

Charitable Sector Insights

An introduction to Social Return on Investment across Aotearoa NZ



ImpactLab's vision is to help create a world where investment works for communities, so that people can live the lives they choose.

We work with the best available data and evidence to estimate social value in dollar terms — a metric that is measurable, consistent, and comparable. We build close relationships with our customers to understand them and the needs of their communities, supporting them to do good, better.



Jarden is New Zealand's leading investment and advisory group, offering portfolio management, share broking, investment banking and financial and economic research services for nearly 60 years.

We are a trusted provider of wealth management and investment advice to individuals, companies, institutions, and governments — looking after more than 50,000 Kiwis.

Connecting high net worth individuals and families, charitable trusts and community organisations with their financial future — Jarden's Wealth team provides a personalised approach to investment management that aims to achieve our clients' financial goals.

Our Wealth Advisers are backed by Jarden's own market-leading research teams in New Zealand and Australia, and globally through our extensive networks.

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Kia ora

Since 2019, ImpactLab has been privileged to work with a network of incredible charities and impact organisations across Aotearoa that are helping people make positive change in their lives. This work is often complex and done in a fast-changing environment that demands decisions on a daily basis about how to invest limited money, time and strategic energy for greatest impact.

Information about where investment is going, who it is reaching and how it is making a long-term difference to people's lives is a critical tool for confident decision-making. Social Return on Investment (SROI) provides a standardised framework for exploring these questions with real data from communities, government and academia.

Our charity partners have embraced the challenge of undertaking a demanding measurement process through GoodMeasure to better understand the social value that their programmes deliver. These organisations are diverse in geography, sector, culture and service model. But they share a commitment to holding themselves accountable to their core mission and to the users of their service.

That commitment has motivated us to navigate together through patchy data and the chaotic complexity of change to track flows of investment, and explore how these can translate into shifts in the life pathways of people and families. Along the way, we are identifying how data quality can be improved and learning about the choices and trade-offs of investing in social change.

ImpactLab is committed to bringing this learning to the wider nonprofit sector in a way that is simple and usable, and this report represents our first opportunity to do so. We are grateful to Jarden for partnering with us to create this first introductory analysis of social return and set of investment insights.

One clear learning from this first analysis is that there is no 'best programme' to invest in. Our lives are messy and change is hard, so a diversity of investment approaches is required. But effective investment can be empowered by setting clear intentions and testing those intentions against frontline reality.

We hope this report will help board members, investors and for-purpose leaders drive to greater clarity on how they can make a difference for the people they care about. And we welcome your feedback as we build on this analysis, so that together we can do good, better for New Zealanders.

Maria English

ImpactLab — Chief Executive
(September 2023)



Tēnā koutou

Since 1961, Jarden has been dedicated to growing connections between charitable trusts, community organisations, and their financial futures. Our expertise and commitment to the people and organisations we partner with set us apart.

At Jarden, our mission is caring for our clients, making them the driving force behind everything we do. We deliver value by assisting our clients in finding the investment style that best suits their needs, supporting them throughout the process.

In recent years, there has been a growing recognition of the importance of the broader impact of investments on society and the environment. Investment decisions are not solely focused on financial returns anymore. As a result, frameworks for measuring the Social Return on Investment (SROI) have made significant progress.

Jarden is proud to introduce our partnership with ImpactLab — to present findings derived from more than 100 programmes across 84 organisations. This represents \$178 million more than anyone has ever analysed to the point of outcomes. The data has enabled us to identify and understand social investment approaches for New Zealand, using the ImpactLab innovative GoodMeasure standardised measurement model.

This guide marks a significant milestone for New Zealand's charity sector. It represents a new initiative, setting a precedent for the industry using internationally recognised SROI. The information utilises evidence and data to facilitate social investment decision-making.

Like the frameworks used for financial investing, this guide enables investors to align their values and interests with the causes they are passionate about. By offering an understanding of the social impact of various charities and organisations, investors can make informed choices.

Inside the guide, you will find more detail about how charities are characterised by having broad, balanced, or deep impact, and different ways your social investment can achieve impact. Like financial investing, there is no right or wrong way to invest in a charitable organisation — this guide is intended to aid in understanding and decision-making.

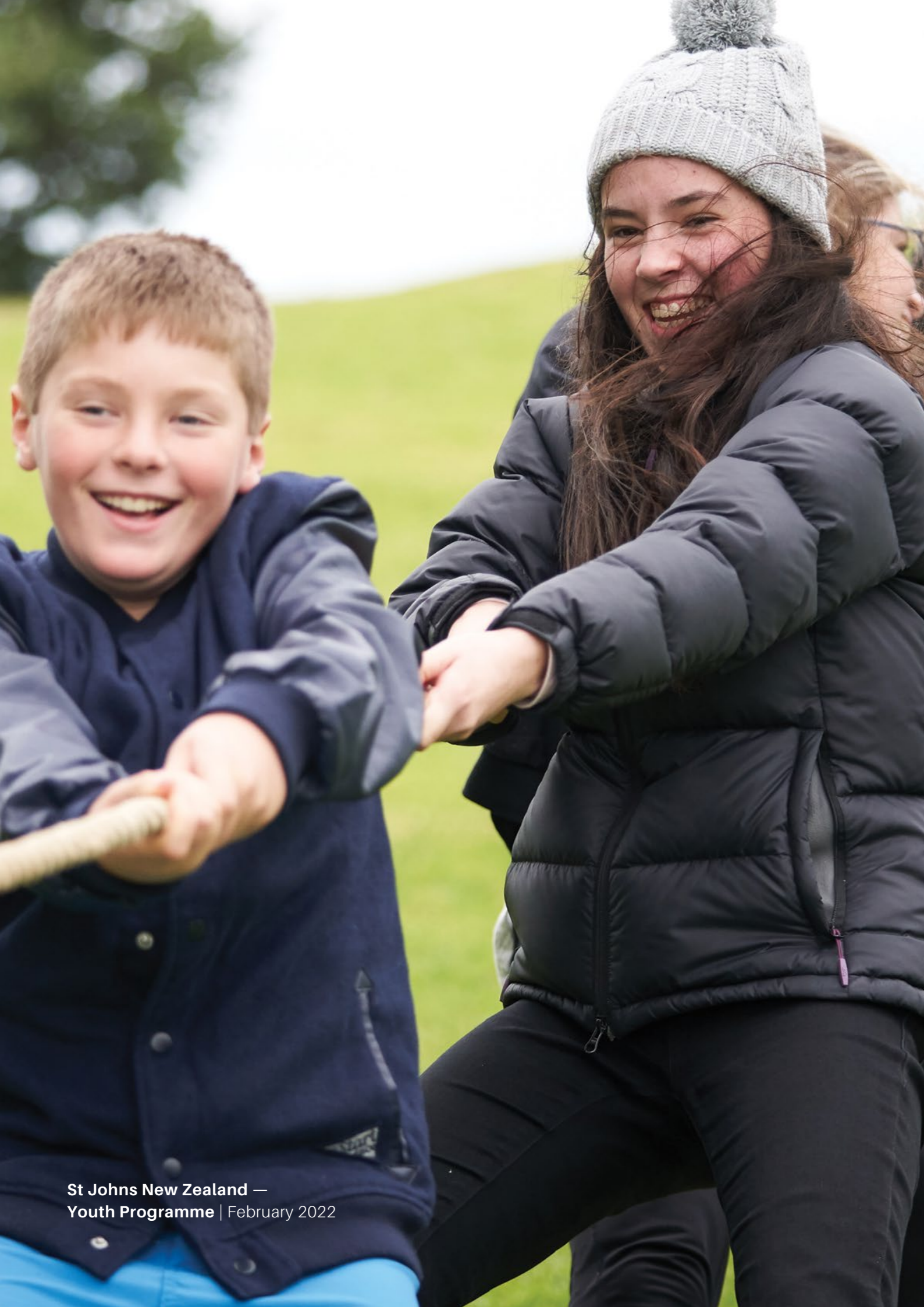
Jarden is excited to be collaborating with ImpactLab on the introduction of SROI, with the aim to continue to drive progressive change in NZ's charity sector. Alongside, Jarden can contribute its expertise in wealth management and financial solutions to help influence positive social and environmental outcomes.

Ngā mihi

Chris Wilson

Jarden — Head of Wealth Solutions
(September 2023)



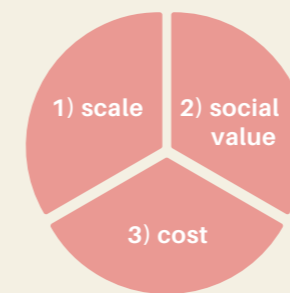


Executive summary

Funders and charities across Aotearoa have diverse interests, backgrounds and approaches. But they share a common goal of doing good in the lives of others.

