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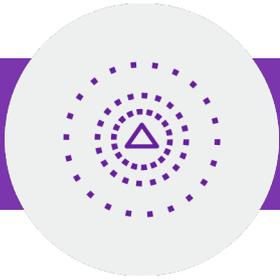
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## Meta-Analysis of SROI Studies – Indicators and Proxies

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# IMPACT

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# 1 Introduction

The goal of this working paper is to present the results of a meta-analysis of existing SROI studies. It will analyse the indicators used, and it will build on the consensus-based set of indicators of impact measurement of the TSI-project. This five dimensions are (1) well-being and quality of life, (2) innovation, (3) civic engagement, empowerment, advocacy and community building and (4) economic as well as (5) human resource impacts. We will analyse, if these dimensions and related fields of Indicators can be found in SROI-analysis and inform about concrete indicators and proxies used. We analyse a total of 14 SROI studies, of which 13 had been performed by the NPO-Competence Center of Vienna.

First we will inform about the theoretical background and the importance of impact measurement, then we will describe the methodology, particularly SROI analysis. In a next step the selected SROIs will be presented in order to inform about their aims, field of interest and evaluation results. The analysis will document results regarding indicators and proxies used. The TSI- team selected fields of indicators for each dimensions and we will analyse, which indicators and proxies are being used for each of these fields of indicators in existing SROI studies. This may be helpful to get closer to the testing of indicators and may serve as a basis for further recommendations aiming at improving practices of impact measurement by showing blind spots. This setting may be appropriate to fuel discussions and considerations of strengths and weaknesses of indicators used. Recommendations for the improvement of indicators, grasping multi-faceted aspects of impact more comprehensively are attempted, thus contributing to the goals of the TSI-project.

The Methodological Guideline for Impact Assessment (Simsa et.al. 2014) introduced the state of the art of impact measurement. This framework will serve as a basis for further improvement of the use of indicators by **SROI** studies.

## 2 Theoretical Background

### 2.1 Impact Measurement

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Economic evaluation gained in importance to show effectiveness and efficiency of resource allocation. To an increasing extent TSO have to legitimize their operating (like resource deployment) and prove the social impact they have (Arvidson and Lyon 2014), as



trust and appreciation by society is not enough to attract funding. But as highlighting achievements is challenging for this sector, an elaborated methodology and well-founded theory are required, for TSOs do not limit themselves on contrasting inputs and outputs, but aim at keeping an eye on impact, that is argued to be the more appropriate dimension to grasp the positive effects of advocacy or services rendered by NPOs. More than 40 approaches have been developed in order to measure social impact (Stevenson 2010 et.al), all yielding specific benefits but also raise difficulties and problems regarding methodology.

Besides different definitions of “impact”, that lead to contradicting understandings, further confusion is due to the varying use of terms relevant for social impact measurement, like impact, outcome, effect, social return, social value, performance (Maas 2008: 75). The TSI-project will consider impact as referring to changes that can be attributed to the activities of the program, organisation or the sector; as Clark states: „By impact we mean the portion of the total outcome that happened as a result of the activity of the venture, above and beyond what would have happened anyway“ (Clark et al. 2004).

Impact occurs on various scales, but scientific research regarding the macro level is often insufficient or lacking. The difficulty lies in the heterogeneity of the sector and the challenge of monetization of the effects of nonprofit activities. As it is harder to measure impact than output or outcomes, thoughtful indicators are required, especially when the macro level shall be taken into account.

## 2.2 Methodology of SROI

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**SROI** is an instrument of causal contribution analysis and one of many methods of social impact measurement, developed in order to demonstrate the actual social value, trying to measure „the immeasurable “. Today it is applied in the Private as well as in the Public and Third Sector. It has a strong stakeholder orientation.

SROI is advantageous because of its legitimating qualities and the potential of improving efficient and effective resource allocation (Maier, Schober et al. 2014). Furthermore, it turned out to be a proper communication mechanism by making the communication of value easier, supports NPOs’ rational decision-making process and can serve as a management tool helping to improve performance (Lawlor 2008). SROI allows estimating social value creation (Kara 2013:22-24) by quantifying qualitative issues and monetizing



them in order to allow comparison. SROI is an appropriate instrument for an internal control (Manetti (2014) that allows to evaluate the organisation's overall performance coherently and rationally. Furthermore, it helps to reduce complexity, but of course it can be brought into question if it is reasonable to monetize things that are usually considered as priceless. For this reason, a comprehensive monetization is crucial, as the quality of results depends upon practical and technical considerations.

**SROI** relates benefits to the arising costs in order to understand, measure and report the value created by an organisation's intervention. To put it more precisely, it contrasts the *net present value of benefits with net present value of investment* (Lawlor 2008) and expresses the impact with a single number, this way offering comprehensible data also for stakeholders (Lawlor 2008). The SROI is calculated as ratio of the total impact and total investments. As the ratio can be seen as a leverage effect of a certain project, showing the social benefit created by 1 € invested, higher SROI scores represent better results of projects. However, the comprehensive comparability of ratios is limited due to SROI methodology.

