

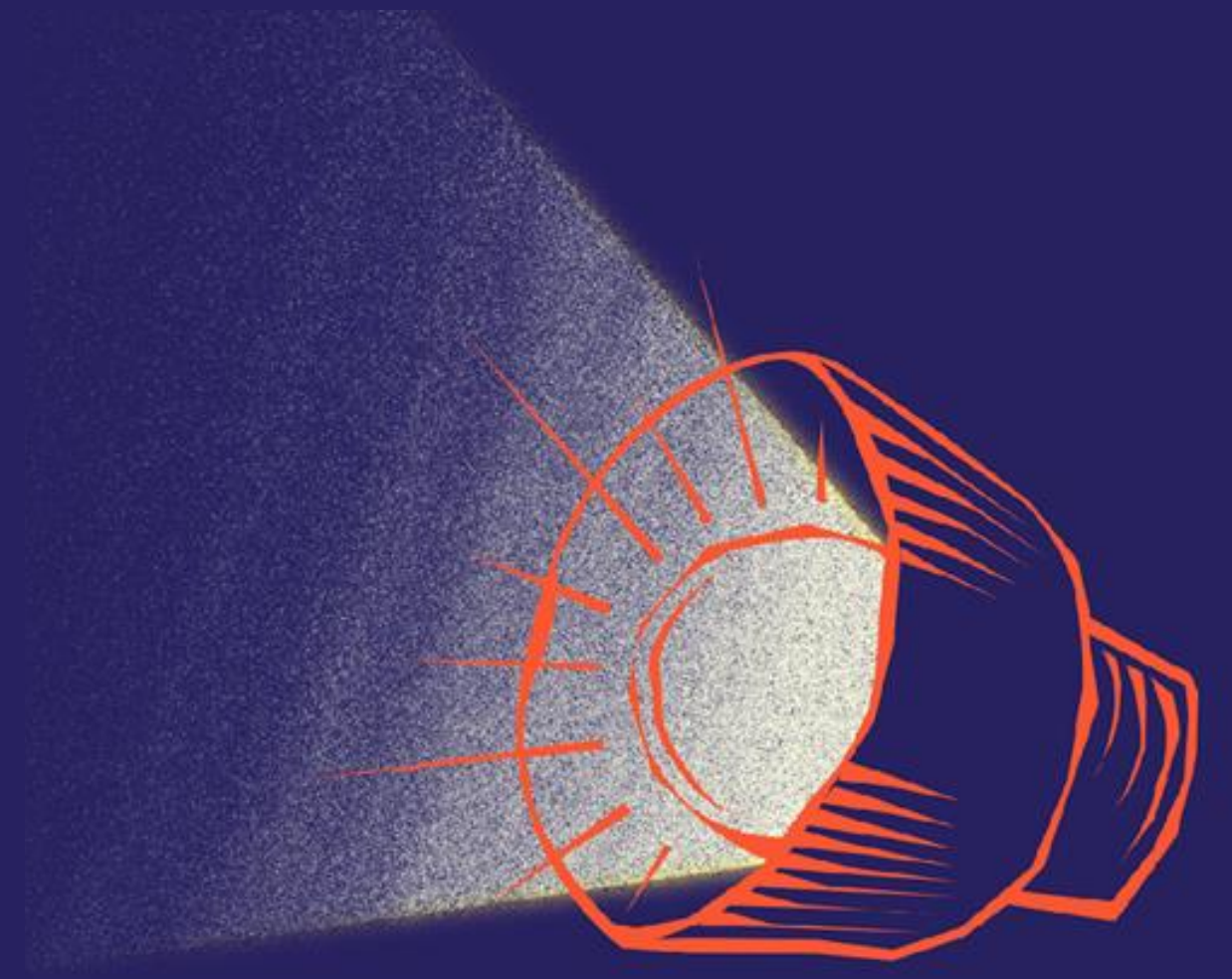


Social Return on Investment

online meeting – 27/01/2025

Work-shop agenda

- SROI definition and purpose
- SROI Model to be completed – Excel table
- SROI calculation example
- Summary and questions



SROI definition and purpose

SROI is a framework for calculating and communicating social impact using the universal language of money!



