



# SROI: SOCIAL RETURN ON INVESTMENT

Impact Measurement Framework  
Quantification and Impact Storytelling

# Welcome

This session will provide:

- Overview of the SROI framework
- Impact Measurement
- Proxy Examples
- Ways to Create a Proxy

Who we are:

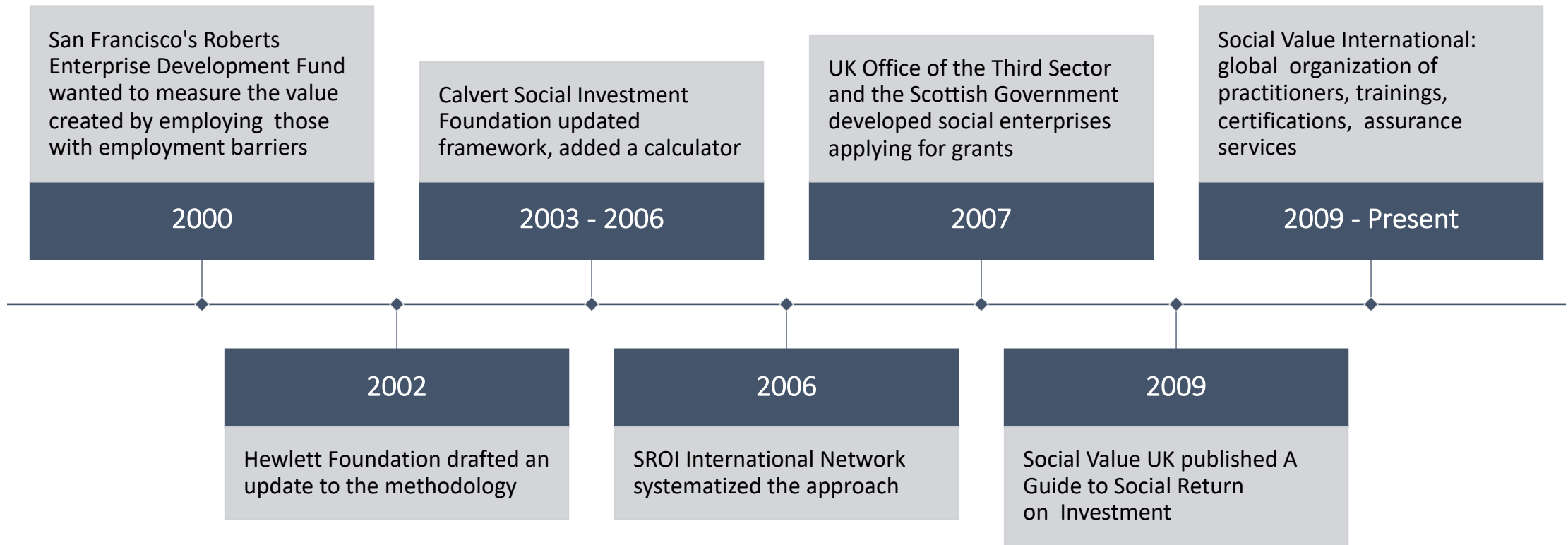
- Allison Ricket
- Visiting Professor, EIR SROI and Impact Measurement at Ohio University
- Mandy White
- Impact Analyst, Voinovich School