Measuring Social Return on Investment is a quantified way to estimate a programme's impact on a person or family's well-being over their lifetime, relative to the investment that goes into it.

There are **three key drivers** of social return:



- » **scale:** the number of people or whānau meaningfully engaged by a programme
- » **social value:** the long-term social value created in the lives of each person engaged, and
- » **cost:** the investment required to deliver the programme.

Across the charity sector, programmes are delivered on a spectrum of scale, depth and breadth of need. There is no right or wrong way to invest, but building an understanding of these three drivers of social return can help decision-makers identify where their investments sit and make data-supported decisions about how to invest for greatest impact.

This report provides an introduction to **Social Return on Investment** supported by initial insights from **108 programmes** measured by ImpactLab since 2021. It explores how choices around the scale, depth and breadth of a programme can guide your social investment decisions by understanding where programmes are placed across three investment approaches.

Key findings from the analysis:

- » ~ 50% of programmes serve 500 people or fewer
- » ~ 40% of programmes deliver a combination of intervention types
- » 13% of people receive 73% of the investment
- » 75% of investment flows into three sectors
- » Three distinct investment approaches are emerging from the programme set, with deeper impact generally requiring significantly more investment per person.

This analysis represents a starting point to build from, and is subject to important limitations. In particular the sample is informative but not representative of Aotearoa's charitable sector. Data quality and availability is also critical and can vary significantly by programme and sector.

What is social value?

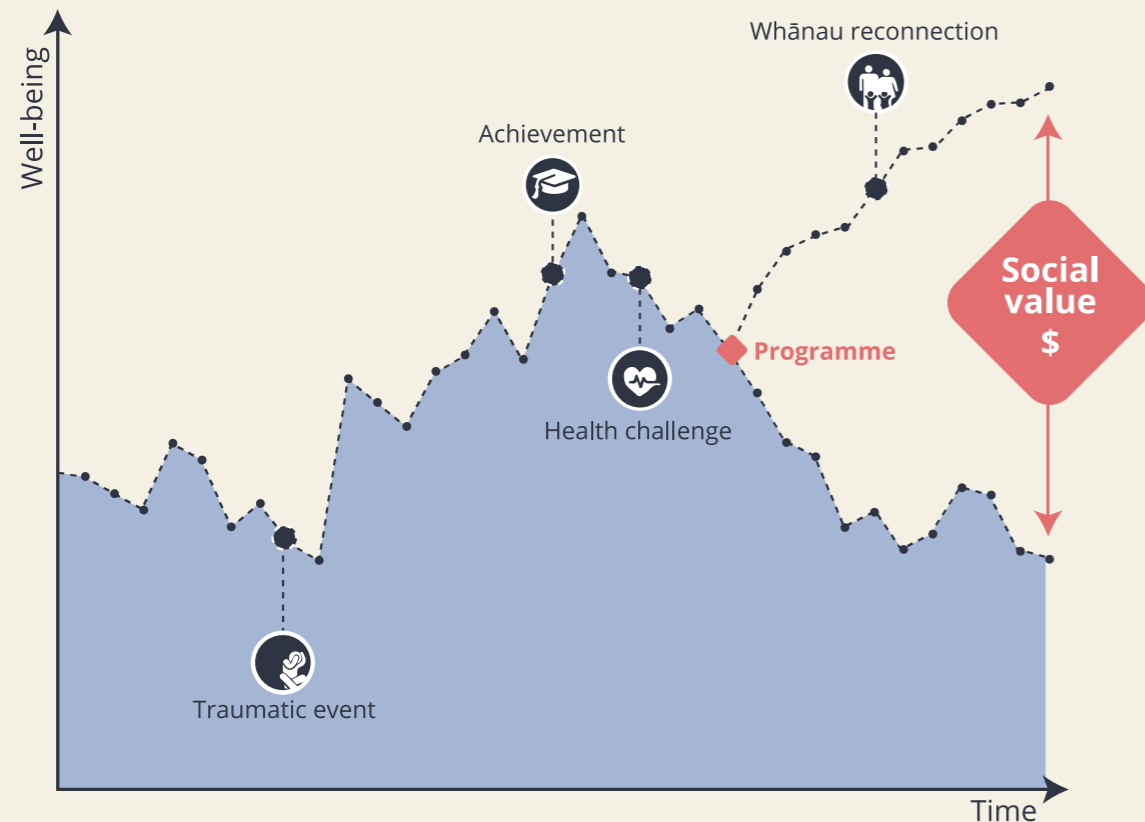
Social value is the estimated social impact in dollar terms that a programme achieves for participants over their lifetime.

This change is valued by considering well-being across multiple domains, in terms of both positive benefits (such as increased income) and avoided costs to government.

To estimate social value, ImpactLab works with charities and impact organisations to consider **four questions**:

- \$ Outcomes** — what positive long-term changes in people’s lives does the programme help to create?
- % Opportunity** — who does the programme serve, and what is the opportunity to make a difference for those people?
- ⚖ Effectiveness** — what academic evidence is there about how effective programmes like this can be?
- 👥 Population** — how many people are reached, and how many engage long enough to meaningfully benefit?

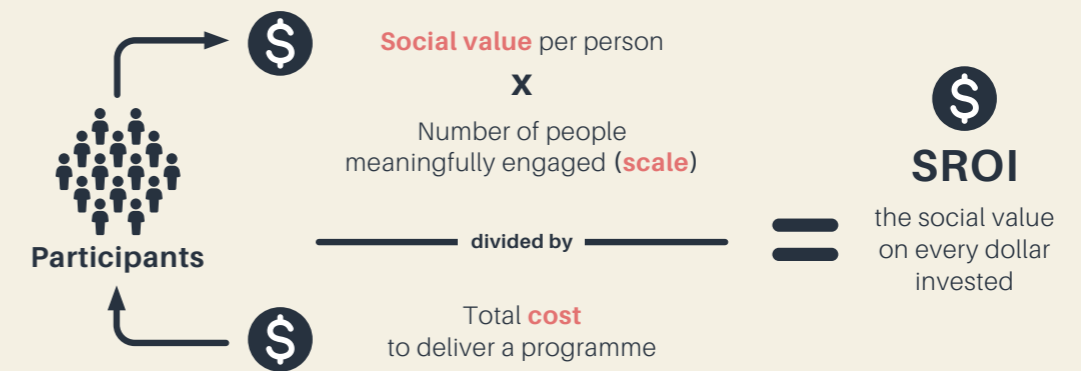
Social value = \$ x % x ⚖ x 👥



What is Social Return on Investment?

Social Return on Investment (SROI) compares the estimated social value of a programme to its cost.

There are **three key drivers of social return (scale, social value, cost)** that can be investigated with data:



Example
the programme supports 100 Pasifika students in South Auckland over a 12-month period in scope

The programme generates an estimated **\$2,000** in social value per person

80 of the students engage meaningfully with the programme = \$160,000 in total estimated social value

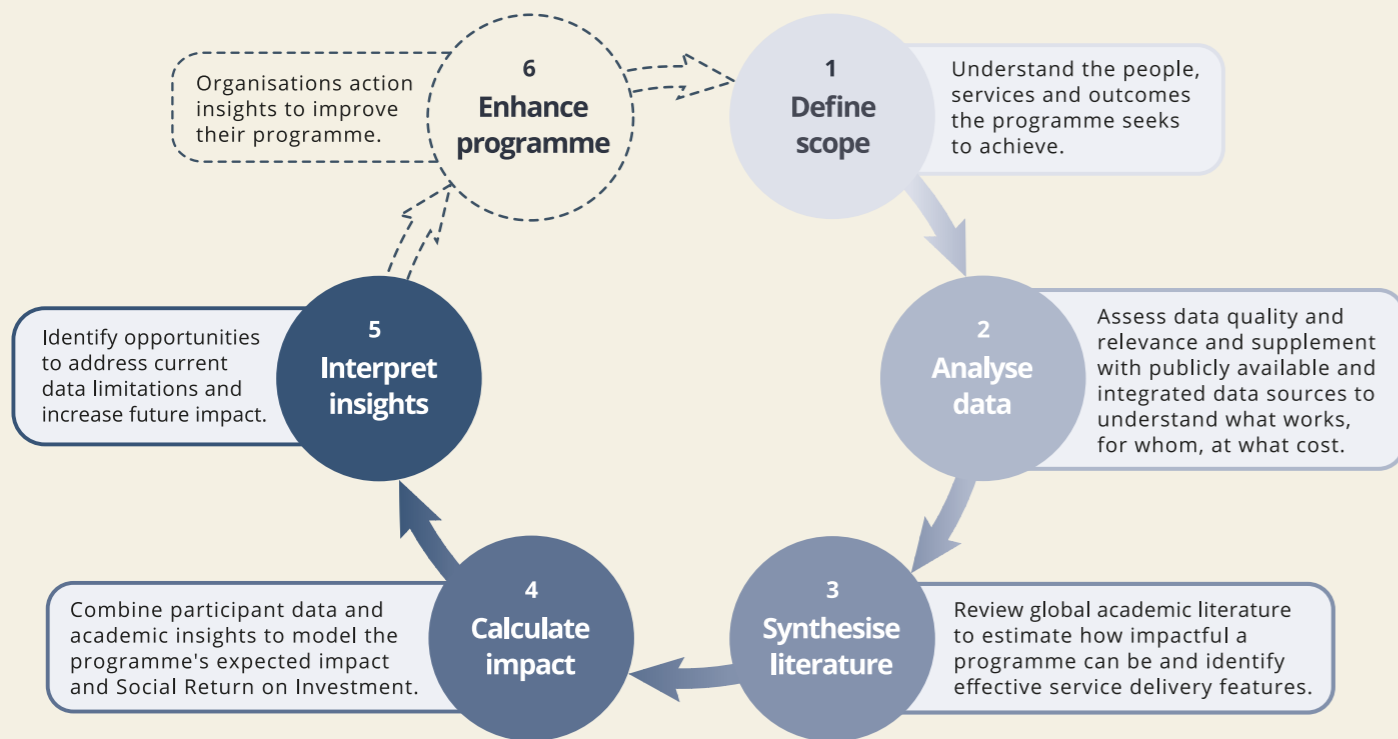
The programme costs a total of **\$80,000** to deliver over the 12-month period

