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# Measuring impact in the third sector

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EREBUS/TSRC Workshop



9 May 2012



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## About NPC:

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- A think tank and consultancy dedicated to helping funders and charities make the greatest possible difference.
- We offer advice based on in-depth research of social issues and tried and tested methods of analysing social impact. We encourage debate about what makes charities and funders effective, and provide organisations with the tools to help them measure their impact.
- Our mission is to put effectiveness at the heart of how all charities work and all funders give, changing more lives for the better.

[www.philanthropycapital.org](http://www.philanthropycapital.org)



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# Why measure your impact?

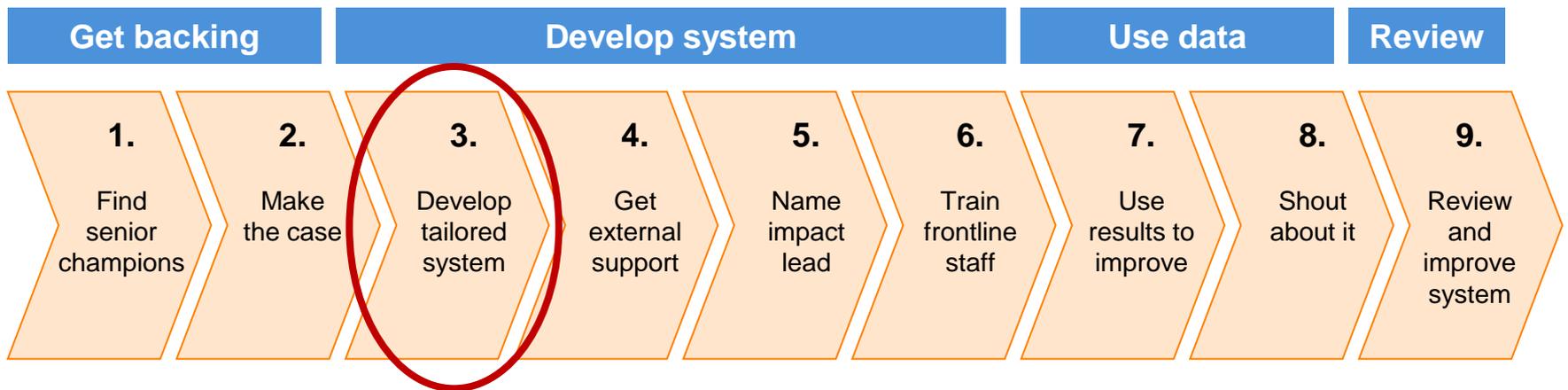
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- Finding out progress against mission
- Learning how to improve
- Securing funding
- Inspiring staff and improving their work
- Raising profile
- Contributing to knowledge of 'what works'

Taken from: Rickey, B. et al (2011) *A journey to greater impact: Six charities that learned to measure better*. New Philanthropy Capital.



# Impact measurement in nine steps



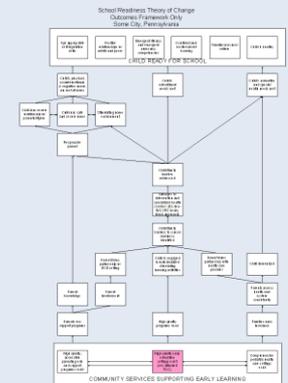
Taken from: Rickey, B. et al (2011) *A journey to greater impact: Six charities that learned to measure better*. New Philanthropy Capital.