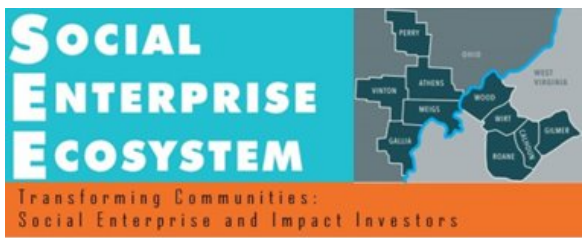
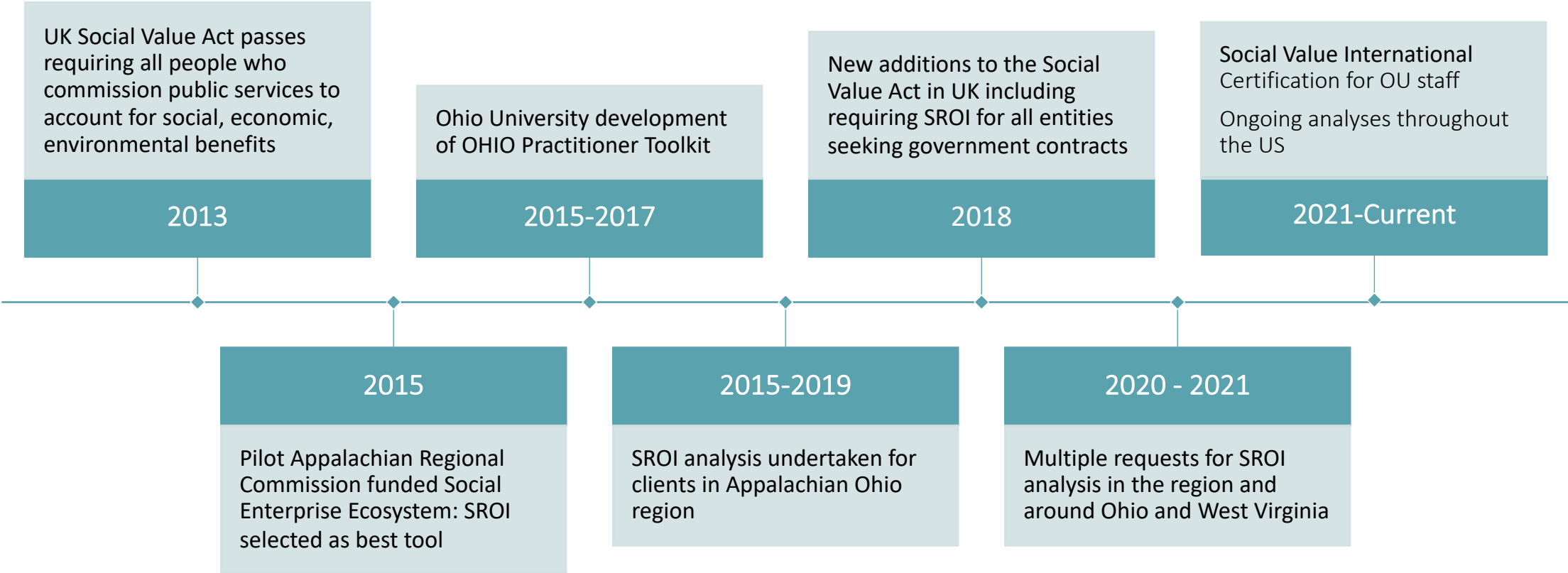
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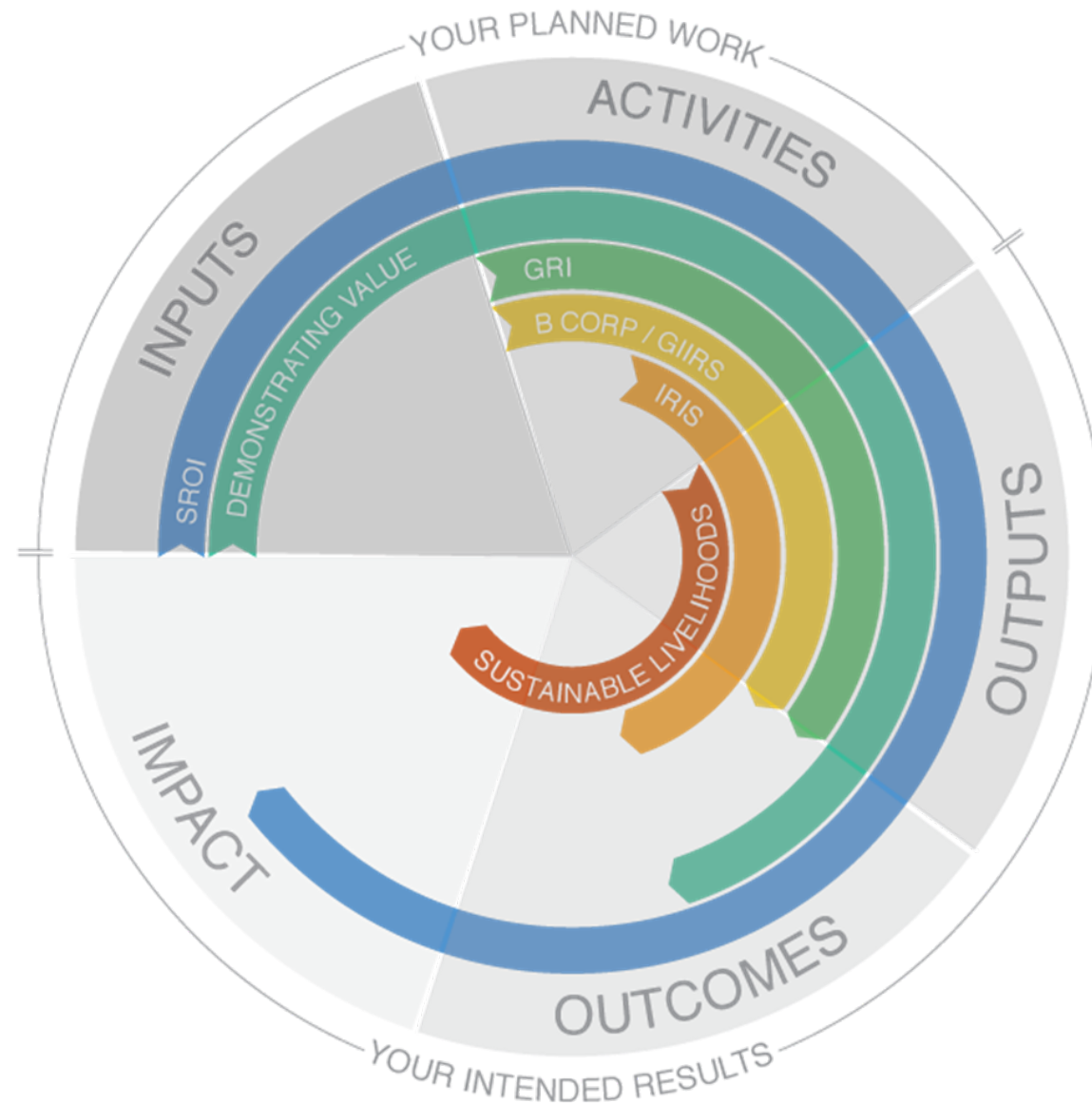
# Origins and History



# LOCAL Origins and History







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Fiscal Proxies: expressing value created in fiscal terms

$$SROI = \frac{\text{VALUE OF BENEFITS}}{\text{INVESTMENT}}$$

The Spend: often captured in the operating budget of a program

"For every \$1 Invested, this program generates \_\_\$ of social impact!"

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# Key Concepts

## Social Value

- The creation of value to the environmental, individual, larger social systems, and economy.

