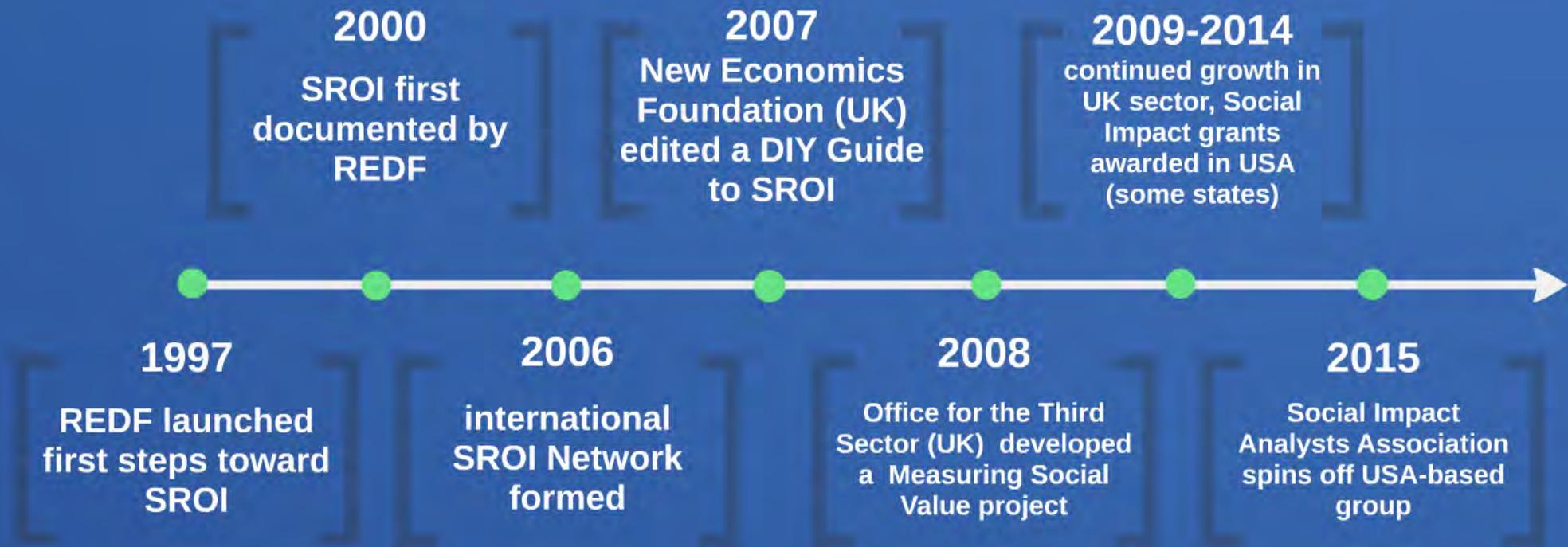


What does SROI really mean?



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 mission.
- From supporting activities. → To investing in social returns.
- From being motivated to do the right thing. → To being motivated by strategic alignment.
- From expecting grantees to report activities. → To expecting grantees to demonstrate meaningful results.

63% of strong Forum

Adopted evaluation traditions

Private small-increase

Federal Funding: OMB Implications

OMB guidance effective December 26, 2014, mandates pre-award risk assessment

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

A graphic for 'Activity 1'. It features a large, light blue circular arrow pointing clockwise. A yellow rectangular box is positioned horizontally across the center of the circle, containing the word 'Activity' in a bold, black, sans-serif font. A grey arrow points from the right side of the yellow box towards the right edge of the frame. At the bottom center of the circle, there is a black circle containing the white number '1'.