# Our building blocks for designing a measurement framework

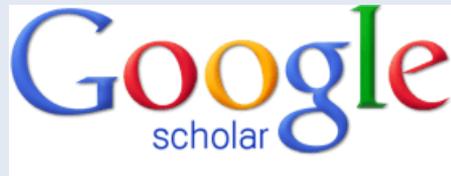
Strategic vision / goals



A well-developed  
**Theory of Change**



Existing evidence



Appropriate measurement tools





# What is a theory of change?

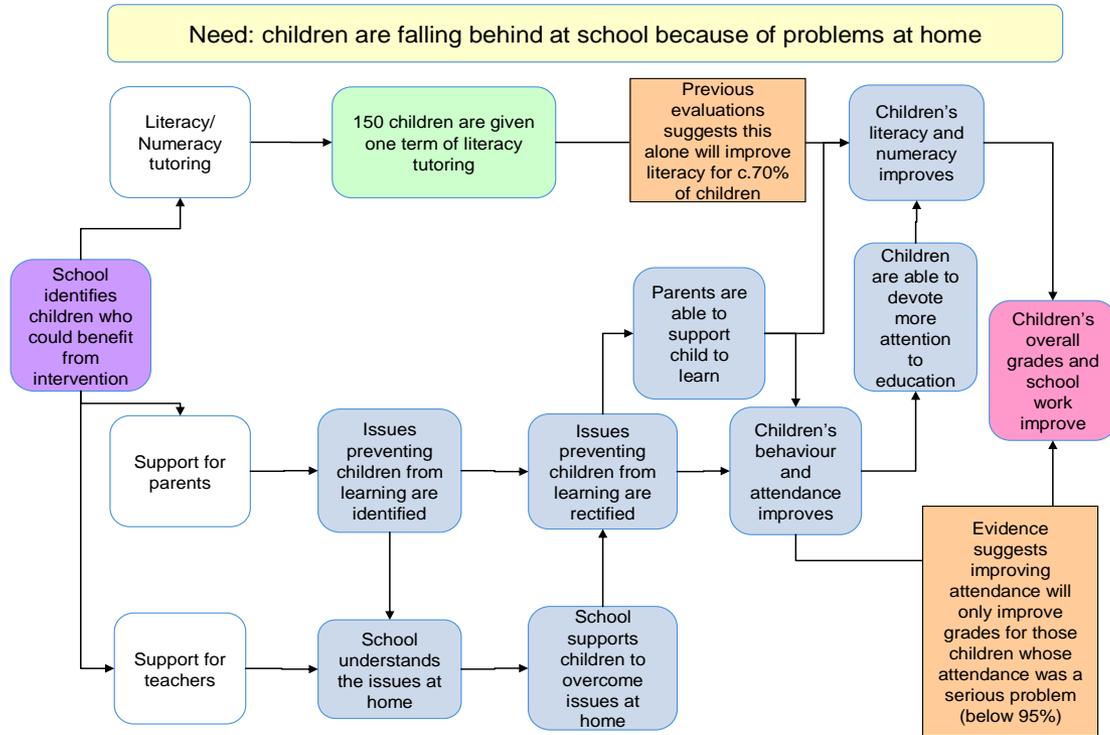
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- A theory of change describes in detail the change you want to make and how you are planning on making that change. It lays out the reason for the intervention, all the steps involved in making it happen, like activities, outcomes, including internal outcomes.
- Importantly, theories of change depict the assumptions that lie behind the reasoning that the intervention will work, and where possible these assumptions will be backed up by evidence. This enables you to be very clear how and why an intervention will work.

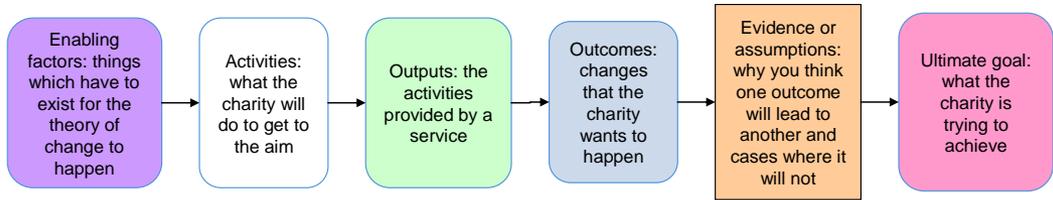
Taken from: Kail, A. and Lumley, T. (2012) *Theory of change: The beginning of making a difference*. New Philanthropy Capital.