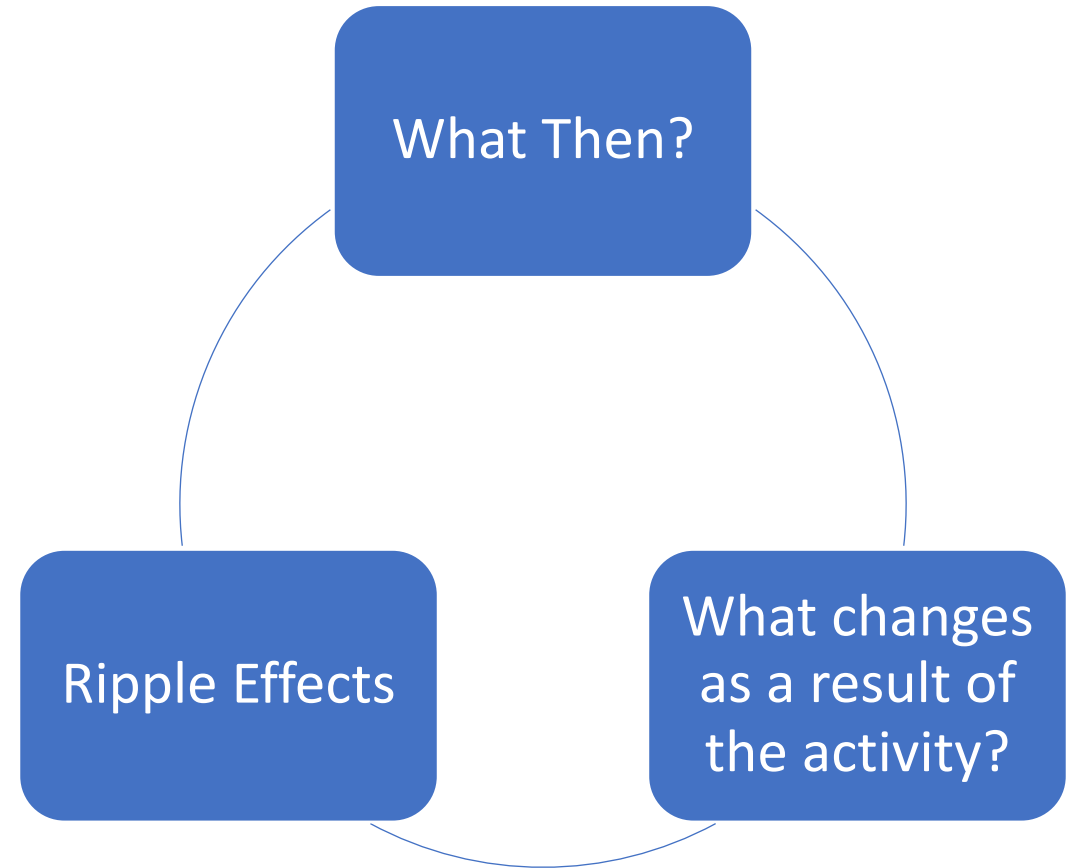
## Fiscal Proxy

- Fiscal proxies are a "stand in" for the social value created. Fiscal proxies are the "generally accepted impact principles" used to express value, usually in **terms of cost avoided or benefit achieved.**

## ROI/CBA

- Social Return on Investment is based on the familiar concept of *return on investment*. A simple math formula that employs complex inputs to define, measure and perhaps even justify an investment.

# OUTCOME = Change



# Communicating Impact

## Output

Quantitative  
Measure of  
Activity

20 participants  
receive career  
mentoring

## Outcome

Effects Triggered  
by Activity

Increased social  
capital

## Indicator

Measurement  
of Outcome

Number of new  
adult  
connections



# More accurate measurement of value creation

## True Pigments

Externally-prioritized economic value:  
**\$2 million in jobs creation from industry**

Community-prioritized environmental  
outcome:  
**\$10 million worth of cleanup for 7 miles  
of clean river**



# Communicating Impact

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## Indicator

Measurement of  
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Number of new  
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## Fiscal Proxy \$

Research-backed  
Monetary  
representation of  
value

% more a new hire  
makes when hired  
through personal  
referral versus cold  
application

# Your Feedback

- What is your organization/program?
- What do you currently measure for outcomes? How do you measure CHANGE as a result of your program?
- What are the barriers/issues you have with measuring outcomes?
- What do you WISH you could measure?



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## How to Decide What to Measure? STAKEHOLDER INFORMED

### **Helping the Shift to Outcomes Measurement:**

- What changed for you as a result of \_\_\_\_\_  
program or activity?
- What is different for you now after  
\_\_\_\_\_ part of the program?

