

CSACO

Community Services Analysis LLC
Information Booklet on
Social Economic Impact
and Social Return on Investment Analysis

Company Overview

**What is Social Economic Impact and
Return on Investment?**

CSACO Clients

**The Uses and Benefits of SROI Results
(based on actual client use)**

**The Social Economic Impact Principles
and the CSACO Methodology**

And

***How to get more information and to arrange a web
conference to discuss your specific needs.***

ABOUT CSACO

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 State of Pennsylvania Department of Education, the State of California Department of Rehabilitation, the City of Philadelphia, The U.S. Dept. of the Interior, the U.S. Department of Education, the National Science Foundation, United Way, United Cerebral Palsy, Community College Districts, Habitat for Humanity, the State of Arizona Library and Public Archives, Cultural Events organizations, Community Foundations, and over 250 Legal Aid organizations.

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 exclusive SROI analysis national partner.

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

WHAT IS SOCIAL RETURN ON INVESTMENT?

Social Return on Investment (SROI) is an approach to measuring and understanding the financial impact of a social services organization. While SROI is built on the logic of cost/benefit analysis, it is different in that it measures the comparable value of organizations whose results cannot be easily measured in money. SROI provides information about actual and long-term results of services, and the qualitative, quantitative, and financial information on which to base decisions about the delivery of social services by organizations.

SROI analysis has been developing since the 1960's. The SROI process has become more fully developed and internationally accepted during the last decade, primarily based on multi-year studies conducted by The SROI Network, Social Value International, The New Economics Foundation, New Philanthropy Capital, the National Council on Voluntary Organization, and the Government of Scotland.

A SROI analysis can fulfill a range of purposes. It can be used as a tool for strategic planning, as a basis for funding and investment decisions, as a basis for communicating impact and financial results to stakeholders, and as a methodology for comparative evaluation of an organization's long-term effectiveness.

While not the only basis for funding and investment decisions, the SROI results provide the most accurate and comprehensible answer to three of the important questions asked by funding decision makers:

What are the direct economic impacts from these services?

What are the long-term consequential financial benefits we achieve?

What is the measurable "bang for the buck" from our funding?

The History of SROI and the Development of An Internationally Standardized Valuation Methodology

- SROI has existed as a conceptual research area for over 60 years.
- The First True Comprehensive Measurement Process;
 - The Government of Scotland – 1990's
 - Development of a Standardized Methodology:
 - The establishment of the SROI Network
 - Release of the initial SROI Methodology paper 2001
 - Release of the first SROI Methodology Framework draft 2004
 - Release of finalized SROI Methodology Framework 2005
 - Measuring Value – 2nd Edition Published 2008
 -
 - Updated SROI Methodology Framework 2012
 - Consolidation of the SROI Network and Social Industry Analysts Association into Social Value International 2014
 - Updated SROI Methodology Framework 2017
 - Updated SROI Methodology Framework 2022

Currently the SROI International economic impact/social return on investment model is the internationally accepted and accredited standard in over 30 countries including the U.K., Canada, France, Japan, Australia, Italy, Sweden, South Africa, and many others.

CSACO ECONOMIC IMPACT and SOCIAL RETURN ON INVESTMENT CLIENTS

Alabama Network of Family Resource Centers (*multiple organizations*)

California Department of Rehabilitation

United Cerebral Palsy (*multiple organizations*)

United Way (*multiple organizations*)

Front Range Community Colleges

Gaston Community College District

Philadelphia Mayor's Office of Community Services (*multiple organizations*)

Habitat for Humanity

Arizona State Library (*multiple organizations*)

State of California Department of Rehabilitation (*multiple organizations*)

Mainstream Living Centers

MARC Centers (*multiple projects*)

Mesa Community Colleges (Gates Foundation)

Never Again Foundation

Options Family of Services

Primavera Foundation Community Services (multiple years)

Pennsylvania Library for the Blind and Physically Handicapped (*multiple organizations*)

Institute of Electrical and Electronics Engineers Foundation (*multiple international projects*)