SROI = the social value on every \$1 invested is \$2

How can SROI be measured?

ImpactLab’s GoodMeasure toolkit has been designed to support investment decision-making by providing a consistent and pragmatic measurement approach that enables insight within and between programmes.

GoodMeasure draws on the best available community and public data and is developed in collaboration with frontline organisations.



ImpactLab combines the organisation’s frontline operational data about their participants’ life experiences with insights on effective practice from the best academic impact literature around the world, and impact data derived from the NZ Treasury, Stats NZ’s Integrated Data Infrastructure (IDI) and other sources.

Limitations to this analysis

This report provides initial insights from 108 programmes measured by ImpactLab, to identify key investment thematic and impact trends across Aotearoa’s charity sector. This analysis represents a summary of emerging concepts and insights.

Important limitations to this analysis include:

- » The programmes analysed for this report are **a meaningful but non-representative sample** of the Aotearoa charity sector and as such insights should be interpreted as high level, directional and to be further tested.
- » The themes analysed in this report are based on **observed correlations** and provide broad conclusions rather than tight causative claims.
- » Programme intervention practices are determined via narrative and operational data provided by an organisation. It **does not include direct observation of programmes**, and as such social value forecasts do not capture variation in programme practice e.g., in workforce skills or programme fidelity across locations.
- » **Comparisons should be considered indicative only**, as metrics can be influenced by a variety of factors, including differences in data quality, scoping decisions, improvements to methodology over time and limitations in the available academic literature.
- » Many aspects of social impact cannot appropriately be quantified in dollar terms, and **SROI findings should be considered alongside other important sources of information** such as participant feedback and more bespoke forms of evaluation.
- » GoodMeasure is a **standardised measurement model** — different interventions are treated as consistently as possible to enable comparability, which means the uniqueness of each intervention is not fully reflected.
- » Cost and participant data inputs are **provided by the organisation**. Responsibility sits with each organisation to ensure their data is accurate and genuinely reflects the programme.
- » **Estimates have varying confidence levels** due to differing quality and availability of data inputs. The GoodMeasure methodology takes the approach of using the data that is available in order to support ongoing data improvement.

Data is presented at an aggregated level to protect the confidentiality of specific organisations’ GoodMeasure metrics. Any identifiable data in this report is shared with consent from the identified organisation.

Note that any examples used to illustrate investment insights are hypothetical unless otherwise stated and do not directly reflect any of the programmes analysed for this report.

Snapshot of 108 programmes analysed

This report analyses the impact of **108 programmes** across **84 organisations** since 2021, reaching ~5%¹ of New Zealand's population.

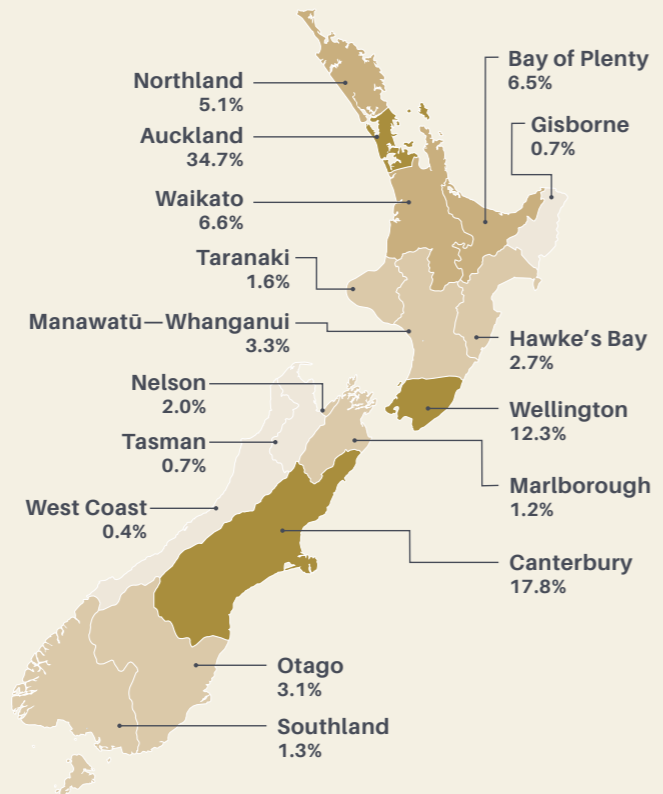
Cost

\$178m of investment analysed across NZ.

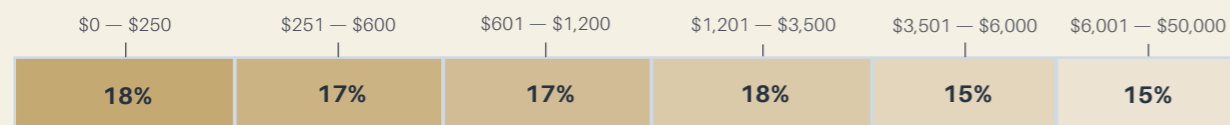
% of investment

> 10%
5% – 9.9%
1% – 4.9%
0 – 0.9%

Region	total cost ¹ – %
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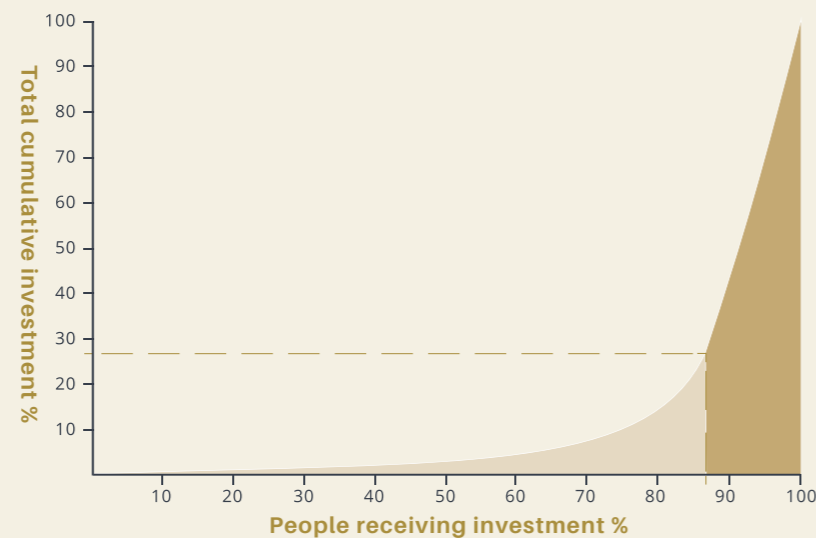


Cost per person ranges from less than \$250 up to \$50,000².



Programme distribution based on the cost per person.