**Engaging with multiple stakeholders to  
understand impact and degree of impact**

**Create a culture of deeply understanding change  
valued by stakeholders.**

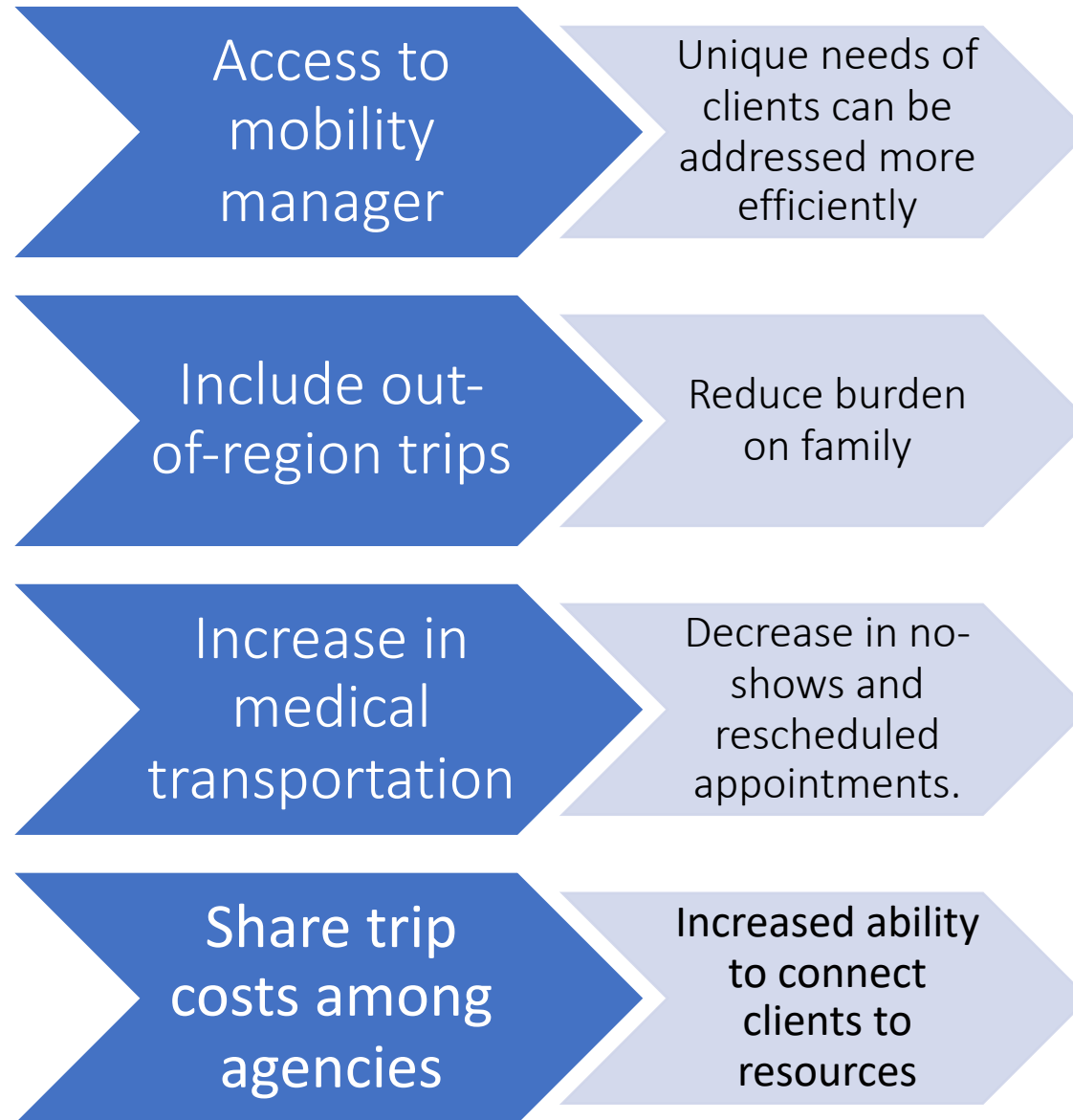
# OMEGA- Specific Outcomes

**Examples of possible outcomes and outputs from the project might include:**

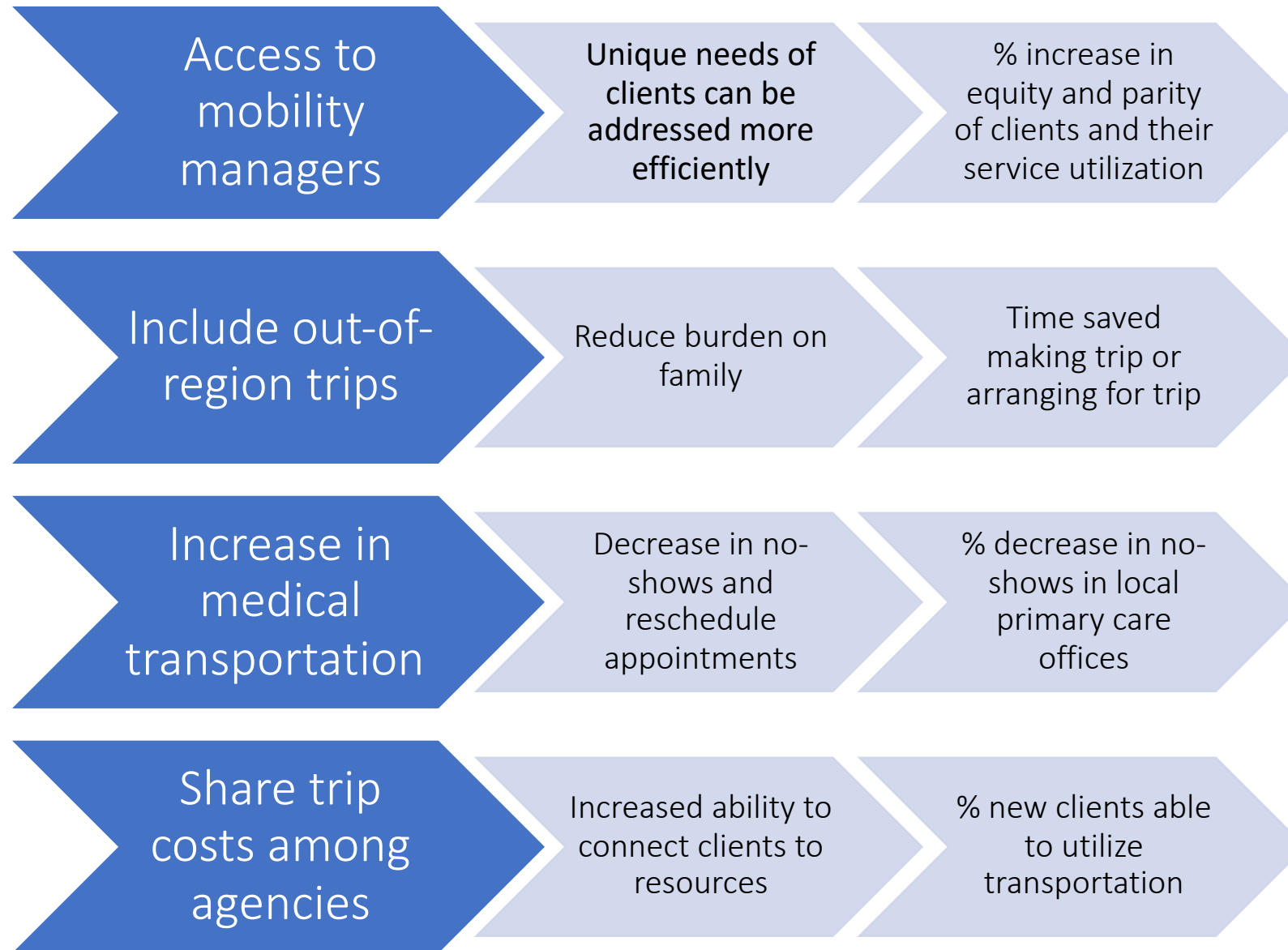
- Anticipated number of participants using transit services for medical appointments (output)
- # of clients who utilized assistance of mobility managers to get their unique needs met (output)
- Additional locations outside the county or state that are added to service (output)
- # of trips a family member or caretaker would otherwise have to provide (output)
- Decreased amount social isolation (outcome)



# OMEGA Example Outcomes



# OMEGA Example Outcomes & Indicators



# Proxy Formulation

## Output

Quantitative  
Measure of Activity

Number of  
Participants  
100

## Outcome

Effects/Change  
Triggered by  
Activity

Less social  
isolation

## Indicator

Measurement of  
Outcome

Number of  
participants  
reporting less  
social isolation - 61

## Proxy

Representation of  
Value in \$

Cost of Social  
Isolation per  
person = \$1,644

# Valuation of Outcomes: Fiscal Proxy



An approximation of  
value



A monetary estimate  
of the social value of  
non-traded goods  
(Social Value  
International)



Proxies are formulated  
with Per-Unit Values  
and evidenced by  
indicators



Costs Avoided or  
Benefits Obtained

Outcomes



Indicators



Financial Proxies

## Financial Proxy

A monetary approximation of a social impact used in the calculation of SROI.  
Financial Proxies are based on per-unit values that are sourced from  
stakeholder research and academic sources.