Activity

1

Output

2

**Service Level
Outcome**

3



Community Outcomes

- social
- economic
- environment

4

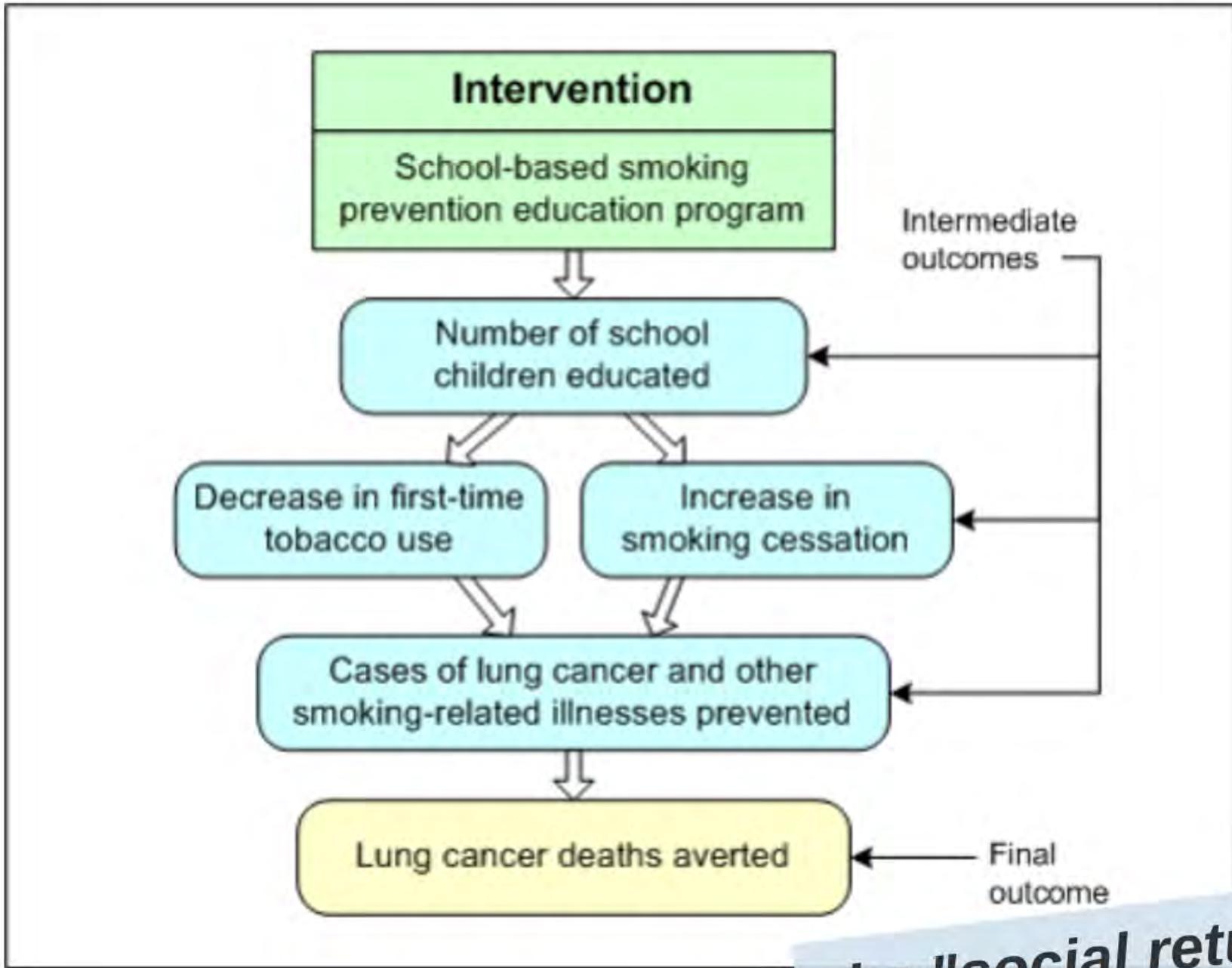
Social Value

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.

Remember the Equation:

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

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
	823
	127
	2,262
(student)	\$9,688

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

Implications

- Quality Mentoring Helps
 - Kids avoid risky behavior in school and improve school performance
 - Increase opportunities for 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 complete training and meet four times a month
 - Youth are helped with personal, social, and work habits

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.