13% of people receive 73% of the investment



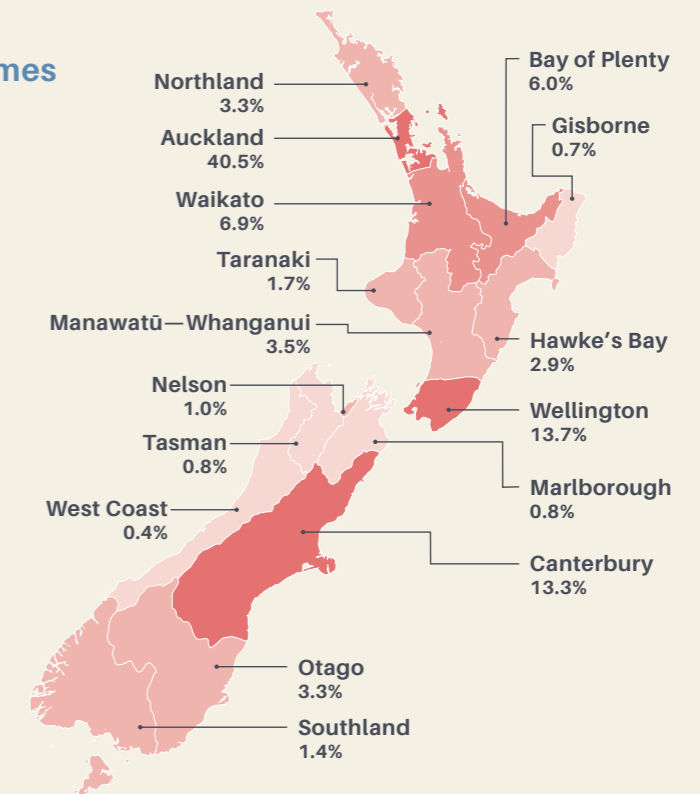
Scale

Investment supports programmes reaching 320,000 people.

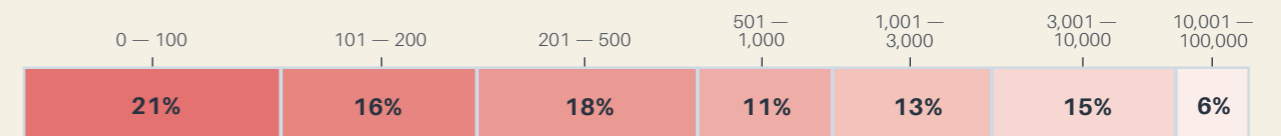
% of people reached

> 10%
5% – 9.9%
1% – 4.9%
0 – 0.9%

Region	total participants starting ¹ – %
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~55% of programmes serve 500 people or fewer.

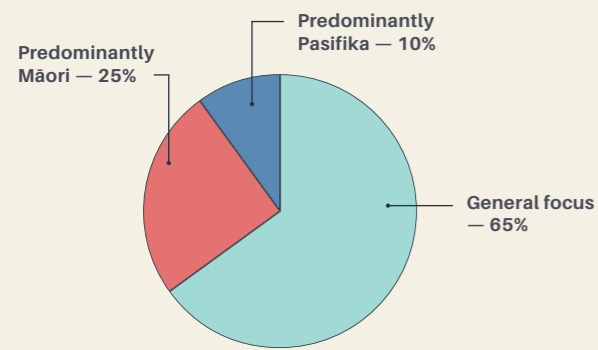


Programme distribution based on the number of participants engaged.

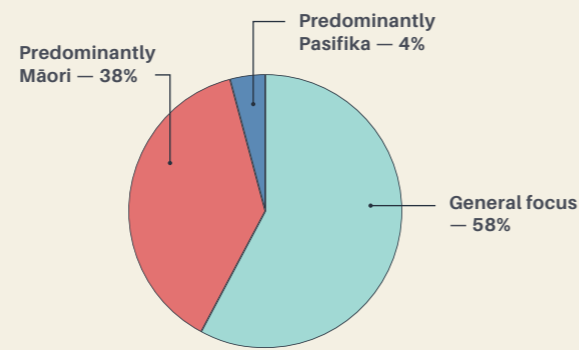
1. Investment location is based on area of operation of measured programme. NZ population estimates for national figure distribution by region — using June 2022 estimates and distributing to add up to 100% as all figures are rounded to the nearest 100 in the Stats NZ dataset. <https://www.stats.govt.nz/information-releases/subnational-population-estimates-at-30-june-2022-provisional/> [Accessed 31 July 2022]
 2. Cost is calculated per person starting (including those not reaching meaningful engagement) and across the whole intervention period, which can vary from several months to several years.

Ethnicity

35% of programmes focus predominantly on Māori and Pasifika peoples. However, significantly more investment flows into programmes that focus on Māori people than Pasifika peoples.



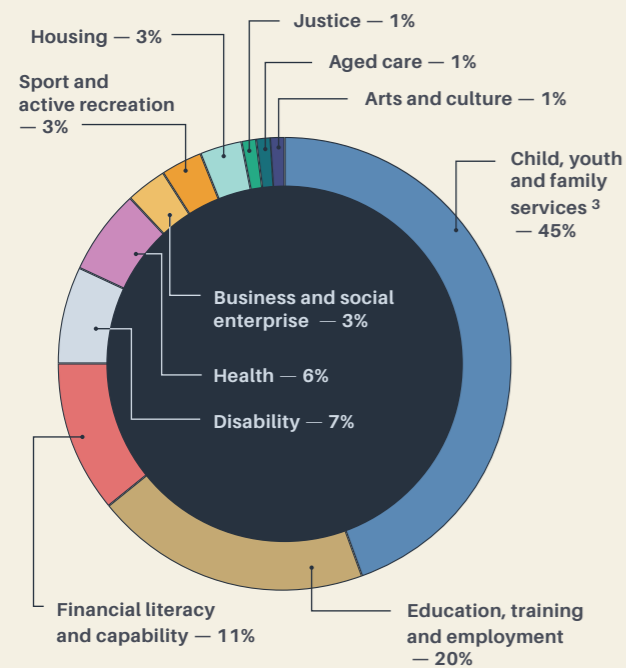
Programme focus by ethnicity.



Investment distribution by ethnicity.

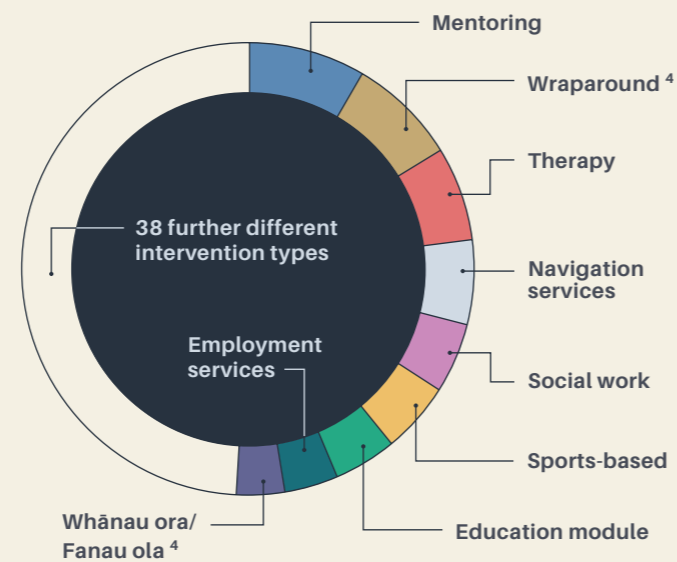
Sector

~75% of investment flows into 3 sectors.



Intervention type

Programmes are diverse, covering 47 different intervention types, but the most popular 9 are present in 50% of programmes.