The New Economic Forum (*nef*)<sup>1</sup> emphasizes to not restrict value on numbers but to keep in mind *supplemental information*, but this suggestion can be criticized as well this for its implicit assumption that further information wasn't something that should be considered as an essential part of analysis, but having rather a „supplemental“ character (Hall 2014). Further development of SROI in a responsible and meaningful way is still an absolute priority (Maier, Schober et al. 2014) to face the partly inherent limitations. An improvement of indicators can help to grasp dimensions of interest more adequately, and may help to overcome restrictions regarding quality assurance, standardization or help dealing more precisely with causality and temporality as well (Maier, Schober et al. 2014).

For the meta-analysis of SROIs we used 14 studies of which 13 were carried out by the NPO-Competence Center of Vienna. They apply the model set out by *nef*, which provides a framework for assaying actions longing for change by analyzing the cause-and-effect chain of inputs, outputs, outcomes, and impacts and that reflects strongly upon the capacities and priorities of the respective organisation. It allows taking into consideration what would have happened anyway ('deadweight'), any unintended negative consequences and displaced benefits ('displacement') as well the extent to which outcomes can be attributed to the respective organisation's activities ('attribution').

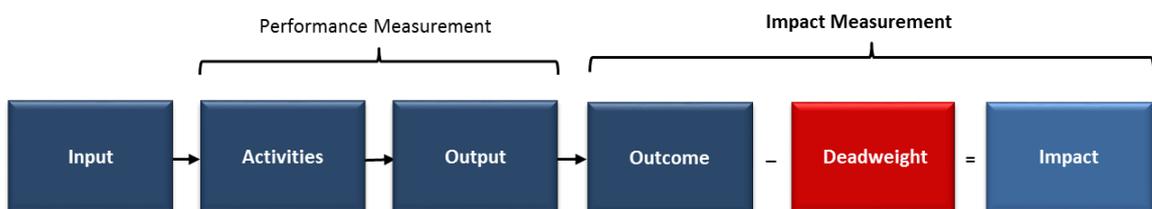
The design takes into account:

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<sup>1</sup> Their model is providing orientation for the analysed SROI studies conducted by the NPO-Competence Center (Vienna) as well



- **Inputs**, including all resources invested<sup>2</sup>, like human or financial resources etc.,
- **Activities**, which are actions of the organisation that aim at goal-achievement, which lead to
- **Outputs**, as direct and tangible products from the activity that can be measured directly, and
- **Outcomes**, referring to changes occurring for the stakeholders as a result from the activity. They may include longer-term or more significant results, which can be both negative<sup>3</sup> and positive. Obviously, a forward-looking perspective is indispensable.
- **Deadweight** means the extent to which outcomes would have happened anyway and has to be subtracted from the outcome.
- **Impact** is referred to as the part of those outcomes that is attributable to respective organisation's activities (Lawlor 2008), covering the share of total outcome *above and beyond* what would have happened anyway (Clark et al. 2004)



### 2.3 Indicators and Proxies

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Measuring impact is a challenging task and may require an extensive collection of data deriving from e.g. stakeholders or organisations obtained via additional research like interviews or questionnaires.

Finding the right set of indicators that allow measurement in an appropriate way is an important as well as tricky part of the SROI process. For it is obvious that the whole process of conducting SROI-analysis is guided by diverse considerations, we insist that making the proceeding transparent is essential to mitigate arbitrariness regarding considerations of what to include and the creation of indicators and proxies.

<sup>2</sup> With this investment the value of the impact is to be compared

<sup>3</sup> that have to be subtracted from the created value



A great deal of attention in SROIs is given to outcome indicators, which can be both qualitative and quantitative. As in some cases it turns out to be complicated to measure outcomes, it may be necessary to use more than one indicator and advisable to combine objective and subjective or self-reported indicators, in view of complementation (Lawlor 2008). Indicators have to be matched to outcomes; this can turn out to be an easy or fairly difficult purpose. Subsequent to this, financial values and proxies have to be identified in order to express indicators in financial terms. This is termed as monetization and argued to be a sensitive aspect of SROI-analysis.

Sometimes monetization demands more thoughtfulness since it is a juggling act between getting data, calculating costs and being as accurate as possible. If no data is available, **proxies** are referred to, offering a value that can be regarded as close to the desired indicator. This way it is possible to include further outcomes for which no data can be found, whereby conducting a sensitivity analyses may be required to avoid arbitrariness.