Schaumburg Cultural Events Center

Community Investment Corporation

Robert Wood Johnson Foundation

National Science Foundation

U.S. Department of Education

U.S. Department of the Interior

AmeriCorps

CSACO ECONOMIC IMPACT and SOCIAL RETURN ON INVESTMENT CLIENTS

- Alabama:** Seven Legal Aid organization plus a consolidated statewide report with multiple updates every two years.
- Arizona:** Three Legal Aid organizations plus a consolidated statewide report and reports by state legislative districts, with multiple updates every two years.
- California:** Two Legal Aid organizations with extended analysis of housing, senior care, and conservatorship issues.
- Colorado:** Colorado Legal Aid with multiple updates every two years plus reports by 63 individual counties.
- Florida:** Community Legal Services plus impact reports by 12 individual counties.
- Hawaii:** Eight Legal Aid organizations plus a consolidated statewide report.
- Indiana:** Eight Legal Aid organizations plus a consolidated statewide report.
- Kansas:** Kansas Legal Aid (in progress – draft report delivered).
- Kentucky:** Legal Aid of the Bluegrass
- Louisiana:** 34 Legal Aid organizations plus a consolidated statewide report with multiple updates every two years.
- Maryland:** Maryland Legal Aid with reports for economic impacts in 48 counties plus a current project in process for statewide analysis of 48 Legal Aid grant recipient programs.
- Michigan:** Six Legal Aid organizations plus a consolidated statewide report.
- Nebraska:** Legal Aid of Nebraska
- New Mexico:** Multiple projects for the Southwest Women’s Law Center, New Mexico Legal Aid, and 13 individual Legal Aid organizations statewide.
- Oregon:** Special analysis for the Oregon Law Foundation of the economic impacts of the Oregon Legal Immigration legal services and the Association of Oregon Legal Services Programs client and community work.
- Texas:** Multiple projects for Legal Aid of Northwest Texas including multi-year social economic impact analysis of over 30 Community Revitalization projects funded by the Texas Access to Justice Commission and separate analysis of Driver’s License Reinstatement activities funded by the LSC Pro Bono Innovation Fund.
- Utah:** Three Legal Aid organizations plus a consolidated statewide report.

USING THE RESULTS OF A SOCIAL RETURN ON INVESTMENT ANALYSIS

(A SUMMARY OF ACTIONS TAKEN BY LEGAL AID ORGANIZATIONS AND OTHER SOCIAL SERVICE GROUPS
TO UTILIZE THE RESULTS OF THEIR CSACO SROI PROJECT RESULTS)

PROOF OF VALUE TO FUNDING SOURCES

GRANT APPLICATIONS

SROI is included in grant applications to show financial value of a program.

SROI in specific areas of interest (i.e., Domestic Violence, Housing, Public Benefits).

DONATION VALIDATIONS

SROI reports focused on specific areas of interest.

TAX-BASED PROOF OF VALUE

Information packets and summary reports to legislators.

Value by legislative district reports.

Grassroots lobbying handouts.

COMMUNICATION WITH STAKEHOLDERS

Inclusion of results in their annual reports.

Inclusion of results in their quarterly newsletters.

Distribution of copies of summary reports.

Flyers for handouts at service locations.

Inclusion of summary results on their website.

Social media (primarily Facebook and Twitter).

COMMUNICATION WITH THE COMMUNITY

Inclusion of summary results on their website.

Copies of summary reports openly available at organization offices.

Flyers for handouts at service locations and public events.

PUBLIC MEDIA

Newspaper articles on the values of services (short and long-term values).

Demonstration of value to the community, stability of organization, and number of people affected.

INTERNAL STRATEGIC PLANNING

Importance of services analysis:

- Adjustment of lines of services and future resource allocations.
- Adjustment of qualification levels for Legal Aid services.
- Value of potential new services.
- Economic benefit of mergers/acquisitions.

INTERNAL EMPLOYEE BENEFITS

There has been a surprising number of comments from internal employees at multiple service organizations on how they did not realize how valuable their services were and how important their services are to their community. This has been a significant morale booster.

STRATEGIC ADVOCACY VALUE ANALYSIS RESULTS

- Analysis of potential value resulting from strategic advocacy efforts.
- Projections of cost and service level increases resulting from the achievement of strategic advocacy goals.

COOPERATIVE OR PARTNERSHIP EFFORTS WITH OTHER ORGANIZATIONS

- Proof of value of integrated services.
- Proof of value to joint effort partners in the results of proposed development activities (i.e., partnering between Legal Aid groups and local social service organizations to target the use of legal services).
- Calculation of costs and funding requirements for projected increases in service demands based on actual experience.

Description of the Social Economic Impact Principles, Data Elements, and CSACO analysis methodology

The Principles of Social Value provide the basic building blocks for anyone who wants to make decisions that take a wider definition of value into account, in order to increase equality, improve wellbeing and increase environmental sustainability.

The principles have been drawn from principles underlying social accounting and audit, sustainability reporting, cost benefit analysis, financial accounting, and evaluation practice.