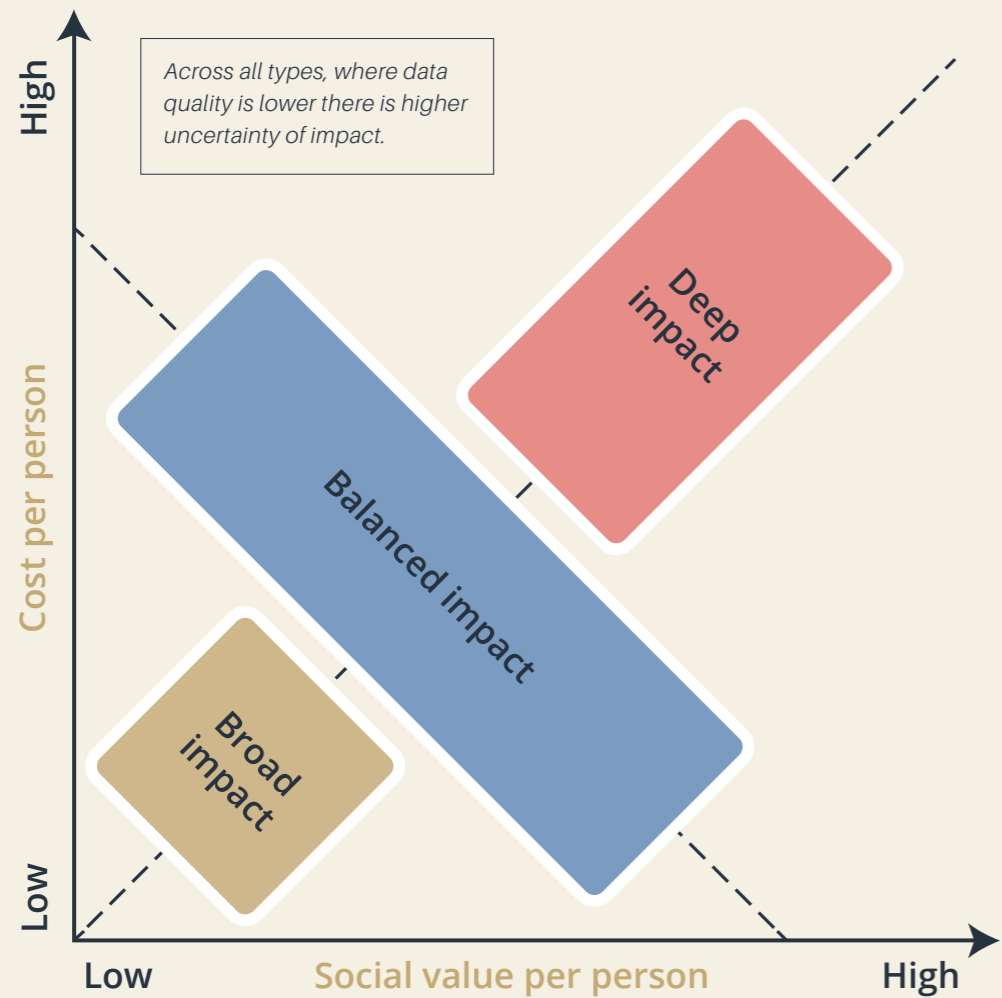


61% of programmes focus on a single intervention type, 39% deliver a combination of intervention types.

3. Organisations working with children, youth and families, e.g. parenting, youth development, family therapy. Note, where applicable, programmes have been categorised into more than one sector.
4. Wraparound refers to internal provision of holistic and tailored support services. If the intervention builds trust, understands needs and holistically refers people to external services, this is termed navigation services. Culturally informed navigation services are termed Whānau ora/Fanau ola.



Three distinct investment approaches are emerging from the data



Broad impact

34% of investment,
89% of participants

- » Lower cost, larger scale programmes that deliver modest social value to many people.

Deep impact

9% of investment,
1% of participants

- » High cost programmes that deliver intensive support to a small group of people with high complexity to achieve significant social change.

Balanced impact

57% of investment,
10% of participants

- » Moderate cost programmes of varying scale that deliver varied social value, depending on the comprehensiveness of support and complexity of the population served.



Habitat for Humanity —
Home Repair Programme | May 2022

Broad impact

Programme features

- » **Cost:** consistently low.
- » **Social value per person:** lower, with a narrow range of outcomes.
- » **Scale:** wide and mostly general focus.
- » **Intervention scope:** tend to be less targeted to specific populations and are mostly single type interventions.
- » **Example:**
 - » A programme delivering mental health awareness sessions to all children enrolled in schools across Hamilton.

Balanced impact

Programme features

- » **Cost:** moderate and somewhat varied. Programmes with higher cost per person tend to be more comprehensive.
- » **Social value per person:** moderate but varied. Programmes with higher social value per person tend to be more targeted towards at-risk young people.
- » **Scale:** varied.
- » **Intervention scope:** varied between single and multiple intervention types.
- » **Example:**
 - » A programme delivering 1-1 mentoring in several Hamilton schools for children identified as experiencing a challenging home-environment.

Deep impact

Programme features

- » **Cost:** high and very varied. There is a small tail of very high cost programmes that tend to comprehensively serve people with very complex lives.
- » **Social value per person:** high and varied.
- » **Scale:** small and tend to be focused to specific populations.
- » **Intervention scope:** tend to involve multiple intervention types.
- » **Example:**
 - » A programme delivering holistic, intensive wraparound support to young repeat offenders in Hamilton with multiple adverse childhood experiences, to support positive change and reduce the risk of re-offending.

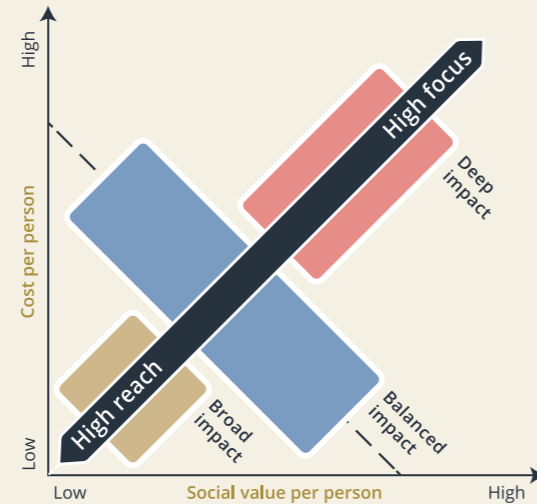
Each investment approach can deliver the same SROI, but through different pathways and with different trade-offs.

Investors can make choices about where and how to focus their investment. In the following pages, we highlight two key choices.

Investment choice #1: focus versus reach

There is a trade-off between focus and reach.

Investors can achieve a similar SROI on the same total investment by either focusing on a few people to achieve significant changes in their lives or spending less per person to impact many lives. Optimising for focus or reach leads to different investment considerations.



Investment approach	Common programme features	Key investment considerations
Deep Impact (High focus)	<ul style="list-style-type: none"> » Clarity about who the programme is a good fit for and why, often with a focus on few people (<200) with multiple specific barriers to achieving their aspirations. » A 'whatever it takes' approach, including holistic services and navigation to many other services. » Interventions are often highly relational, personalised and hard to scale. 	<ul style="list-style-type: none"> » Programme eligibility or 'good fit' criteria can be useful for identifying who the programme is focused on helping. » Small increases in engagement rates can significantly increase social value for intensive interventions. » Expect higher cost, including upfront investment to get people engaging, and investment in wider referral networks. » Trust building, flexibility and personalisation can be important aspects to look for in the service model. » Support and training of workforce is often a key impact driver.
Broad Impact (High reach)	<ul style="list-style-type: none"> » Programmes reach many people in a lighter touch way. » Tend to be more defined in what they do than who they work with, making it easy for anyone who needs their service to access it. » A clear focus on what they deliver and what they don't tends to facilitate lower cost per person but can leave some needs unmet. 	<ul style="list-style-type: none"> » Lighter touch support is often one step in a wider journey — pay attention to 'off-ramps' and where people go next. » Defining what constitutes 'meaningful engagement' can be important to avoid overclaiming social value. » Programme life stage matters — economies of scale may be expected as the programme matures.

Example: A tale of two financial programmes

Programme A optimises for focus

- » Provides intensive debt management solutions to people with significant unmanageable debt.
- » The intervention involves budgeting advice, debt consolidation and relief, and connection to other supports including housing, food bank and WINZ. Debt mentors work with people for as long as is needed, on average two years.
- » Programmes can be linked to 12 long-term outcomes including reducing unmanageable debt, addiction and family violence and improvements in mental health.
- » Costs \$10,000 per person and delivers \$20,000 of social value per person. SROI= \$2.

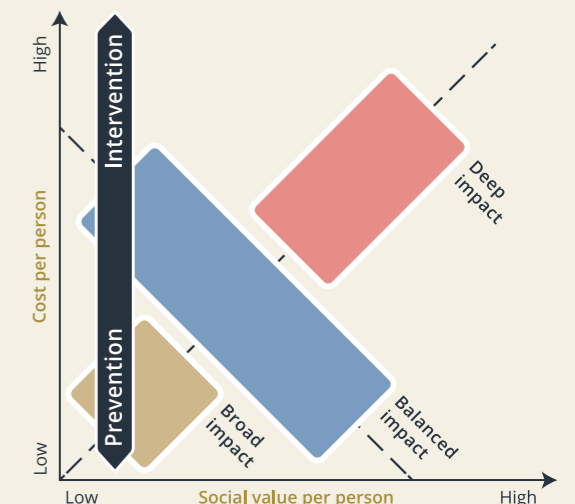
Programme B optimises for reach

- » Provides general financial literacy education to children in schools.
- » Any school can participate in the programme.
- » The intervention involves four educational sessions over a school term on saving and budgeting, delivered via an online platform.
- » Programme can be linked to three long-term outcomes including improvement in mental health.
- » Costs \$100 per person and delivers \$200 of social value per person. SROI= \$2.