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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



MENTORING
PARTNERSHIP
of
MINNESOTA

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/>
Total benefits (per student)	\$9,688



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

Remember the Equation:

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Image Credit: AndJusticeForAll.org



Calculate SROI

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

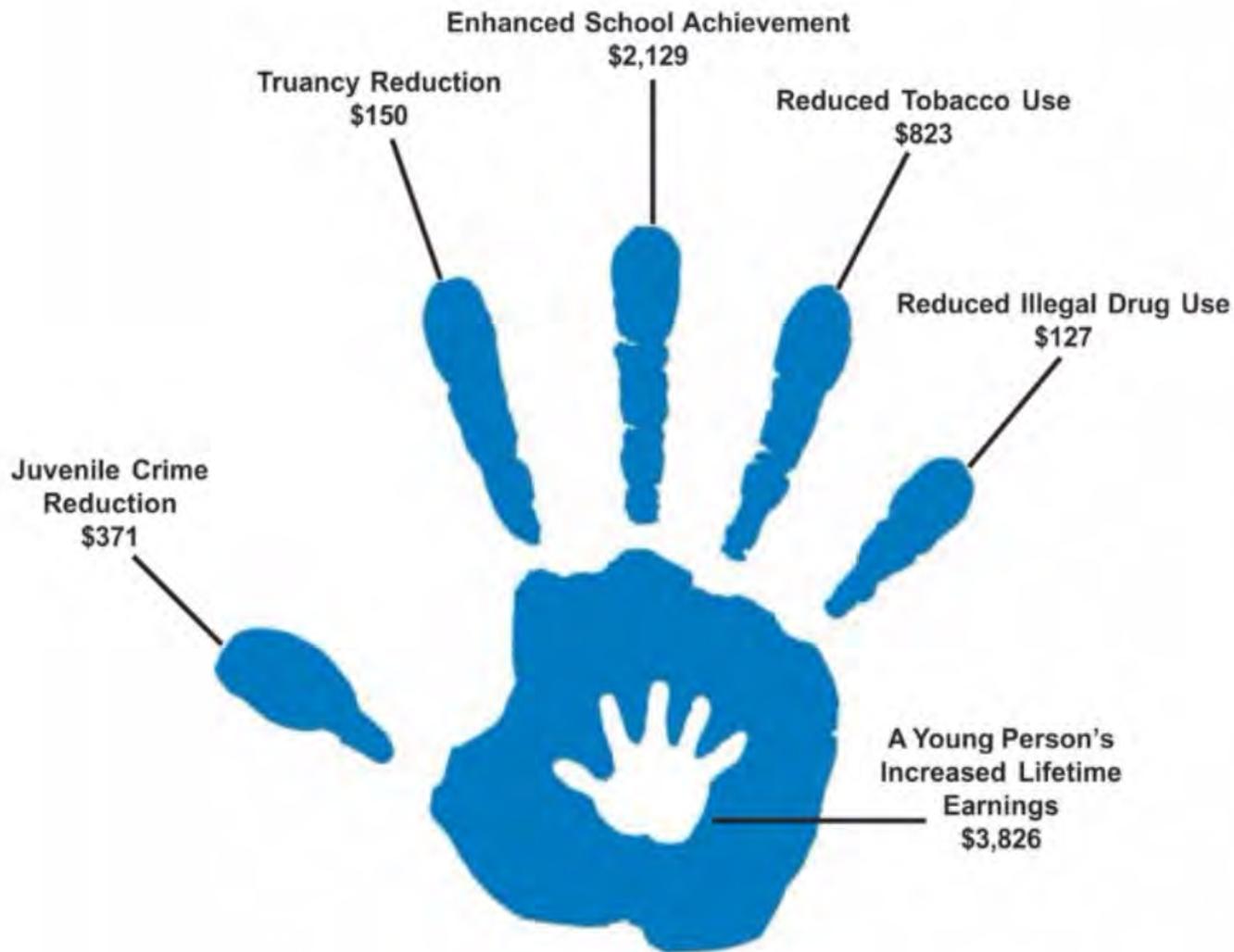
*Source: Analyzing the Social Return on Investment in Youth Mentoring Programs,
Wilder Research, February, 2007*



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.*

Powerful Messaging

- What do you know about the organization?
- What is its mission?
- How does it make you feel?

Share Your Results

- What do you know about the organization?
- What is its mission?
- How does it make you feel?

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



Remember the Equation:

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

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

Project Leadsheet



5 STEPS to TRANSLATE EVALUATION



Define your purpose



Why am I creating this piece?
What do I hope it will accomplish?



Know your audience



Who is my target audience?
What knowledge level do they have of the subject?



Establish your key message



If my audience can only take one point away from my piece, what should it be?