### 3 Selected SROIs

#### (1) Financial Literacy („Three Coins“)

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2014; Ena Pervan, Eva More-Hollerweger; SROI: 1,14 or 1,08 (depending on future scenario)

The organisation “Three Coins”, a start-up of young people for young people, aims at financial literacy based on an innovative learning model that was incorporated in the design of an online game; this training without moralizing aspects shall be more attractive for the young and help to train understanding of finance. This prevention work helps imparting knowledge to the young and is suitable to reach the target group; besides new skills learnt, better health conditions, well-being and impediment of social exclusion (due to indebtedness) are further benefits resulting from these activities. Stakeholders benefitting are the scientific community, debt counselling and employees of *three coins*.

Evaluation is challenging due to the fact that future scenarios were needed to anticipate and get an idea about the Impact that can be measured only in the future. High investments are ascribed to software development and will effect in the future.



## **(2) Social café for integration (“Connection”)**

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2014; Ena Pervan, Olivia Rauscher; SROI: 3.28

The project “The Connection” was one of two winners of the prize for innovation “Ideen gegen Armut” (ideas to fight poverty) in 2012. The association was found in 2010 and aims for the integration of young people with migration background in the job market. The young shall gather their first work experiences there to increase their employability. Therefore, the employment in the café is limited. The project provides language classes for their employees, in order to reduce the linguistic deficits. Since 2012 15 young people were employed in the café and 16 mentors assisted them.

## **(3) Start-up help-living**

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2012; Olivia Rauscher, Ina Pervan-Al Soquaer; SROI: 4.41

This successful project supports people in risk of poverty to get access to housing, by providing a repayable microcredit (2000 Euro), aiming at empowerment of people who are considered as having full and equal rights and obligations. 103 adults and 101 children were stakeholders that took advantage from these 81 credits. Sensitivity study show that if it was considered that children under better living conditions achieve higher education, the SROI-score would even be higher, namely 9,11 Euro.

## **(4) Assisted living**

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2013; Ina Pervan-Al Soquaer, Christian Schober, Nataša Perić, Tobias Gosch; SROI: 2.32

The organisation was found in 2006 and provides alternative forms of assisted living and sheltered housing for elderly people in Styria. 209 persons lived in houses of the organisation and 27 employees assisted them in 2012. The goal of the organisation is to enable elderly people to preserve their independence and social integration by creating adequate housing situations and offers to increase their quality of life.

## **(5) Mobile Care**

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2012; Christian Schober, Doris Schober, Nataša Perić, Ena Pervan; SROI: 3.70

The impact and benefit of government-funded mobile care in Vienna with focus on meaningful measurement and monetisation of diverse impacts and overall social benefit is to be evaluated. Vienna’s mobile care provides a wide range of services for dependent



people, whereby stakeholders benefitting to high extent are hospitals, clients, Vienna's general public and relatives. Good data allowed reasonable monetisation of impacts. As results show, they operate effectively.

### **(6) Inpatient care**

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2015; Ena Pervan, Christian Schober, Claudia Müller; Lower Austria SROI: 2.93; Styria SROI: 2.95

This analysis aimed at demonstrating the economic impact and benefit of care facilities in Lower Austria and Styria for relevant stakeholders, with focus on meaningful measurement and monetisation of diverse impacts. It touches on a range important social fields, therefore identifying suitable indicators is a challenging undertaking. As people get older, the necessity of the provision care-services is raising, and there is a tendency to prefer mobile care services; as results show, inpatient care was evaluated as being very effective.

### **(7) Firewood social enterprise**

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2012; Olivia Rauscher, Selma Sprajcer; SROI: 0.98

The Firewood social enterprise is a project that fights against poverty aiming at skilling unemployed, particularly young people, further providing deprived/vulnerable people with firewood free of cost (collected by young people in provided woods) and raising awareness for the significance of wood – especially with regard to environment protection. As can be seen, diverse stakeholders are involved. The project is based upon a good concept, but lacks adequate operational implementation, which explains the low score of SROI.

Further benefits for targeted young people - besides skilling- are the impact on dimensions like social relations, good health or outdoor activities. Those provided with firewood benefit from cost savings.

### **(8) Fire brigades**

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2012; Christian Schober Eva More-Hollerweger, Olivia Rauscher, Ina Pervan-Al Soqauer; SROI: 10.2



This study reflects upon the Fire fighting system of Upper Austria, taking into account their manifold professional tasks and activities (know-how, resources). Various stakeholders are identified, like society and diverse beneficiaries like industry or the public domain, insurance (companies) and more.

The high SROI-score is in practice likely to be even higher due to conservative estimation and underestimation of subsequent costs (that would have been too hard to grasp); it is particularly owed to their efforts that prevent damage (to people and objects), besides that, they increase feeling of safety and also social capital plays a role. They have a monopoly status of course and das results show, they can be classified as highly profitable with regard to impacting on society.

### **(9) Integrative businesses**

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2010; Olivia Rauscher; Christian Schober; SROI: 1.29

In the focus of this study were eight businesses in Austria; data analysis considered interviews, research as well as document analysis, whereby weakness is stated because of the small number of cases. Regarding stakeholders, people with disabilities are those who benefit the most, but taking into account the comparison of investment and attributable profits, it turns out that institutions like federal states and social insurances benefit to a high extent. The SROI score is shaped by costs arising due to an expected unemployment of handicapped people (if these businesses would not exist).