Investment choice #2: prevention versus intervention

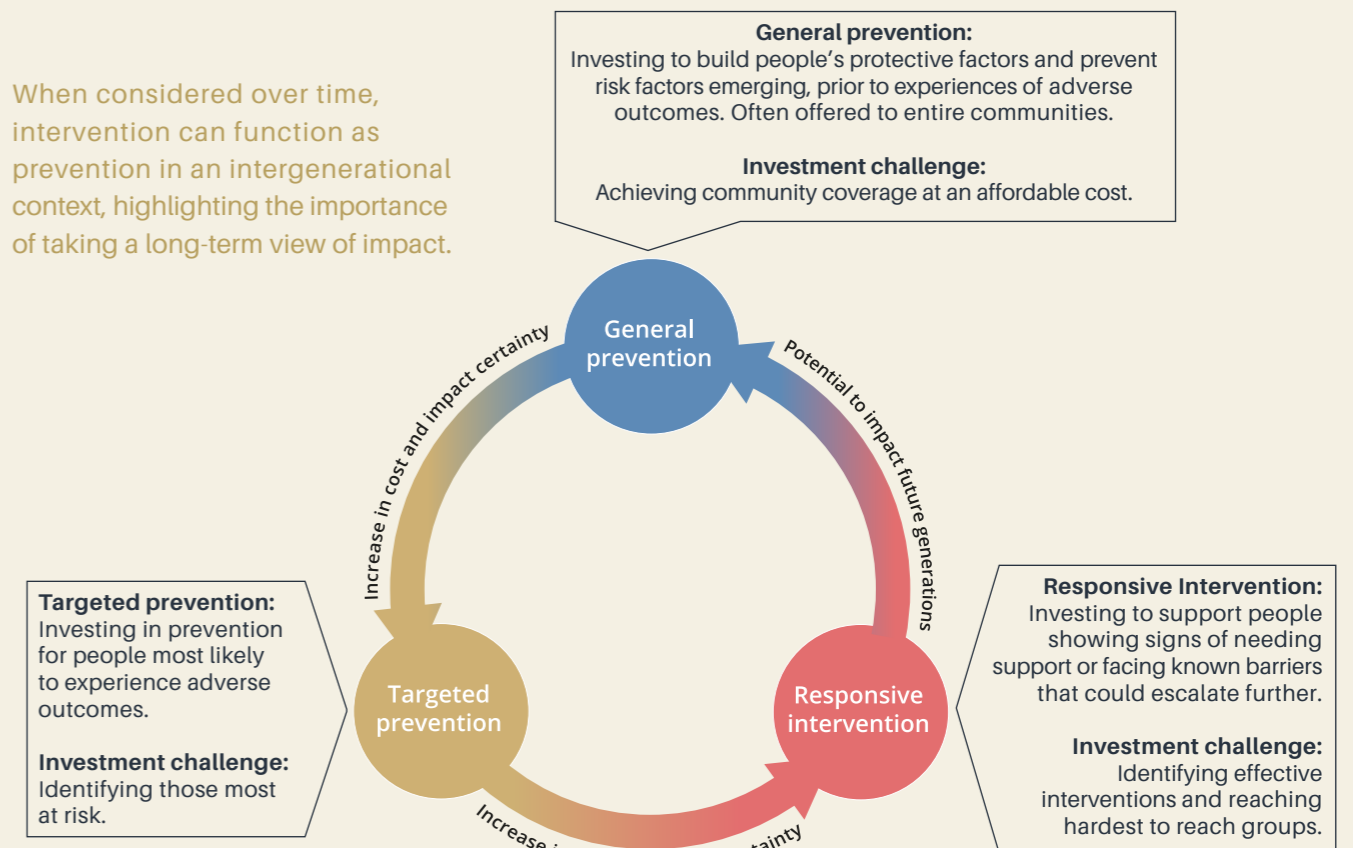
Proactive prevention and responsive intervention are both critical, and raise different investment challenges.

Programmes may support people at different points in their life trajectory. Intervention generally costs more than prevention, but brings higher certainty of impact because the programme is responding to a known need. There also appears to be a hybrid type of prevention that is primarily intergenerational, targeted towards people and families with known risk factors.



Prevention and intervention can occur in any investment approach, with broad impact approaches tending to be more prevention focused and deep impact more intervention focused.

When considered over time, intervention can function as prevention in an intergenerational context, highlighting the importance of taking a long-term view of impact.



Here are three balanced impact programmes targeting different parts of the trajectory:

General prevention example

A positive relationships programme targeted at any parent looking to improve their parenting.

Targeted prevention example

A programme supporting parents with a history of family violence or abuse to create a safe environment for their child.

Responsive intervention example

A programme delivering therapy for young people who demonstrate behavioural challenges and school disengagement following a traumatic experience.

Investment insights by sector

Another lens for understanding programmes is by sector (or intervention type). We define these as:

- Sector** An organisation-level categorisation based on the primary area in which the delivery organisation operates.
- Intervention type** A programme-level categorisation based on the primary activities the programme offers (i.e. how resources are used).

Based on experience gathering data for GoodMeasure processes to date, it appears that sectors differ in terms of data availability and the extent to which impact can be measured in quantified terms. There are also different social return dynamics across sectors. Some initial learnings are captured below.

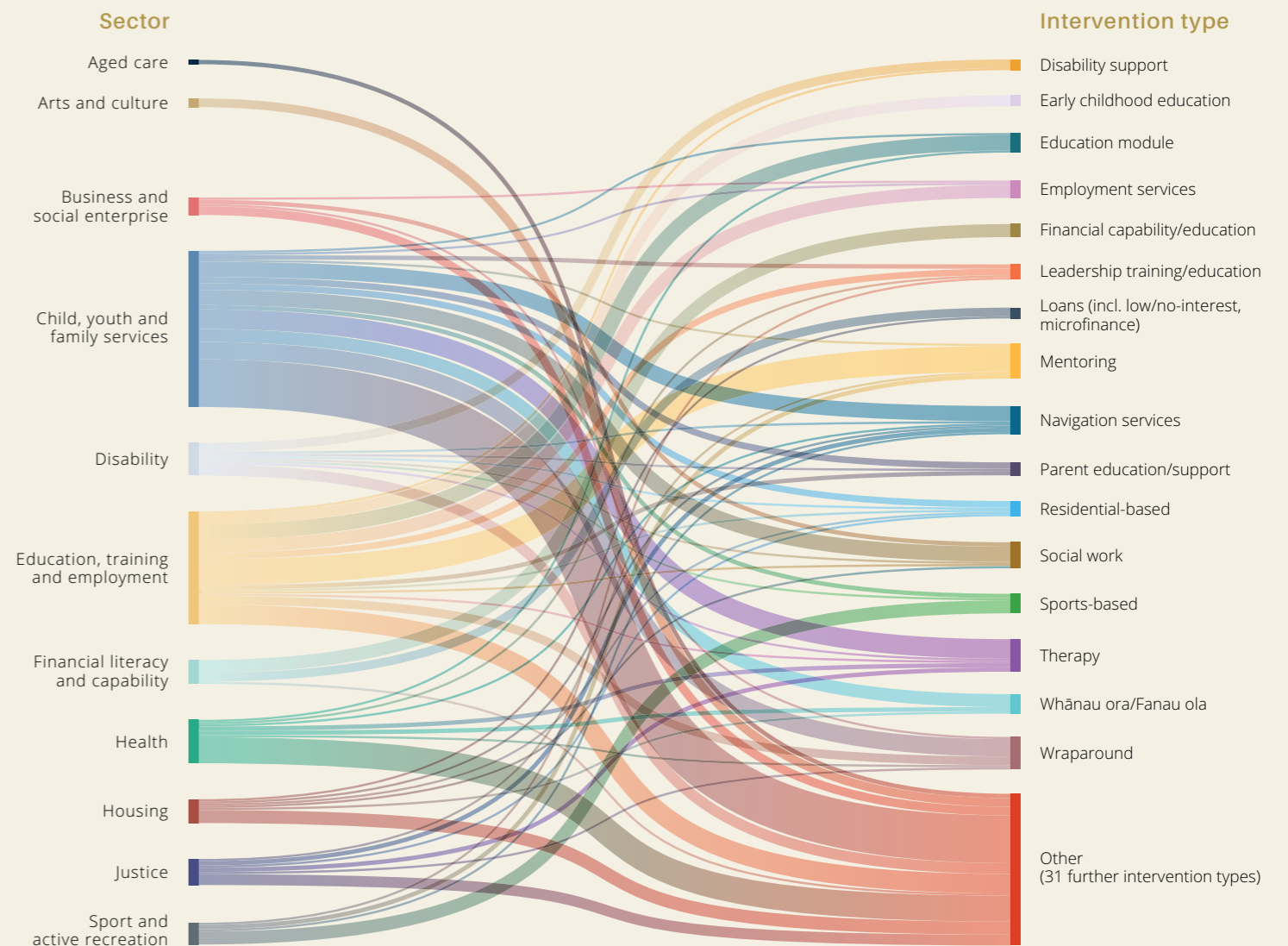
Housing	There is a rich base of NZ-specific evidence for the outcomes of housing especially in relation to health, but understanding counterfactuals for at-risk groups can be challenging due to the nonlinear nature of people's housing pathways.	Housing is an 'enabler' of many outcomes but requires the right conditions in terms of continuity of tenure, quality, community and integrated services to enable significant impact. Capital costs are key to consider in the SROI, unlike in most other sectors.
Justice	Justice interactions are well recorded in public administrative data. Crime reporting requirements enable well categorised and disaggregated prevalence data — but impact can be more difficult to capture if spread across agencies.	The two-sided nature of crime means that both offenders and victims can be positively impacted by intervention. Often offenders and victims come from the same communities and many offenders are also victims, further amplifying the impact of positive change across the wider collective and through time.
Sport and active recreation	Health outcomes tend to be well evidenced and there is more specific evidence regarding minimum dosage and effectiveness than for other sectors.	Dosage (how often), intensity (how much) and duration (how long) of intervention are often key elements to consider in determining effectiveness.