Translate your data/findings



What data/findings best support my key message? How can I communicate it in a way that is most understandable and relevant to my target audience?

Create your infographic

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 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 per survivor served in the justice 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.

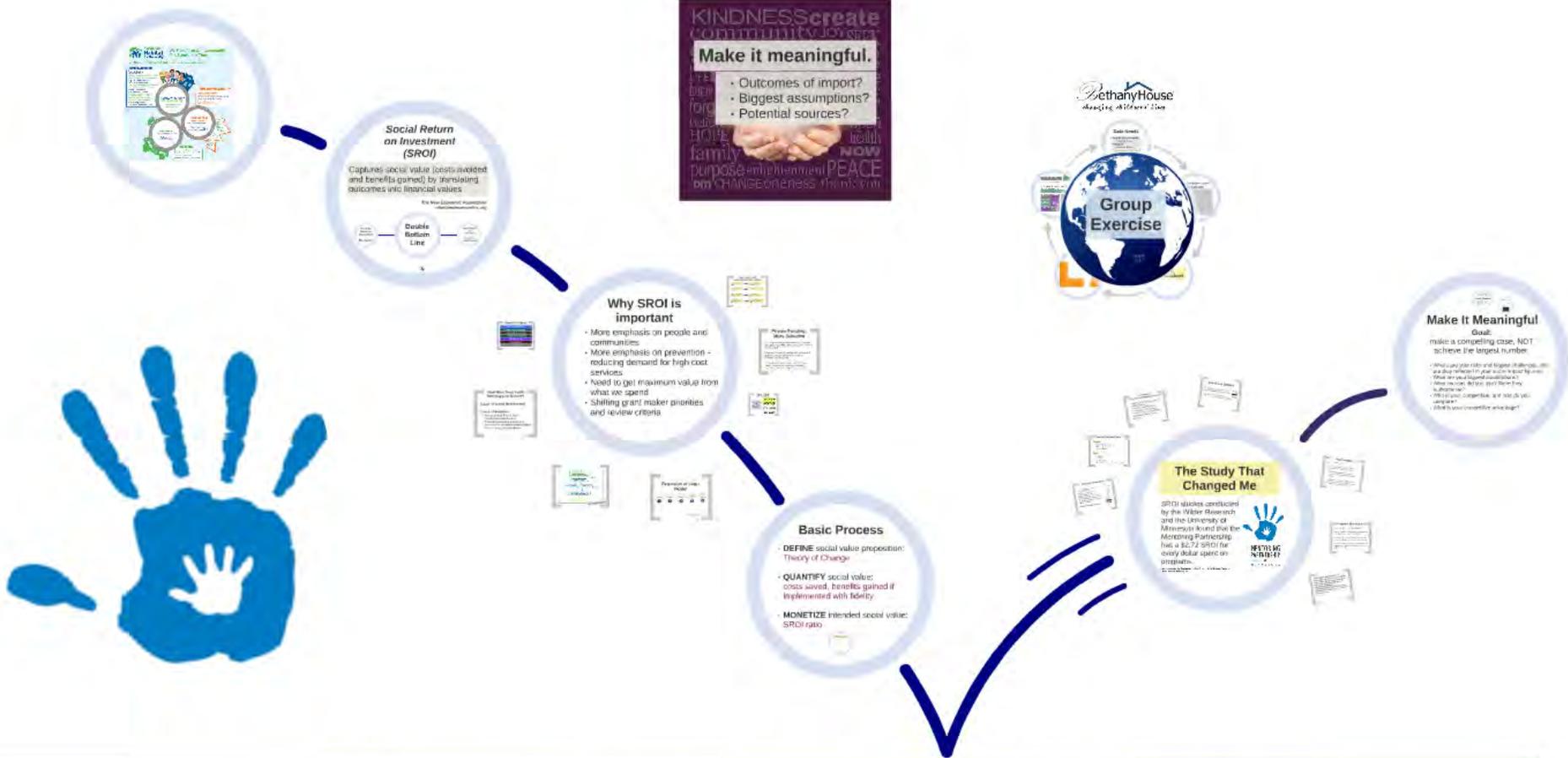
- Outcomes of import?
- Biggest assumptions?
- Potential sources?



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