# An example of a theory of change



## Key:



# Why build a measurement framework on a theory of change?

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- Ensures that what is measured is embedded in a shared understanding of the planned outcomes of a charity's services
- Provides a mechanism for staff at different levels to have an input into what is measured
- Provides a narrative about the charity's impact
- Facilitates a diagnosis of any unexpected or disappointing results.



# Deciding what to measure

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- To be proportional to the cost of collecting data, it may not be sensible to try to measure all outcomes.
- We identify the pros and cons based on:
  - fit with the framework's objectives
  - ease/cost of collecting the data
  - expected level of rigour of data collected
  - degree to which the data is in the charity's direct control
- We generally recommend spending most effort on measures that are within a charity's direct control, rather than trying to collect data on outcomes that are only indirectly related to the charity's activity.



# How to measure

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- **When you are going to measure:** Timing of your data collection
- **Who should you measure:** Everyone? Sample?
- **How you are going to measure:** What method will you use (oral / written survey, other)?
- **How the data will be stored:** Do you need a database?
- **Who is going to do the measurement:** Who in your team is responsible? Do you need an external evaluator?

# What would have happened otherwise?

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- A robust measure of impact requires a counterfactual. Without one, any claim of impact is vulnerable to the counter-claim that the change would have happened anyway.
- However, developing a counterfactual can be a time-consuming and complicated task and in some instances may not be worthwhile or appropriate.
- The more indirect the outcome, or further in time from a particular activity that it occurs, the more difficult it is to attribute that outcome to a particular activity, because there are many other factors that come into play.
- Some options:
  - The theory of change and stakeholder opinion
  - Administrative data
  - RCTs

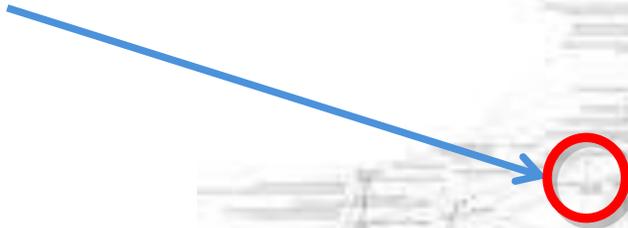


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# But don't get carried away...

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Your  
programme  
is here





# Should we develop our own approach?

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- Many charities we come across tailor their impact measurement to their own organisation. However, in most cases, they have done this using existing methods and indicators, rather than developing their own from scratch.
- At NPC, we believe there should be more ‘off the shelf’ measurement tools to make the process of developing a measurement system easier and cheaper.

See [www.well-beingmeasure.com](http://www.well-beingmeasure.com) and Lumley, T. et al (2011) *Inspiring Impact: Working together for a bigger impact in the UK social sector*

# Barriers to impact measurement and suggested solutions

Barrier	Solution
We do not have the money or the time	Do evaluation internally at low cost
	Demonstrate that evaluation saves staff time
We do not have internal pressure to measure	Convince your chief executive and trustees to become measurement champions
We do not have staff who believe in measurement	Link measurement to the charity's values, and show how it fits with helping beneficiaries
	Convince staff of the need to measure
We do not have measurement expertise	Hire an external evaluator
	Train staff in measurement
	Hire staff who have measurement skills
We do not know what to measure	Hire an external evaluator
	Train staff in measurement
	Hire staff who have measurement skills

# Barriers to impact measurement and suggested solutions

Barrier	Solution
We do not know how to measure	Use proven measurement tools
	Start with data that is simple and quick to collect
We do not have the right data	Tailor data collection to your needs
	Make data collection part of your work
We do not know how to analyse the data	Use experts to analyse and interpret data
	Review literature to identify ways to improve the service
We do not know how to communicate our findings	Focus on analysis relevant to your audience
	Avoid technical language
Our funders are not interested in impact	Find funders who support grantees to evaluate
	Convince funders to pay for complex evaluations



# Most importantly, use it!





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# Contact details

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