Observed differences by sector

Sector type	Initial learning on data availability and measurability	Initial insights on what is distinctive about this sector
Aged care	Value of outcomes to society beyond working age can be harder to quantify and population level age-segmented data is limited, particularly for intrinsic outcomes such as loneliness.	Impact can be about the maintenance of current state or slowing of decline as much as positive improvement. As this sector is population-based it requires consideration of multiple domains impacting older people e.g., financial, housing, health, social.
Arts and culture	Direct outcomes are often less quantifiable and subsequent outcomes are more uncertain. Contribution of arts and culture to society is less quantifiable than economic contribution due to its often intangible nature.	Impact is often multi-layered, starting with creators, moving to audience and outwards to broader community influence. Arts and culture as a vehicle for driving other social outcomes is most tangibly observable through the pathways of creators and audience type and reach.
Business and social enterprise	Organisations may have more developed internal data capabilities in relation to understanding customers, especially where this is core to their business model.	Where enterprises generate market revenue directly from an intervention, this can shift social return dynamics by significantly lowering the net cost of the intervention and/or creating additional income benefits for participants.
Child, youth, and family services	Research and public data in this sector are more likely to focus on at-risk communities than in other sectors and many organisations collect good participant data (though often in an unstructured/case note form). Positive outcomes achieved are often harder to measure than negative outcomes avoided.	Whether programmes are working with one or multiple family members, relational context is key. Understanding and strengthening participants' relationships to self and others is often a core driver of effectiveness.
Disability	Public research and data are limited in reflecting the spectrum of disability and lifetime outcomes. There is also limited data available on caring responsibilities, cost or impact.	Interventions are commonly individualised and tailored, and needs are varied. Flexibility and enablement of choice in service model is often a core driver of effectiveness.
Education, training and employment	There can be significant delay between interventions and outcomes, making it more difficult to evidence the effectiveness of emerging approaches. Where the nature of education, training or employment is less formal or outside the mainstream, data availability can be more limited, particularly for positive impacts of reaching potential rather than avoiding negative outcomes.	Timeline is critical, as short-term outcomes (e.g., employment starts) are often observable but this may not convert into longer term, sustainable pathway shifts (e.g., employment retention).
Financial literacy and capability	Financial modelling and account keeping requirements are well established and regulated, enabling higher confidence in data, but the nature of lending and credit risk is not conducive to people sharing information about risk factors they are experiencing.	This sector tends to have more lower cost, larger scale interventions, but social value varies widely based on the specific financial circumstances of the people served. Long-term behaviour change is often a core driver of effectiveness.
Health	Health outcomes tend to be well researched but can be generalised and not reflective for higher risk communities. Clinical data often provides a clearer view of short-term effectiveness than is available in other sectors.	Engagement and timing of engagement with services is as important to understand as the services themselves. A holistic view of social determinants is important to consider alongside clinical factors in driving outcomes.

While a sector view is important, the data suggests there is a diverse range of intervention types being delivered that cut across sectors, particularly for programmes serving people with more complex needs.

The below Sankey diagram illustrates that while organisations in some sectors focus on the same intervention types, most deliver a broad range of interventions. This suggests that investors can better understand the impact of a programme by exploring the interventions involved in it, and how these specifically meet the needs of the people they intended to benefit.



The following case studies illustrate the three investment approaches. These programmes come from different sectors, with differing metrics, contexts and data limitations. They demonstrate that a variety of approaches can create long-term impact, reaching diverse populations with diverse approaches.

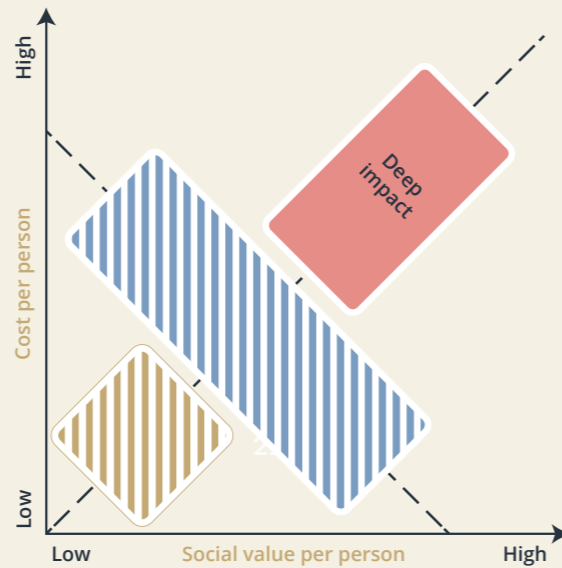
Case study – Deep impact example

The Champion Centre – early intervention programme

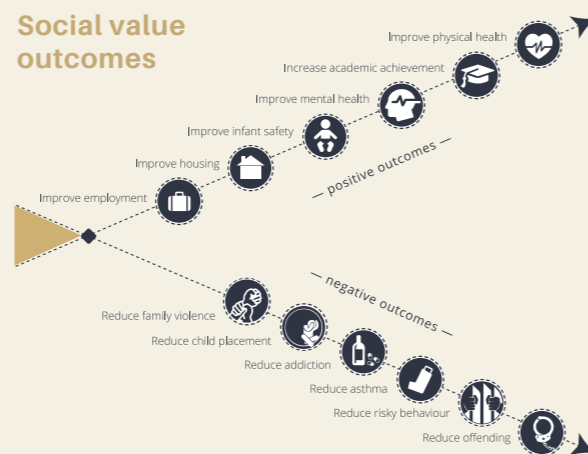
The Champion Centre provides multi-disciplinary early intervention services for infants and children with significant disabilities. They work with children across their first six years of life to help ensure they are physically, cognitively and emotionally supported to attend school and reach their potential later in life.

The Champion Centre assesses and responds to families in a tailored, individualised and holistic manner with the ultimate goal of unlocking each child’s unique capacity and abilities.

Families are at the centre of the programme, with a focus on providing practical and emotional support to parents and caregivers so they can navigate the challenges of supporting their young one’s developmental journey. Based in their Champion Centre, the children and their families receive weekly group and individual sessions delivered by expert staff and are supported throughout the child’s transition into school. The programme also directly provides parents and children with a range of additional supports where needed, ranging from emotional and psychological support to in-home visits or funding assistance.



Data quality: These metrics represent a conservative estimate based on available sector data.
Disability sector data availability: Public research and data is limited in reflecting the spectrum of disability and lifetime outcomes. There is also limited data available on caring responsibilities, cost or impact.



» **Measurement period:** Jul 2020 — June 2021

$$\begin{aligned}
 & \$36,276 \text{ in social value per person} \\
 & \times \\
 & 70 \text{ people meaningfully engaged (scale)} \\
 & \text{divided by} \\
 & \$2,277,118 \text{ total cost to deliver the programme} \\
 & = \$1.10^* \text{ SROI}
 \end{aligned}$$

* All SROI figures have been rounded to the nearest 10 cents.

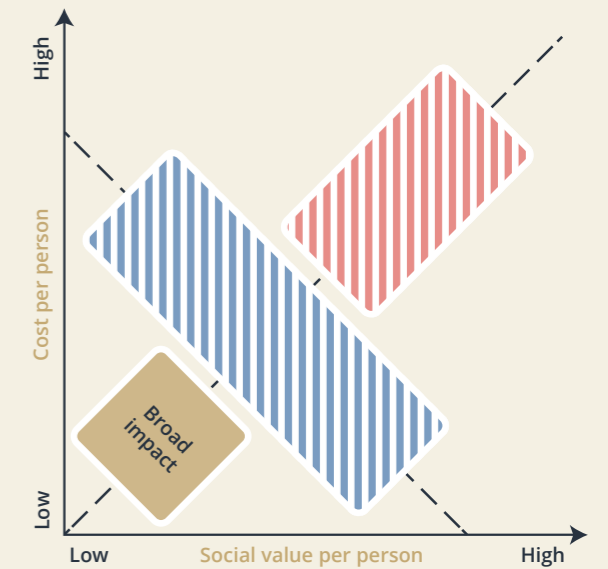
Case study – Broad impact example

Auckland Philharmonia Orchestra – experience: education concerts

The Education Concert Series provides tailored concert experiences for students aged 5-18 throughout the Auckland region. The Series provides an opportunity for tamariki from a variety of backgrounds to develop an appreciation of different styles of music, engage with the arts community and learn the power of music as an emotive and communicative tool.