The Social Value Principles:

Principle 1: Involve Stakeholders

Inform what gets measured and how this is measured and valued in an account of social value by involving stakeholders.

Principle 2: Understand What Changes

Articulate how change is created and evaluate this through evidence gathered, recognizing positive and negative changes as well as those that are intended and unintended.

Principle 3: Value the Things That Matter

Making decisions about allocating resources between different options needs to recognize the values of stakeholders. Value refers to the relative importance of different outcomes. It is informed by stakeholders' preferences.

Principle 4: Only Include What Is Material

Establish the boundaries of what information and evidence must be included in an account of value to give a true and fair picture, and one that is based on the evidence from stakeholders, so decisions taken focus on the changes that matter.

Principle 5: Do Not Overclaim

Only claim the value that activities are responsible for creating.

Principal 6: Be Transparent

Demonstrate the basis on which the analysis may be considered accurate and honest and show that it will be reported to and discussed with stakeholders.

Principal 7: Verify the Result

Ensure appropriate verification of results in line with the decisions being supported. In cases where results are being reported to external audiences and/or are supporting significant decisions, independent assurance is required.

Principal 8: Be Responsive

Pursue optimum Social Value based on decision making that is timely and supported by appropriate accounting and reporting.

Note: The full description of each of these Principles and a full Principles Documents is available for download on the Social Value International website (www.socialvalueint.org).

THE SOCIAL ECONOMIC IMPACT DATA ELEMENTS

Stakeholders

Stakeholders are defined as the people or organizations that experience change (whether positive or negative) as a result of the activities being analyzed. In SROI analysis the primary stakeholders are those who provide the inputs that enable the services being analyzed.

Intended Changes

Intended changes are those anticipated changes that result from the completion of the activities being delivered through the inputs from stakeholders. These anticipated changes typically are the reasons that the stakeholders have contributed the input resources.

Unintended Changes

Unintended changes are those short- and long-term results that are not expected and were not part of the basis for the stakeholders providing the input resources. (An example of unintended changes is the increase in transportation time and fuel costs resulting from state and local regulations requiring disability services providers to pick up and drop off disabled persons at their doors).

These unintended changes are not forecast, but all changes – both intended and unintended – have financial impacts and are relevant to a SROI analysis.

IMPACT INPUTS

Input Elements

Inputs are activities resulting in changes with a goal of achieving the planned outputs and the projected outcomes. The SROI analysis process focuses on those input resources that can be measured in financial value terms and that are used up in the course of the activity (i.e. money and time).

Unit of Measure (UOM)

The Unit of Measure is the basis for identifying the quantity of the individual input element. This may be in units such as Dollars, Hours, Portions of Hours, or other measurements as appropriate to each input.

Value per Unit of Measure

Value per Unit of Measure is the calculated financial impact of each input element per the appropriate Unit of Measure used for that input. These values can also include non-monetized inputs such as contributions of goods and services.

OUTPUTS

Output Deliverables

Outputs are the quantitative summary of the deliverable results from an activity. These results are the planned short-term goals of the activities and are typically well measured on a timely basis as completed.

Value per Unit of Measure

Value per Unit of Measure is the calculated financial impact of each output per the appropriate Unit of Measure used for that output.

Basis for Valuation

The Basis for Valuation is a description of the methodology and reasoning for the selection of the most appropriate Value per Unit of Measure for each output.

Output SROI Gross Fiscal Impact

The Gross Fiscal Impact is the Fair Market Value replacement cost for each output service delivered. This is the short-term SROI value that primarily measures the immediate SROI value and the comparative efficiency of the services delivered to the community by the provider.

OUTCOMES

Outcome Results (Description of Change)

Outcomes are the results of the output services delivered. These outcomes may either be the projected and anticipated changes that were the basis of the stakeholder's provision of the resources required, or may be unintended and unanticipated changes resulting from these same outputs.

The description of the outcomes needs to be as precise as possible to avoid uncertainty on the measurement indicator basis used and the basis for valuation. Care must also be taken not to confuse outcomes resulting from resource inputs from one shareholder with inputs from other shareholders that can result in double counting of the outcome valuations.

Measurement Indicators

Indicators are measurement points that demonstrate that changes are taking place – that the outcomes are being achieved. These indicators are actions that are capable of being measured on a quantitative basis and that are capable of having financial impacts associated with their changes.

Frequently these outcomes have intermediate results that can occur over a period of years, but there may be observable and measurable changes along the way. It is important to understand what these intermediate changes may be and the financial impacts of these intermediate results, as the time period involved requires indicator tracking to gauge the progress of the activity and because the activities being analyzed may not bring about the anticipated final results but only some intermediate changes in the chain.