A key principle of SROI is understanding how and what changes occur as a result of an intervention (e.g., social, environmental or economic).

$SROI =$

$$\frac{\textit{Present value of all benefits}}{\textit{Total value of inputs}}$$



The strength of SROI lies in its ability to demonstrate impact,



SROI involves assigning monetary values to social outcomes, which inherently requires subjective judgment. Different stakeholders may perceive the same outcome differently, leading to value pluralism,



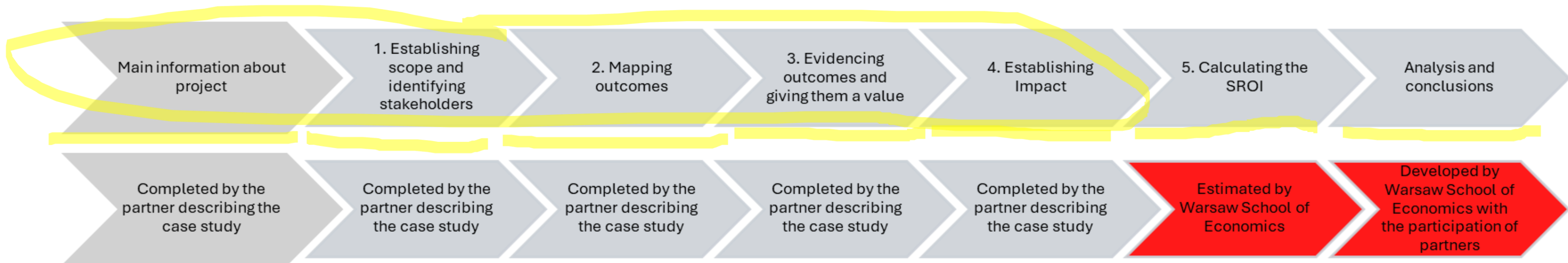
SROI enables financial evaluation of projects generating social, economic or environmental effects.



Quantifying non-financial outcomes (e.g., increased self-esteem, community cohesion) in monetary terms is challenging. These intangibles contribute significantly to social impact but lack clear market prices.

		March 2024	A	M	J	J	A	S	O	N	D	Jan 2025	F	M	A	M	J	J	A	S	O	N	D	Jan 2026	F	M	A
Task 5.1 Establishing Impact																											
Task 5.2: Calculating SROI																											
Task 5.3: Reporting SROI																											

SROI Model to be completed
– Excel table



The usual stages of SROI analysis include: (a) establishing scope and identifying key stakeholders; (b) mapping a project outcomes with the stakeholders using the theory of change; (c) assigning a financial value to the project outcomes; (d) establishing project impact from the project and time evaluation; (e) calculating inputs to the project; (f) calculating the SROI; (g) final conclusions. (see: The SROI Network, A Guide to Social Return on Investment, 2012, <http://socialvalueuk.org/resources/a-guide-to-social-return-on-investment-2012/>)

What do you need to know to use the model? The SROI Lucas Model provides the data framework to calculate SROI metrics. Users of the model must be comfortable with Microsoft Excel. If you have the specific data required in the model, you will simply need to enter the values into the spreadsheet (enter data into a spreadsheet).

Project Title			
Organisation			
Institutional setting of the case study	Formal	<input type="checkbox"/>	
	Informal	<input type="checkbox"/>	
Project Goals			
Description of the case study (including duration (time scale) and geography (spatial) of delivery)	Description (max. 300 words)		
	Time scale	Ongoing	<input type="checkbox"/>
		Not ongoing	<input type="checkbox"/>
	Geography (spatial) of delivery	International	<input type="checkbox"/>
		National	<input type="checkbox"/>
Regional		<input type="checkbox"/>	
	Municipal	<input type="checkbox"/>	
	District or neighbourhood	<input type="checkbox"/>	
Assessment perspective	Evaluation	<input type="checkbox"/>	
	Forecast	<input type="checkbox"/>	
Financial information - sources	Government contract	<input type="checkbox"/>	
	Grant from Regional Development Agency	<input type="checkbox"/>	
	Sales income	<input type="checkbox"/>	
	Donations	<input type="checkbox"/>	
	Private investment	<input type="checkbox"/>	
	Loan funding	<input type="checkbox"/>	
	An estimate of the value of volunteer time	<input type="checkbox"/>	
	Subscriptions	<input type="checkbox"/>	
	Licensing	<input type="checkbox"/>	
	Others	<input type="checkbox"/>	