### **(10) Social theatre**

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2006; Karl Leathem; SROI: 4.25

Lawnmowers is a theatre project providing possibilities for people with learning disabilities. The theatre is run by people with learning disabilities and aims for a better life for similar people. The project was founded in 1986 and became an independent charitable company in 2001. The key objectives of the project not only revolve around the work with people with learning disability, providing employment, mentoring, advice and skills, but also include advocacy work.



### **(11) Support for trafficked women**

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2013; Ina Pervan-Al Soqauer, Ena Pervan, Olivia Rauscher; SROI: 2.44

The NGO Footprint stands up against the human rights violation of trafficking in women, providing support for affected women, raising awareness for their rights and help improving living conditions and aims at integration into society - this way taking into account nonmonetary aspects. During the evaluative period of 2012, 47 women and girls have been supported. Activities of the organisation are e.g. German and sports-classes or charity dinner. It also includes raising awareness of the topic of trafficking. Main stakeholders are affected women that take advantage of provided services, furthermore e.g. staff or institutions like social insurances or public domain (cost savings). Obviously we are confronted with a range of aspects that are in need of meaningful indicators that enable to measure fields of interest. Data was obtained by interviews and participant observation.

### **(12) Support for Street Children**

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2011; Olivia Rauscher, Christian Schober, Ina Pervan Al Soqauer, Eva More Hollerweger; SROI: 3.47

Casa Abraham is a house of living and formation built with prize money and run by the organisation Concordia (providing diverse services that are not taken into account) targeting streets children and children/ young people from necessitous families or broken homes in Romania by promoting and offering education and skilling in order to labour market integration. They have a capacity of working with a maximum of 48 children or young people. The analysis aims at taking into account long-term-effect as well, that is to be seen as indispensable but also a particular challenge in this case; e.g. the value of education and integration in the labour market was projected to retirement-age. The project's outcome is educational attainment. Besides education and skilling, the young further benefit from better health conditions, mental stability and recreational activities. Sensitivity analysis shows an even higher SROI-ratio of 9, if capacity was fully utilized.

### **(13) Upcycling social enterprise**

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2011; Christian Schober, Olivia Rauscher; SROI: 0.97

The project combines ecological goals by repairing old washing machines and social goals by doing that with unemployed. Stakeholders, who take advantage of the project are to a large extent former unemployed that are trained and engaged for upcycling defective



machines, and customers who purchase repaired washing machine and dish washer. Furthermore, society benefits because of environment protection and so do institutions that are related to employment income. Although the project's underlying concept is highly promising, the operational success turned out to be unsatisfactory- providing an explanation for the low SROI-score. Besides benefit due to regular income, the employed report an increase in stability of their life, better health and acquired skills.

#### **(14) Debt counselling**

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2013; Eva More-Hollerweger, Ina Pervan-Al Soqauer, Ena Pervan; SROI: 5.3

This study aimed at monetizing the impact of state-approved but private debt counselling. The most important stakeholders were, of course, the clients. Besides the output consisting of consulting services and provision of information, the outcome includes an increase of well-being, better health as well as social relationships; skills to manage money responsibly and easing to find a job are important efforts. As can be seen, diverse dimensions are affected. Data was gathered by interviews and quantitative survey- (questionnaires). Due to good data, quantification and monetising was easy to carry out.

## **4 Analysis of the consensus-based set of indicators: Indicators and Proxies used in SROIs**

As a result of literature research and discussions amongst the international TSI partners, the TSI project regards five domains as crucial impact fields and therefore important for impact measurement: "human resource impacts", "economic impacts", "civic engagement, empowerment, advocacy & community building", "innovation" and "well-being and quality of life" (Simsa et al. 2014: 27). For each of the domains the TSI partners agreed on different fields of indicators used in our analysis. The following chapter introduces the scopes of the domains and indicator fields and presents the results of the meta-analysis of 14 SROIs.



## 4.1 Human resource impacts

According to the preliminary research results of the TSI project, five fields of indicators were proposed: “education and skills”, “motivation (intrinsic, extrinsic)”, “payment and career perspective”, “self-fulfil and valuable doing” as well as “interpersonal relationships”.

The indicators used in the domain human resource impacts were derived from literature and constructs, e.g. job satisfaction (material and immaterial incentives, cf. intrinsic and extrinsic sources of satisfaction). As used constructs for measuring job satisfaction often include areas of well-being or health, indicators have partly been assigned to the domain “well-being and quality of life” of the TSI project. Most of the indicators introduced focus on the micro level and therefore are not suitable as aggregates. However, specific macro indicators are yet to be defined (Rochester et al. 2010, Ockenden 2007: 19-30, European Foundation for the Improvement of Living and Working Conditions 2007: 4, OECD 2009: 122, Torita 2008: 2084-2085, CIVICUS 2012, Simsa et al. 2014: 33-35).