Duration of Change

Many types of outcomes have a finite life expectancy of the resulting benefits. The duration of change element defines this expected useful life of the outcome (when appropriate).

The Duration of Change element is also related to the 'Drop-Off' factor, which defines the reduction of benefits attributed to the outcome over longer periods of time.

VALUATION NEGATIVE IMPACTS

Deadweight %

Deadweight is a measure of the amount of the individual outcome that would have happened even if the output activity had not taken place. It is expressed as a percentage.

Attribution %

Attribution is an assessment of how much of the outcome was not caused by the contribution of each individual output service. This is expressed as a percentage.

The assessment of individual output service contribution can be a highly variable process with multiple conflicting factors. The relative contribution weight of an individual factor can vary from individual to individual, and the calculations can become problematic over long periods of time.

Drop-Off %

In longer periods of time (greater than one year), the amount of outcome is likely to be less, or if the same, will be more likely to be influenced by other factors. Drop-off is an assessment of the ongoing reduced attribution to the outcome factors.

It is expressed as a fixed percentage of deduction from the remaining level of outcome at the end of each year.

SROI NET FISCAL IMPACT

The Outcome Net Fiscal Impact is the total value of all fiscal benefits for each direct output valuation and the net value (after reduction due to negative factors) of each consequential outcome valuation.

THE CSACO SOCIAL ECONOMIC IMPACT MEASUREMENT METHODOLOGY

This describes the generalized but consistent approach used by Community Services Analysis LLC in performing a Social Economic Impact/Return on Funding Investment analysis. Each project is unique and may require modification or expansion of each of these processes.

Step 1 – Stakeholder’s Input, Project Scheduling, and Data Requirements

The process starts with a review with stakeholders on the needs and goals of the project. This can include identification of the historical and/or planned direct and consequential social impacts, the planned uses of the project results, and the potential audience for the results.

This step also includes definition of a project task schedule with task element responsibilities and task schedules. This project task schedule will be used for periodic project schedule reviews to identify and address any project time or performance issues. This step also reviews all available data and identifies the specific data needed on the activities, quantities, and results of the tasks being performed.

Step 2 – Identification of Specific Direct and Indirect Consequential Outcomes

Identification of the actions performed or planned that can result in either immediate direct benefits or longer-term outcome impacts and the definition of what these benefit and outcome results might be.

Step 3 – Valuation of the Direct Impacts

Valuation of the immediate (short-term) economic impacts of the actions under analysis are investigated and calculated. These amounts are typically based on the Fair Market Value of the services delivered and any economic impacts achieved on a short-term basis.

Step 4 – Valuation of the Long-Term Consequential Economic Impacts

Valuation of the longer-term consequential economic impacts takes multiple steps:

- Definition of the detailed outcomes (multiple outcomes for Legal Aid services)
- Research on economic impacts of these detailed outcomes:
 - o Based on database research and previous experience
 - o Multiple impact results are collected
 - o Some eliminated for bias/age/inadequate methodology/other reasons
 - o Some sources are based on governmental analysis and are very precise (i.e. SSI/SSDI)
 - o Remaining valuations examined for “congruity” of results. If outliers exist, their results are examined more closely
 - o Congruent results and multiple studies are used for valuation.
 - o The most recognizable and appropriate sources are used in Valuation Schedules references.

Step 5 – The Social Impact Value Map and Valuation Schedules

Preparation of the Social Impact Value Map and accompanying detailed Valuation Schedules for inclusion of the impact report(s).

Step 6 – Delivery of the Draft Report(s) for review

Draft copies of any reports are delivered for review by the client.

Step 7 – Joint discussion of comments and suggestions following draft review

Any comments or suggestions following the review are considered and final report modifications made if appropriate.

Step 8 – Delivery of final signed report.

This step may also involve presentation of the report results, process, valuations, and other issues to stakeholder, internal staff, or other interested parties.

FOR MORE INFORMATION

More information, including sample reports, is available on our website at www.csaco.org.

Additional information about SROI methodology and the international standards is available at:

Social Value – United States www.socialvalueus.org

Social Value International www.socialvalueint.org

Arrange a free Web Conference

For a free web conference to find out more about us, to see how other organizations have successfully used their Economic Impact and Social Return on Investment results, and to discuss how we can help in your funding, community relations, and strategic planning efforts, please call me at **520.370.8800** or email me at jbyrnes@csaco.org.

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