< > Main information about project | 1. Establishing scope .. | 2. Mapping | 3. Evidence outcome: ...

Data collection serves as the bedrock of any SROI analysis.

Without accurate and comprehensive data, our understanding of social impact remains incomplete.

B	C	D	E	F
	Attribution		An assessment of how much of the outcome was caused by the contribution of other organisations or people. It is unlikely that our activities are the only thing in a person's life that helps them to change.	
	Deadweight		A measure of the amount of outcome that would have happened even if the activity had not taken place.	
	Discount Rate		A discount rate is the rate of return used to discount future cash flows back to their present value. The concept of discount rate asserts that a certain amount of money today is worth more than the same amount in the future. This is because money has the potential to earn returns or interest over time. As a result, the value of future returns is discounted to its present value today using an appropriate discount rate.	
	Displacement		An assessment of how much of the outcome has displaced other outcomes. For example, if our activities prevent people experiencing the same changes somewhere else we should take account of this.	
	Drop-off		The deterioration of an outcome over time.	
	Impact		The overall outcome for stakeholders, taking into account what would have happened anyway, the contribution of others and the length of time the outcomes last.	

Financial information - sources	admin:		
	G Complete a table to record the main financial information about	<input type="checkbox"/>	
	G sources (you have to include 1 or more).	<input type="checkbox"/>	
	Sales income	<input type="checkbox"/>	
	Donations	<input type="checkbox"/>	
	Private investment	<input type="checkbox"/>	
	Loan funding	<input type="checkbox"/>	
	An estimate of the value of volunteer time	<input checked="" type="checkbox"/>	
	Subscriptions	<input checked="" type="checkbox"/>	
	Leasing	<input type="checkbox"/>	
Others	<input checked="" type="checkbox"/>	EU funds	

Currency used for analysis	PLN
	EUR
	PLN
	CZK

SROI calculation example

Summary and questions

Final conclusion

SROI valuations should always be treated with caution.

They are indicators of value not precise calculations of it.

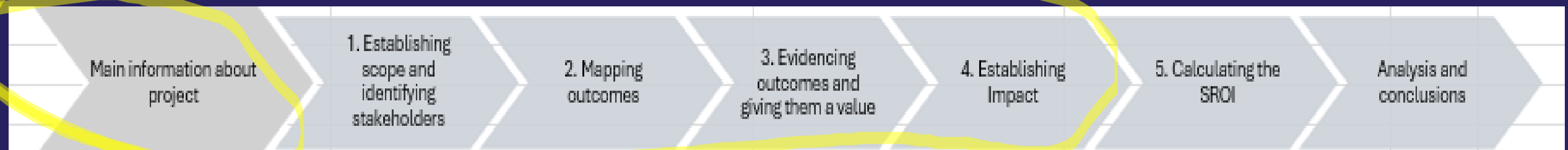
Varying the data and especially the assumptions used in developing an SROI can lead to markedly different valuations and conclusions.

The benefits being assessed can be diverse, and so SROI analyses can take many different forms; be assessed by very different bodies; and of course, depend on varying data and assumptions.

For teams creating a case study, it is crucial to prepare the main information:

1. D3.1 Case Study WP3 Mapping Outputs of arts-based education (in the table send by Kemal) and put in sheet in excel: Main information about project .
2. Selection of stakeholders (Identify key stakeholders and their motivation in project).
3. Think about outputs, outcomes and inputs (quantity, duration and value)

If you encounter problems, we will try to suggest solutions!



Thank you!



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