*Table 1: Domain “HR Impacts” in SROIs*

<b>Field of indicators</b>	<b>Factors used in SROI<sup>4</sup></b>	<b>Proxies used in SROI for monetization<sup>5</sup></b>	<b>Sum of codings<sup>6</sup></b>	<b>Number of SROI<sup>7</sup></b>
<b>HR Impacts</b>				
Education and skills	Enhanced competences and know how  Higher	Costs of: workshops, trainings, certificates, courses, private tutoring, consultancy, estimated loss of earnings by course participation	62	1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14

<sup>4</sup> This usually is called “indicator”, according to the notions of the TSI – project. However, the term “factor” is more appropriate, as indicators are used to be directly measurable. As e.g. “enhanced competences and know how” cannot be quantified directly, SROI analysts use proxies to estimate and monetize the impacts of those factors. Therefore, proxies get close of being indicators for impact measurement.

<sup>5</sup> Costs of interventions with comparable outcomes are frequently used proxies for monetization of certain factors. As SROIs have an economic perspective, this approach is widely common.

<sup>6</sup> We used a computer-based program for qualitative text analysis, called MaxQDA. The number of codings represents how often the listed factors of the field were used in total.

<sup>7</sup> The purpose of the column is to keep track of which indicators and proxies were used in which SROI. Therefore, the numbers match the figures of the selected SROIs, we described earlier.



	education / practical experience  Organisational knowledge  Contribution to social capital	Differences between income (wages of lower / higher educated)  Costs of external experts  Costs of knowledge transfer, expertise		
Motivation (intrinsic, extrinsic)	Higher motivation / allegiance of staff	Costs of: workshops, recruitment of more motivated staff	3	1, 14
Payment and career perspective	Additional income / full time job  Integration into employment	Wages  Differences between wage and unemployment benefits	25	1, 2, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14
Self-fulfilment and „valuable activity“	Positive feeling	Average donation of Austrian per year, costs of a year’s subscription for “Augustin” (street magazine of socially deprived / unemployed), Differences between average wages in TSIs and FPOs	26	1, 2, 4, 5, 6, 7, 8, 11, 14
Interpersonal relationships	Social network / better social relations  Better	Approximate spending in spare time, membership fees for associations, church contribution, costs of: dinner with friends, systemic family therapy	23	1, 2, 4, 5, 6, 7, 8, 11, 14



	communication between stakeholders	Costs of communication efforts (time * hourly wages)		
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As table 1 shows, the vast majority of indicators used in SROIs are in the field “education and skills”. Since the method focuses on a stakeholder perspective, impacts are measured on individual and organisational levels. Only the contribution of TSIs to forms of social capital, monetised as costs of expertise, represents a macro impact. While SROIs use indicators for “payment and career perspective”, “self-fulfilment and valuable activity” as well as “interpersonal relationships”, the method tends to neglect impacts in the field of “motivation”. It can be argued that the trade-off between necessary efforts to determine motivational impacts for SROI researcher and the expected scales of the impact of indicators, leads to an underexposure of this field.

It shall be noticed that this domain bears some problems of selectivity, as “enhanced competences and know how” cannot be clearly assigned to “education and skills” or “payment and career perspective”. However, this does not affect the scope of the domain itself.

## 4.2 Economic impacts

Fields of indicators concerning this domain are “contribution of TS to GDP”, “relative growth of TS to GDP”, “share of volunteers” and “hours voluntarily worked”. The field “other economic impact” was introduced in order to grasp the economic impact on the micro- and macro-level. As they focus on macro levels without exception and the SROI method has a strong stakeholder perspective, therefore often underexposing macro impacts, results of our analysis are limited. However, the paradoxical specifics of this domain are discussed followed by the findings (Monzon and Chaves 2008: 569, Salamon 2010: 187-189, 201, CIVICUS 2012, Davister et al. 2004, Simsa et al. 2014: 32-33).

*Table 2: Domain "Economic Impacts" in SROIs*

Field of	Indicators	Proxies used in SROI for	Sum of	Number
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indicators	used in SROI	monetization	codings	of SROI
<b>Economic Impact</b>				
Contribution of TS to GDP	Additional income / full time job  Additional orders / profit / clients  Additional tax revenue generated  Additional funding	Wages  Additional sales (costs for material, services purchased, other expenses), higher possible rental income, costs of client acquisition  Wage tax, municipal tax, social security contributions, other contributions  Received funding	111	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14
Relative growth of TS to GDP	None	None	0	
Share of volunteers	None	None	0	
Hours voluntary work	None	None	0	
Other economic impact <sup>8</sup>	Cost savings: unemployment benefits, health expenditure, administrative costs, personnel costs, other costs	Average unemployment benefits, estimated health expenditures (drug withdrawal, hospital stay), administrative effort * hourly wage, hours voluntary work * wage  Saved subsidies	92	1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14

<sup>8</sup> This field of impact was added in order to grasp economic impact on the micro- and meso level.