### Direct Financial Benefit or Cost Avoided

Direct financial earnings or expenditures  
eliminated

### Travel Cost - Time Value Method

The costs or environmental cost associated  
with travel to obtain good or service

### Wellbeing Valuation

Uses relationship between wellbeing and life  
factors such as health, income, civic  
engagement

### Opportunity Cost

Loss of potential earnings when an alternative  
is chosen

### Contingent Valuation

Willingness to Pay  
Willingness to Accept Payment

### Hedonic Pricing

The difference in price or wage as it relates to  
properties or characteristics of property,  
position, or experience

### Damage Costs Avoided

Costs incurred to property, infrastructure,  
production as a result of ecosystem events

### Benefit Transfer

Transfer of value estimates from on context or  
source to another

### Market Prices

The market value of a similar good or service

## Discounting Proxies

### Attribution

An estimate of how much of  
the change is caused by other  
organizations

### Drop-Off

The amount of change as  
lessens over time

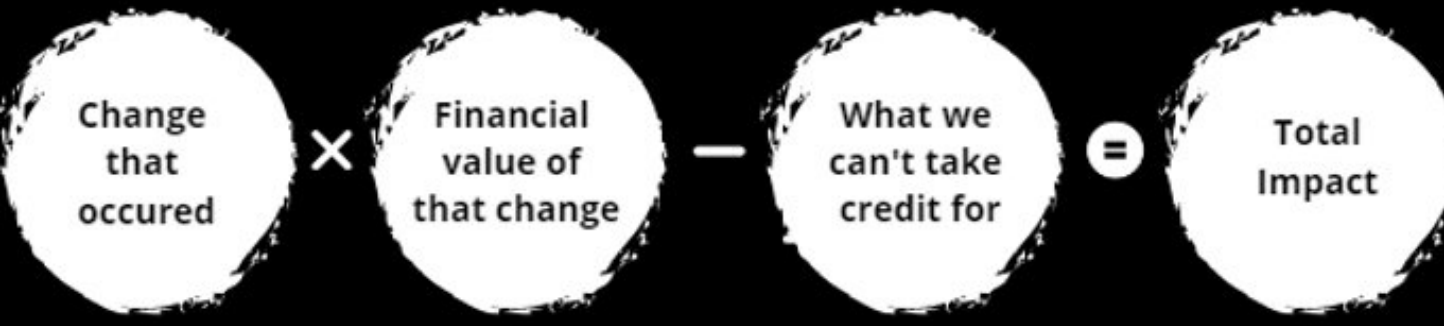
### Deadweight

The amount of change that  
would have happened anyway

### Displacement

An account for negative  
outcome shifted to another area

# HOW WE CALCULATE SOCIAL RETURN ON INVESTMENT



# COST

to create the impact

## Fiscal Proxy Formula

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# Civic Leaders Fellowship

**For every \$1 invested, the Civic Leaders program generates \$31.21 of social value**

Yearly value of alumni volunteerism in their communities: \$901,589



The civic leader-host partnership works to improve the region's future workforce and civic life by keeping young adults in the area.

Social Value + Economic Value to Participants: \$2,405,942



Total annual value of alumni being able to negotiate a better salary: \$160,469



Social + Economic Value to Host Sites: \$124,042



College students meet and work with local businesses, nonprofits, and government institutions

Students gain career-related skills, knowledge of their community, and meaningful work experience



Total impact of mentors gained as a part of the Civic Leaders program: \$74,760



Total economic impact of graduates staying in the Mid-Ohio Valley for one year: \$1,156,959

# Civic Leaders Fellowship

## Fiscal Proxy

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23

Alumni who said yes, the experience has influenced their decision to volunteer or to continue volunteering

44

Alumni who responded probably yes

2.29

Average time spent in volunteering per day (U.S. Bureau of Labor Statistics, 2020)

835.9

Average hours per year spent volunteering by those who volunteer

\$23.97

2020 value of volunteer time spent in WV (Independent Sector, 2021)

**\$901,589.60**

Total impact of CLFP-influenced volunteer time in one year

Social + Economic Value to Host Sites: \$124,042



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College of Arts and Sciences  
nonprofits, and government institutions

Students gain career-related skills, knowledge of their community, and meaningful work experience

PARKERSBURG AREA COMMUNITY  
*Foundation*  
& REGIONAL AFFILIATES

SROI and  
Health and  
Human  
Services  
Transportation

## People-centered impact measurement

- Individuals
- Families
- Health care providers
- Communities

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# People-Centered Approach

- Rural transport may have a higher cost per ride than in more urban areas.
- However, we know that barriers to transportation can result in missed healthcare appointments, delays in receiving healthcare interventions, and missed or delayed use of needed medications—all of which may have negative consequences for managing health conditions. Not having a reliable source of transportation can impact how rural community members make decisions about healthcare.

# A look at the research:

## Cost savings for attended primary care appointments

- A survey of 25 studies found that 10%-51% of patients face a transportation barrier in getting to their appointments, with those who lived in rural areas, those who were elderly and those in lower socioeconomic groups at the higher end of the range.
- Each missed visit cost Primary Care Providers an average of \$200.
- A patient who misses their appointment is 32% less likely to return to their PCP in the next 18 months