The programme gives tamariki an opportunity to experience live orchestral concerts, share in the joy of music-making and connect with educational resources to support their learning. By creating a community hub where music and the arts can come together and be celebrated, it offers schools throughout Auckland the opportunity to connect with music, growing both audiences and performers of the future.

Concerts feature live orchestra performances, guest presenters, educational talks and resources and multi-disciplinary activities like theatre and dance. Each type of concert is tailored to the needs and interests of different age-groups with a focus on increasing access to high quality music-making and breaking down potential barriers to attendance.



Data quality: These metrics represent a conservative estimate based on available sector data.
Arts and culture data availability: Direct outcomes are often less quantifiable and subsequent outcomes are more uncertain. Contribution of arts and culture to society is less quantifiable than economic contribution due to its often intangible nature.



» **Measurement period:** Jan — Dec 2019

$$\begin{aligned}
 & \$150 \text{ in social value per person} \\
 & \times \\
 & 2,651 \text{ people meaningfully engaged (scale)} \\
 & \text{divided by} \\
 & \$182,101 \text{ total cost to deliver the programme} \\
 & = \$2.20^* \text{ SROI}
 \end{aligned}$$



Case study — Balanced impact example

Spirit of Adventure Trust — 10-day development programme

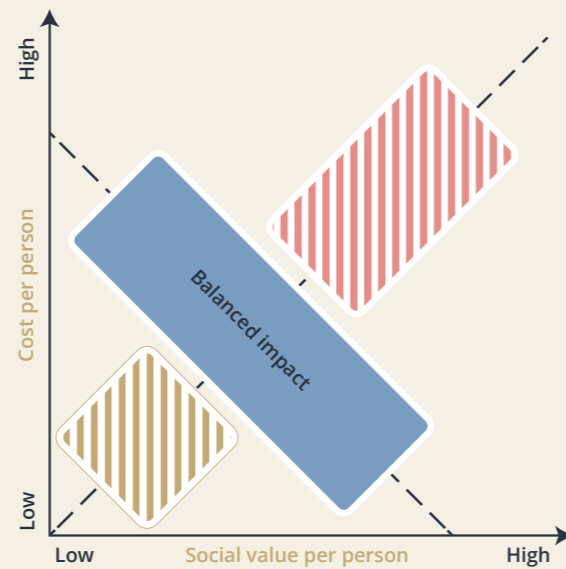
The 10-day programme focuses on school students and youth aged 16-18 years old from various life and socio-economic backgrounds. Youth in Aotearoa are facing significant social issues and mental health challenges, including conditions such as anxiety, self-isolation, low confidence and depression. Spirit has realised this opportunity for change and uses outdoor adventure, via sailing a tall ship, to address these issues and create opportunity for youth development.

The programme consists of a 10-day sailing voyage, typically in and around the Hauraki Gulf, Coromandel and Great Barrier Island, where youth participate in various outdoor activities, take part in leadership and development activities, learn to sail and maintain and run the ship, have downtime, journal and cook and clean. Forty young people are organised into four watches of 10 and participate in activities structured in such a way as to push youth out of their comfort zone, develop the skills to overcome challenges and have fun with a diverse group of peers.

Through coming together as a community running a tall ship in combination with adventure activities, youth are empowered to push beyond their limits, connect deeply with others their age, develop friendships, become disciplined and believe in themselves and their abilities.

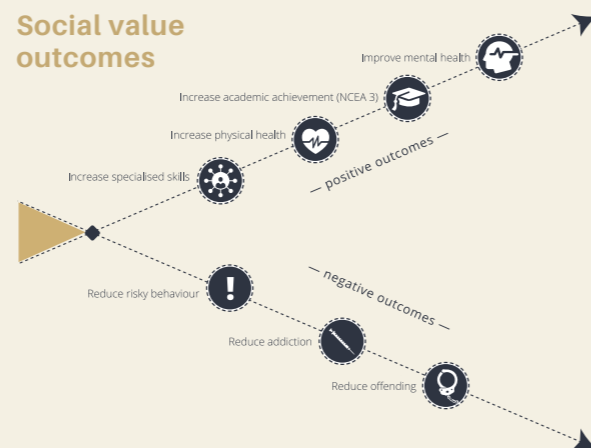
» **Measurement period:** Jan — Dec 2019

$$\begin{array}{r}
 \$7,953 \\
 \text{in social value per person} \\
 \times \\
 583 \\
 \text{people meaningfully engaged (scale)} \\
 \hline
 \text{divided by} \\
 \$2,061,500 \\
 \text{total cost to deliver the programme} \\
 \hline
 = \$2.30^* \\
 \text{SROI}
 \end{array}$$



Data quality: These metrics represent a conservative estimate based on available sector data.

Education, training and employment sector data availability: There can be significant delay between interventions and outcomes, making it more difficult to evidence the effectiveness of emerging approaches. Where the nature of education, training or employment is less formal or outside the mainstream, data availability can be more limited, particularly for positive impacts of reaching potential rather than avoiding adverse outcomes.



Kia ora

The families and communities who are supported and served by the nonprofit sector deserve to have our focused effort for impactful social investment. The intention to do good is a powerful motivator, but it is lives which are changed for the better that is the true measure of impact.

This report provides an indication of the way the charitable sector will change over the next five years. Decisions made by funders, providers, donors and partners will become increasingly data driven. Data and impact management tools will sit alongside existing strengths of the charitable sector, such as deep community knowledge, the spirit of giving and commitment to the service of others.

ImpactLab is committed to the view that organisations shouldn't need significant financial resources or risky spending on new IT and data management systems to do good, better. With the support of ImpactLab, investors and donors can access information to better understand community needs and the range of possible interventions to meet those needs. Frontline workers who are passionate and embedded in their community deserve direction and validation. Together, we can compile applicable research and data insights to support decision-making and underpin community wisdom.

The insights in this report are built off an iterative and honest learning process which is ongoing. I want to extend my thanks to the hundreds of inspirational individuals working in the charitable sector who have participated in this process of persistent innovation, grappling with the details, clarifying definitions, sorting the data, and reflecting on the findings alongside us to make this report possible. We hope that in publishing these insights those people and organisations recognise an impactful return on the investment of their time and expertise.

Finally, I acknowledge the commitment and professionalism of Maria and the growing ImpactLab team. I see their delight when the hard work alongside charities yields useful insights leading to better decision-making and more impactful services for the communities and whānau who need it the most.

Sir Bill English
ImpactLab Chairman
(September 2023)



Conclusion

This report illustrates how Social Return on Investment can be used as a tool to inform decision-making across Aotearoa New Zealand’s charitable sector, based on data from over 100 charitable programmes that ImpactLab has worked with in the past two years.

We hope the emerging investment framework can provide a useful starting point for more focused conversations about where and how to invest for community impact. This analysis suggests that different approaches can deliver similar social return, but through very different pathways, each with its own trade-offs. Building an understanding of the drivers of scale, cost and social value can empower investors and charities to both build a clearer view of current impact and make more confident decisions for the future.

ImpactLab and Jarden are committed to sharing our learning with the wider charitable sector, so we can continue to develop our collective understanding of how we can make investment work for communities, so that people can live the lives they choose.

Thank you

We would like to acknowledge all our charity partners for embracing the challenge of estimating their impact, and for their ongoing commitment to doing good, better.

Learn more about SROI

If you want to better understand SROI and how ImpactLab’s GoodMeasure toolkit could support your organisation’s impact work, head to ImpactLab’s website for more resources.

If you are a **funder**



If you are a **charity**



We welcome your feedback

As we seek to build a sector-level view of how positive change happens in people’s lives, we welcome your feedback to inform and improve this analysis.

Contact ImpactLab at: info@impactlab.co.nz

Glossary

Intervention	An intentional process through which a defined group of people have the opportunity to create a positive change in their life trajectory.
Intervention type	A categorisation to group similar interventions based on their activities (i.e. how resources are used). These categories have been developed by ImpactLab based on academic literature and the input of organisations participating in the SROI process.
Organisation	The organisation delivering the programmes measured.
Programme	The unit of measurement of an SROI, which consists of one or more interventions.
Participant	A person or group of people for whom a programme exists to make a positive difference.
Sector	The part of the charity or social sector within which the organisation primarily operates. This is an organisation-level categorisation.
Social value	The social impact in dollar terms that the amount invested achieves for participants over their lifetime. The social value is calculated by combining impact values with a service delivery quality score, the size of the opportunity to support a population, and the number of people supported.

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