	Tax savings	Difference between actual price and average market price		
	Lower prices			

As the dimension “economic impact” focuses the macro level, there are hardly any impacts recorded in SROIs, because this method strongly focuses on the micro / meso level. Evaluation-based/stakeholder-oriented impact measurement, like SROI, often does not consider aggregates, such as contribution to GDP or shares of volunteers. Impacts of volunteers are located in the fields “HR” or “well-being and quality of life”.

As table 2 shows, there are two split categories of indicators only. Additional income of several stakeholders, which we assigned as part of “contribution to GDP”, actually increases the GDP. Another type of indicators is saved costs, which we referred to as “other economic impact”, in fact decreases the GDP. However, for SROI evaluations, they both are considered as impacts, since saved financial sources of stakeholders are of use for them, while macro-economic effects are not considered.

Due to the duality of indicators used, another aspect of the domain “economic impacts” can be discussed. The decision of which indicators to be used, depends on the definition of GDP, as it can be accounted in different ways (production account, expenditure approach or income breakdown). In terms of “contribution to GDP”, the SROIs show indicators assigned to an income breakdown, while the field “other economic impacts” often is measured by savings, referring to the expenditure approach. According to the calculation method, coherent indicators should be used.

### 4.3 Civic engagement, empowerment, advocacy and community building

According to literature, there are different key areas to measure civic engagement, also referred to as active citizenship. While community building (cf. “community life” Mascherini et al. 2009: 12 and “community action” & “community spirit” Communities and Local Governments 2011) is regarded as a common area of this domain, different additional fields of indicators are added, e.g. “participation” (extent, form, field, frequency), “democratic values”, “trust” and “empowerment” (CIVICUS 2012, The Urban Institute s.a., Simsa et al. 2014: 31-32).

Table 3: Domain “Civic engagement and empowerment” in SROIs



Field of indicators	Indicators used in SROI	Proxies used in SROI for monetization	Sum of codings	Number of SROI
<b>Civic engagement and empowerment</b>				
Participation (extent, form)	None	None	0	
Participation (field, frequency)	None	None	0	
Democratic values, participation and inclusion	Integration of unemployed  Contribution to common welfare  Social Integration	Difference between average wages and unemployment benefits  Average donation of Austrian per year  Approximate spending in spare time	15	3, 8, 9, 11
Community action	Social network / better social relations	Approximate spending in spare time, membership fees for associations, church contribution, costs of: dinner with friends, systemic family therapy	12	2, 3, 4, 6, 7, 8
Trust	Positive Image	Costs of a newspaper article, TV airtime	3	3, 7, 13
Empowerment	None	None	0	

As the method shows a blind spot regarding macro levels - we discussed this earlier - SROIs tend to use less impact indicators for this domain, compared to “HR Impacts” or “Economic Impacts”. It is argued that the impact measurement for the stakeholder “society” is too elaborate for analysts to evaluate. Therefore, this stakeholder often is excluded from further research in SROIs.

However, regarding the indicator fields of TSI, most indicators used for this domain (see table 3) cannot be strictly separated from other fields. It would be entirely possible to



assign “Integration of unemployed” and “Contribution to common welfare” to “Economic Impacts”, “Social integration” and “Social network / better social relations” to either “HR Impacts” or “Well-being and quality of life”. Solely the field “Trust” is hard to abandon, but only three codings were found in our analysis.

Nonetheless, the domain “Civic engagement and empowerment” is of high importance to impact measurement of the TS on macro levels, as the domain includes impacts of TSIs fulfilling their societal functions.

#### 4.4 Innovation

The concepts of innovation revolve around few aspects: HR as source of innovative forces, finances as required basis for innovation and organisational innovation systems. The fields of the TSI project are: “HR relevant indicators”, “science and research” and “investments in R&D by FPOs” (OECD 2010a: 3, OECD 2010b, European Commission 2014: 10, Simsa et al. 2014: 29-30).

Table 4: Domain “Innovation” in SROIs

Field of indicators	Indicators used in SROI	Proxies used in SROI for monetization	Sum of codings	Number of SROI
<b>Innovation</b>				
HR relevant indicators	Enhanced competences and know how	Costs of: workshops, trainings, certificates, courses, private tutoring, consultancy, estimated loss of earnings by course participation	62	1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14
	Higher education / practical experience	Differences between income (wages of lower / higher educated)		
	Organisational knowledge	Costs of external experts		
	Contribution			



	to social capital	Costs of knowledge transfer, expertise		
Science and research	Knowledge production and experimental research	Personnel costs (hours worked * hourly wages of research assistant)	1	1
Investments in R&D by FPOs	None	None	0	

As the TSI project's field of indicators "education and skills" includes most HR impacts of SROIs, e.g. education and trainings of employees, the field "HR relevant indicators" shows no new indicators (cf. tables 1 & 4). Therefore, the domain „innovation“ shows already known problems with selectivity. We suggest to rethink the domain "innovation" and the fields of indicators. The application of specific indicators, e.g. number of innovative products / social innovations / patents, has to be discussed by the TSI partners, as further suggestions would exceed the defined limits of this analysis.