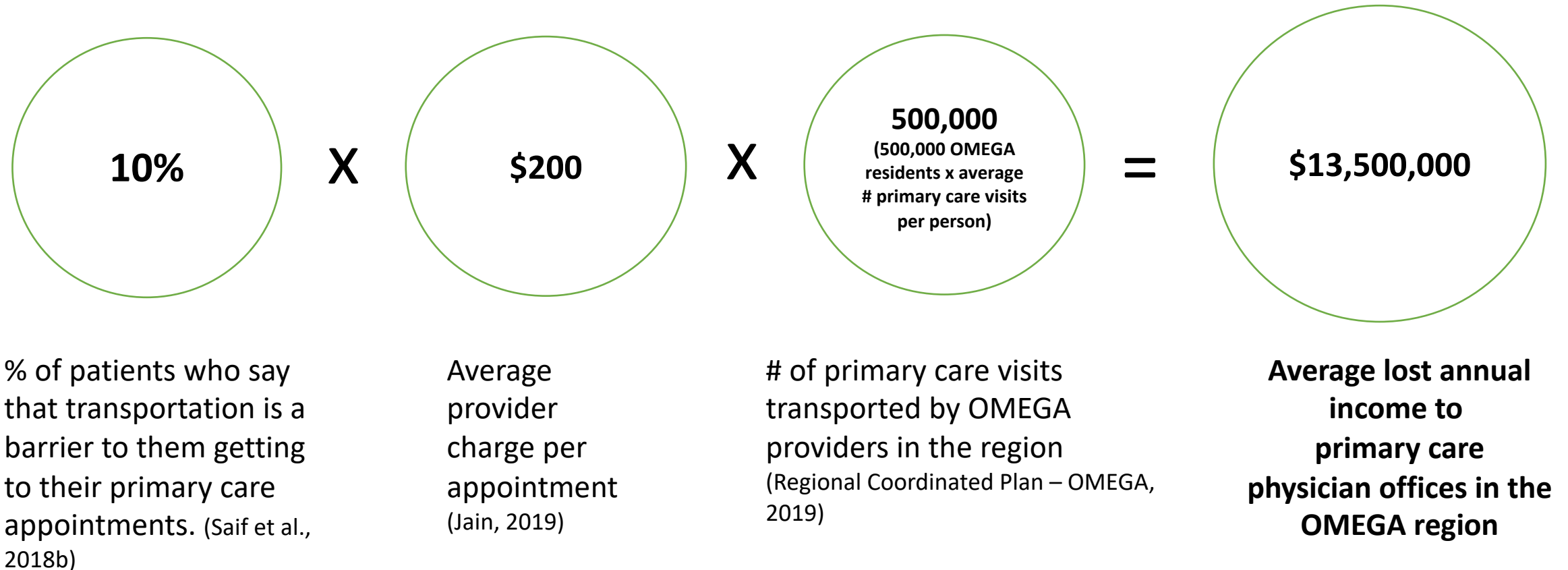
Syed, S. T., Gerber, B. S., & Sharp, L. K. (2013). Traveling Towards Disease: Transportation Barriers to Health Care Access. *Journal of Community Health*, 38(5), 976–993. <https://doi.org/10.1007/s10900-013-9681-1>

*Even one missed appointment risks retention* | athenahealth. (n.d.). <https://www.athenahealth.com/knowledge-hub/financial-performance/no-show-effect-even-one-missed-appointment-risks-retention>



# Decreasing the percentage of missed primary care appointments

- Helps local **physicians** to meet their targets and be able to serve more residents, helps rural recruitment and retention of physicians in rural regions



# A look at the research:

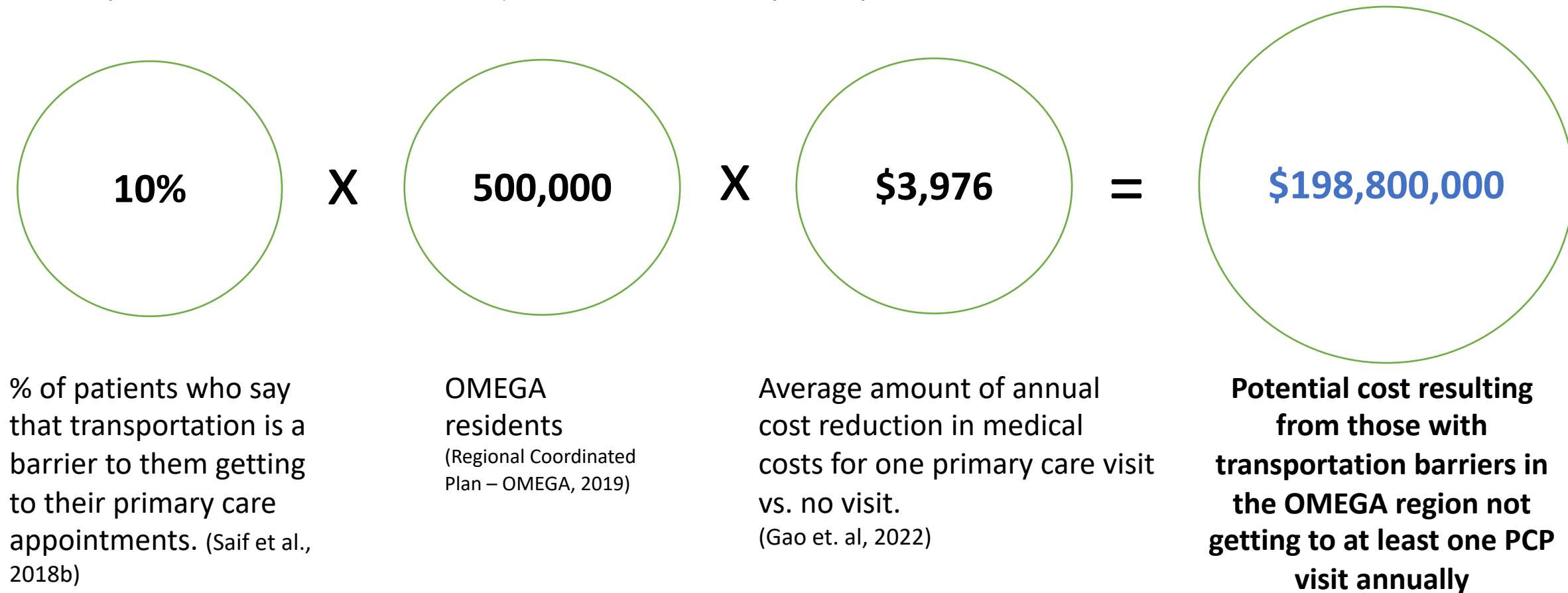
## Cost savings for attended primary care appointments

- A retrospective study of over 5 million patients assigned to a PC provider in the Veterans Health Administration in FY 2016-2019.
- The first visit was associated with \$3976 of cost reduction compared to no visit (baseline), the second visit was associated with an additional reduction of \$1149, and the third was associated with another \$896. The trend continued until the 10<sup>th</sup> visit where costs started to rise with additional visits.