#### 4.5 Well-being and quality of life

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As most TSOs are "providers of collective and individual services" (Simsa et al. 2014: 27), most of the impacts of TSIs stem from services. However, the domain well-being includes more subjective factors, e.g. feeling of security, as well. Most constructs used for measuring well-being or the quality of life consider those factors, e.g. OECD's "Better Life Index". The health status of individuals or the average life expectation on macro level are included as well. The project "Beyond GDP" also takes more environmental aspects, e.g. exposure to air pollution, into account. The TSI project considers "income and wealth", "living conditions (material and ecological)", "well-being (job satisfaction, health, mental)", "satisfaction (job, life)" and "life expectancy and healthy years" as fields of impact indicators (OECD 2011: 16-19, EUROSTAT 2014, Simsa et al. 2014: 27-29).



Table 5: Domain "Well-being and quality of life" in SROIs

Field of indicators	Indicators used in SROI	Proxies used in SROI for monetization	Sum of codings	Number of SROI
<b>Well-being and quality of life</b>				
Income and wealth	Additional income / full time job	Wages, rental income, revenues of owner	49	1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14
	Expenditures saved	Costs of transport, lower price, cleaning costs		
Living conditions (material, ecological)	Additional income / full time job	Wages, increase of wage, rental income, revenues of owner	25	3, 4, 5, 6, 10, 11, 12, 13, 14
	Better residential situation	Costs of mobile living assistance, cleaning personnel		
	Feeling of safety	Costs of nursing insurance		
	Better living conditions	Costs of psychotherapy, fitness enter membership, average spending in spare time		
Well-being (job satisfaction, health, mental)	Feeling of safety	Costs of nursing insurance	63	1, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14
	Better living conditions	Costs of psychotherapy, fitness enter membership, average spending in spare time, subsequent costs of burn-out,		
	Independent			



	<p>living</p> <p>Interesting spare time activities</p> <p>Social network / better social relations</p>	<p>Costs of personal care</p> <p>Costs of sport course, music course, membership fee of sport club</p> <p>Approximate spending in spare time, membership fees for associations, church contribution, costs of: dinner with friends, systemic family therapy</p>		
Satisfaction (job, life)	<p>Social network / better social relations</p> <p>Self-confidence</p> <p>Positive feeling</p> <p>Liberation (less time pressure)</p> <p>Stability in life</p>	<p>Approximate spending in spare time, membership fees for associations, church contribution, costs of: dinner with friends, systemic family therapy</p> <p>Costs of training</p> <p>Average donation of Austrian per year, costs of a year's subscription for "Augustin" (street magazine of socially challenged)</p> <p>Costs of recreation course, Differences between costs for holidays in off / high season</p> <p>Costs of drug withdrawal, medications, hospital stay, follow-up costs of crime</p>	67	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14
Life expectancy	Better physical	Costs of psychotherapy, follow-up costs of div. injuries,	32	1, 4, 5, 6, 8, 11, 12,



and healthy years	conditions and mental state	infections, intoxications, membership fee for sport club, fitness centre		13, 14
	Enhanced life expectancy	Value of healthy year (QALY) * quality of life * enhanced life expectancy (years)		

As table 5 shows, “well-being and quality of life” is the core domain of impacts measured by SROIs, as the level of the dimension focuses more on micro levels and therefore is more compatible with the SROI perspective. However, the high quantity of codings also stems from the blurring between the separate fields of indicators. We want to stress the intersections between “well-being (job-satisfaction)” and “satisfaction (job)”, “Well-being (health, mental)” and “life expectancy and healthy years” as well as “income and wealth” and “living conditions (material)”, as the aggregation of overlapping fields may lead to overestimations or more complexity.

As a result, we would suggest reconsidering the specific fields of this domain and would recommend to replace the former fields with three new ones: “wealth” (living conditions (material, ecological) and income), “satisfaction” (job and life) and “health status” (mental, physical, life expectancy, healthy years), in order to avoid statistical difficulties, more complexity and blurring.

## 5 Discussion of the most important results

According to some aspects shown in our analysis, we want to discuss three core problems of the consensus-based set of indicators of the TSI: 1) blurring, 2) blind spots and 3) aggregation of data. As far as the results of our meta-analysis suffice, we will discuss concrete impact indicators for the fields, especially for volunteering.