Gao, J., Moran, E., Grimm, R., Toporek, A., & Ruser, C. (2022). The Effect of Primary Care Visits on Total Patient Care Cost: Evidence From the Veterans Health Administration. *Journal of Primary Care & Community Health*, 13, 215013192211417. <https://doi.org/10.1177/21501319221141792>

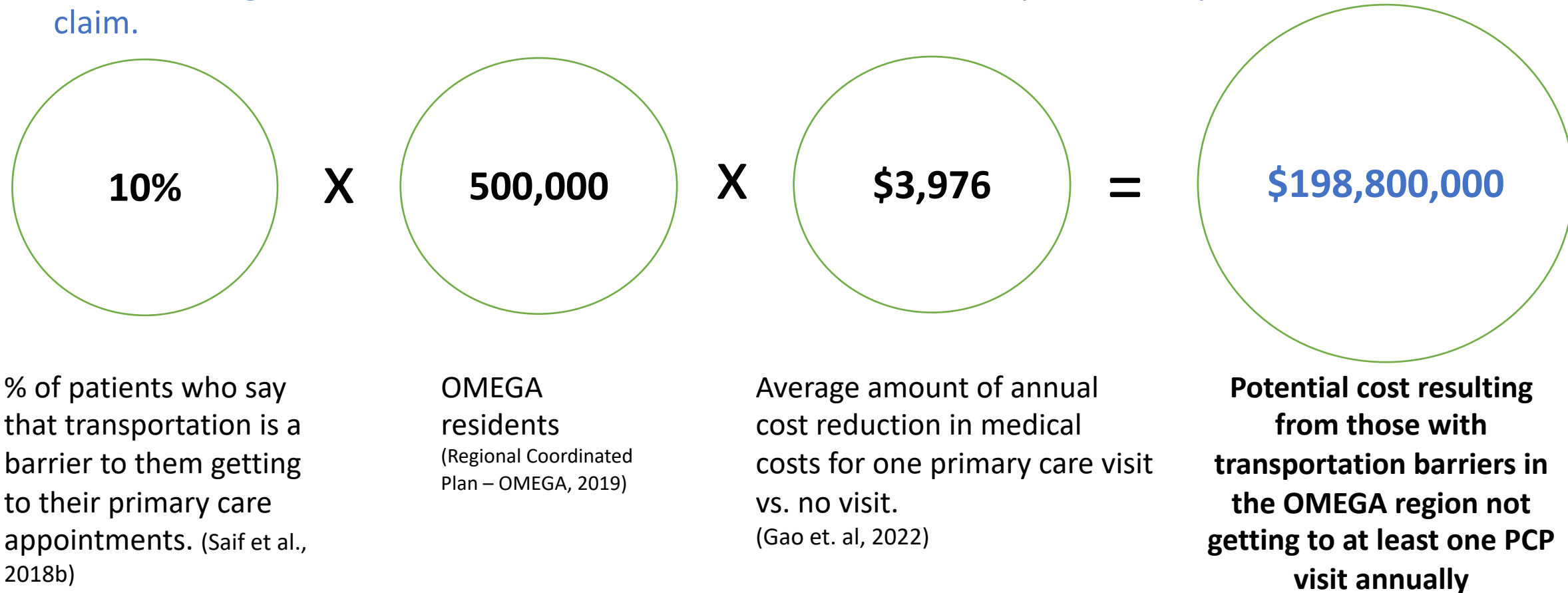
# Increasing number of attended primary care appointments

- Helps **individuals** to manage chronic conditions, to keep out-of-pocket health care costs lower.  
Helps **Medicare** and **insurance providers** to lower per capita healthcare costs.



# Increasing number of attended primary care appointments

- This is NOT a complete SROI proxy
- Data from Region 9 would be needed to measure the amount of impact Mobility Ohio could claim.



# How to measure the extent of Mobility Ohio's impact on increasing access to primary care?

## **Data Collection Examples**

- Tracking number of Primary Care Appointments per client
- Brief survey with Lickert scale of how likely client was to be able to attend their appointment without a ride
- Survey of PCPs to measure changes in patient attendance

# A look at the research:

## Cost savings for reducing social isolation

- Social isolation is quantifiable social disconnectedness and encompasses such factors as the size and structure of social networks, the frequency and duration of social interactions, and the extent of social supports received. Both loneliness and social isolation are demonstrated risk factors for mortality and a variety of poor health outcomes.
- A growing population of older adults, increasingly living alone, is especially vulnerable to the consequences of social isolation—surveys suggest 17% of seniors are isolated.
- Medicare spends an estimated \$1643 more annually on objectively isolated beneficiaries than on similar individuals with greater social connections.
- Increasing transportation access is a demonstrated intervention for reducing social isolation.

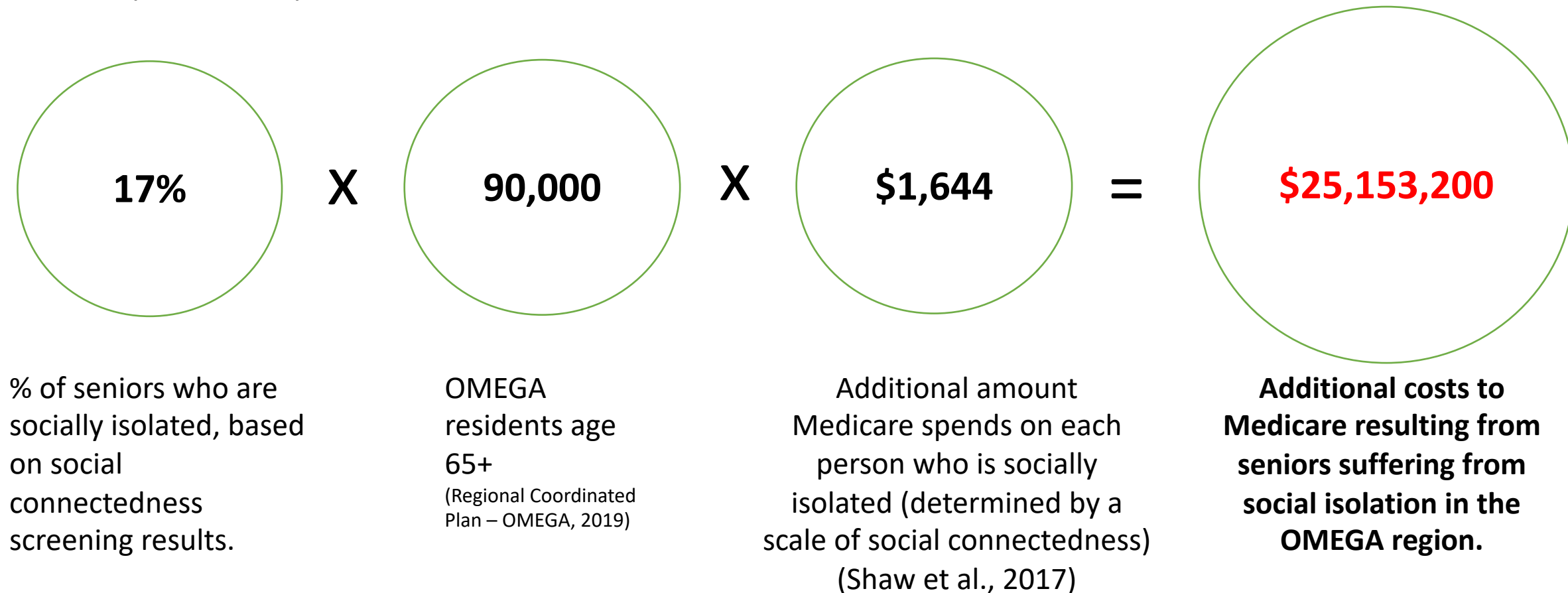
Shaw, J. G., Farid, M., Noel-Miller, C., Joseph, N., Houser, A., Asch, S. M., Bhattacharya, J., & Flowers, L. (2017). Social Isolation and Medicare Spending: Among Older Adults, Objective Isolation Increases Expenditures While Loneliness Does Not. *Journal of Aging and Health*, 29(7), 1119-1143.