### 5.1 Core problems of consensus based set of indicators

First, one of the recurring problems regarding the analysis are intersections between domains and within domains. In order to avoid further complexity, there is a need for



selective fields of indicators. Therefore, we did suggest different solutions, e.g. a new structure of the fields of indicators regarding the domain "Well-being and quality of life". According to the "methodological guideline for impact assessment" (Simsa et al. 2014), impact measurement considers 2nd level impacts as well, which are often not represented in SROIs. As impacts in scope of a specific domain tend to have spill over effects on several domains, e.g. additional income on 1st level enabling individuals to improve their material living conditions or increase their possibilities for social integration, we want to stress the necessity for enunciated definitions of the scopes of the domains and fields. The analysis showed several indicators used in SROIs, which had to be assigned to different domains at the same time.

Second, as far as the stakeholder perspective of SROIs was compatible with the consensus-based set of indicators we identified two blind spots. The domain "Innovation" is underexposed regarding the number of indicators found in SROIs. This obviously does not only stem from our selection of SROIs, but from shortcomings in the definition and theoretical foundation of the domain. Ecological impacts are only measured and monetized on micro levels in SROIs, due to a lack of a stakeholder "Environment". Regarding the consensus based set of indicators, environmental impacts are solely in scope of the field "living conditions (ecological)", referring to the domain "Well-being and quality of life". Environment seems to have no value in SROIs, as long as no specific stakeholder is harmed. As the TSI aims to identify more specific indicators, we would suggest focusing on macro indicators, e.g. contribution to quality of water and air, reduction of pollution and CO<sub>2</sub>-emissions.

Third, as an estimated deadweight of an organisation is used to derive its impact from its outcome, efforts need to be taken for an impact aggregation. Deadweight takes the alternative scenario "what would have happened anyway" into account by subtracting this outcome from the project-related. Therefore, as there often is a lack of control groups and benchmark data, SROI analysts estimate the deadweight based on their individual assumptions.

Regarding Deadweight, SROIs methodology tends to favour programs providing niche products, as the deadweight of irreplaceable goods and services is lower (Weisbrod 1986, Kingma 1997). Accordingly, the substitutability of the whole TS has to be taken into account, when measuring its contribution to GDP. Therefore, there is a need for a theoretical economic foundation to estimate the deadweight of the TS. Assuming the alternative scenario "There is no TS", we need to assess macro-economic effects, e.g. crowding out effects, in the short, mid and long term. If in case FPOs or the state fulfilled



the societal tasks of the TS, we would consider a higher deadweight of the sector. However, as the stakeholders and clients of TSIs are often deprived or disadvantaged people and therefore, the market for e.g. social services has few incentives for FPOs to engage, we do not assume the deadweight of the TS to be 100 per cent.

Furthermore, regarding impacts of the TS, there is no adequate national data available to aggregate yet. Appropriate statistical systems (satellite account of TS) need to be established in national statistics and data of impact relevant indicators have to be gathered. Suitable indicators of specific TS impacts are yet to be found, as its purpose differs from usual outcome indicators.

## **5.2 Impact indicators regarding volunteers**

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Our analysis of SROIs shows a lack of indicators in several fields. As volunteering is seen as a crucial part of the TS, a discussion of this finding is necessary. We want to stress, the lack of impact indicators for volunteering is due to the methodology of SROIs and the consensus-based set of indicators of TSI project.

According to the logic of SROIs, voluntary work as such is not an impact, as the impacts are assigned to different stakeholders, which benefit from TS activities directly. Obviously, volunteers contribute to the impact of TSIs, as they enable the organisations to implement its projects. However, the delimited presentation of provided benefits for stakeholders by volunteers is not part of SROIs. Regarding SROIs dealing with volunteers as stakeholders, we assigned used indicators for impact measurement to other fields, e.g. HR impacts.

A separate measurement of volunteering impacts needs to overcome a twofold barrier. First, as impact is not directly measured, but calculated by subtracting deadweight from outcome, appropriate outcome indicators need to be developed. At present, most of the gathered and available data are input related indicators, e.g. hours voluntarily worked, and therefore, not suitable for impact measurement. Second, the deadweight regarding volunteering has to be evaluated. What would have happened to the outcome without the engagement of volunteers and which share of a project's outcome did volunteers generate? As this was not a part of our meta-analysis, there is a need for further empirical research.



### 5.3 Suggested set of indicators for TSI

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Finally, we present the suggested structure of the domains and fields of indicators:

#### HR Impacts

- Education and skills
- Motivation (intrinsic, extrinsic)
- Payment and career perspective
- Self-fulfilment and “valuable activity”
- Interpersonal relationships

#### Economic Impact

- Contribution of TS to GDP
- Relative growth of TS to GDP
- Share of volunteers
- Hours voluntary work
- Other economic impact

#### Civic engagement and empowerment

- Participation (extent, form, field, frequency)
- Democratic values, participation and inclusion
- Community action
- Trust
- Empowerment

#### Innovation

- HR relevant indicators
- Science and research
- Investments in R&D by FPOs

#### Well-being and quality of life

- Wealth (living conditions [material, ecological], income)
- Satisfaction (job, life)
- Health status (mental, physical, life expectancy, healthy years)



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