*Reducing Loneliness and Social Isolation among Older Adults* | Suicide Prevention Resource Center. (n.d.). <https://sprc.org/online-library/reducing-loneliness-social-isolation-among-older-adults>



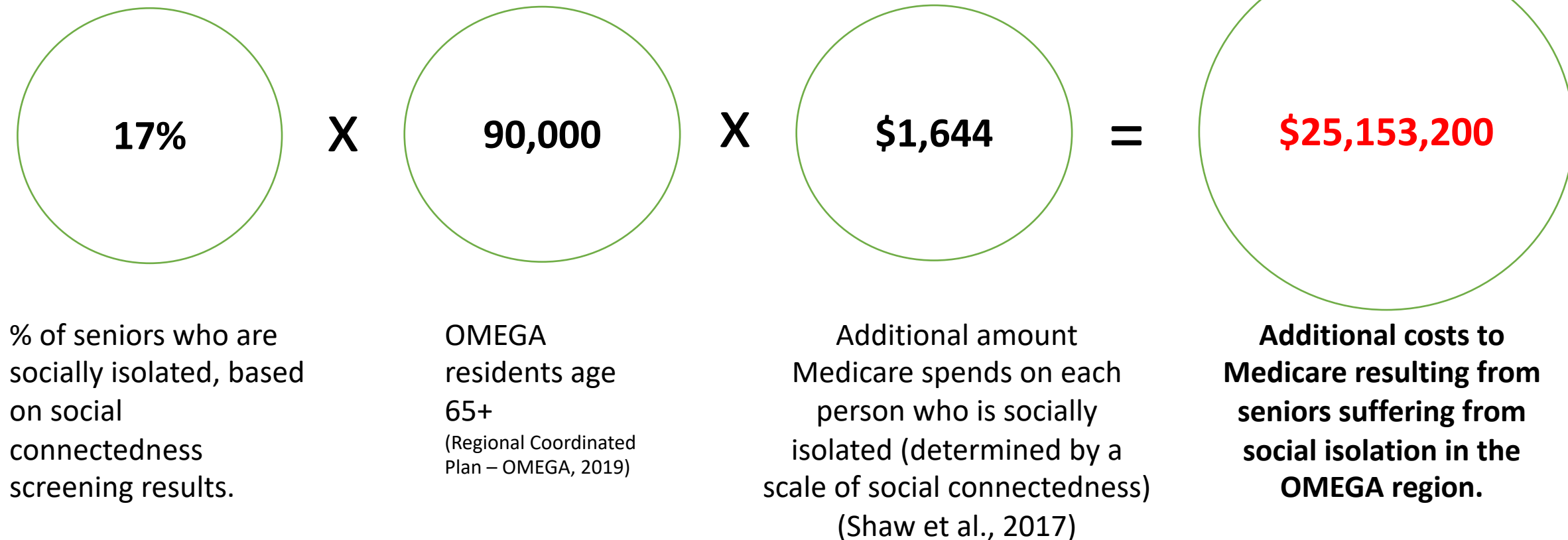
# Reducing social isolation through increased/coordinated transportation options

- Reduction of **Medicare** expenditures through increasing social connectedness through transportation options



# Reducing social isolation through increased/coordinated transportation options

- This is NOT a complete SROI proxy
- Data from Region 9 would be needed to measure the amount of impact Mobility Ohio could claim.



# How to measure the extent of Mobility Ohio's impact on social isolation?

## **Data Collection Examples**

- Pre- and post-test of clients to measure social connectedness
- Family member/caretaker survey

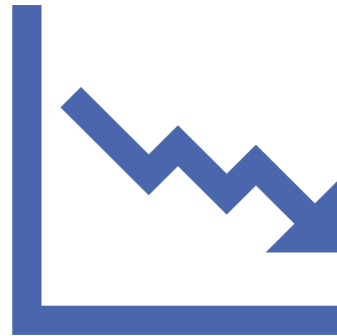
# Discounting

## **Attribution**

A % estimate of change that can be attributed to other institutions

## **Displacement**

The possibility where a problem addressed and positive outcomes created in one area causes the problem in another area



## **Drop-Off**

How long does the change last?  
Change lessens over time without repeated activity.

## **Deadweight**

The counterfactual  
The amount of change that would have happened anyway, regardless of the activity

# Next Steps for SROI

## Outcomes + Indicators

1. Articulate desired outcomes
2. Make sure data collection matches outcomes
3. Design and implement data collection that matches outcomes

## Proxies

1. Research cost savings and benefits achieved of outcomes
  - Look for regional data
  - Understand research on outcomes and discounting
2. Design Impact Calculator