

Community Development INVESTMENT REVIEW

www.frbsf.org/cdinvestments

Proceedings of the conference on

Advancing Social Impact Investments Through Measurement

Board of Governors of the Federal Reserve System
March 21, 2011 – Washington, D.C.

Conference Summary and Themes

David Erickson, Federal Reserve Bank of San Francisco

Essays

Metrics Matter: A Human Development Approach to Measuring Social Impact

*Sarah Burd-Sharps, Patrick Guyer, and Kristen Lewis
American Human Development Project*

Including the Beneficiary Voice: The Success Measures Experience

Margaret Grieve and Deborah Visser, NeighborWorks America

What Would Google Do?

Designing Appropriate Social Impact Measurement Systems
Lester M. Salamon, Johns Hopkins University

"Impact Investing": Theory, Meet Practice

Mark Pinsky, Opportunity Finance Network

Solidifying the Business Case for CDFI Nonfinancial Performance Measurement

Ben Thornley, Pacific Community Ventures

Opportunity Data: The Other Half of the Information Equation

Laura Sparks, Citi Community Development and Citi Foundation

The Crisis' Silver Lining: Impact Accounting Penetrates the Mainstream

Sara Olsen, SVT Group

FEDERAL RESERVE BANK OF SAN FRANCISCO



Including the Beneficiary Voice: The Success Measures Experience

Margaret Grieve and Deborah Visser

Success Measures, NeighborWorks America

In a timely, cautionary appeal to Federal Reserve conference participants, Aleem Walji of the World Bank Institute warned of the possible consequences when measurement practices fail to adequately incorporate the voices of end users. As a case in point, according to Walji, the World Bank had been carefully following a set of leading indicators about Egypt's economy before the recent pro-democracy events brought stunning regime change and unleashed the Arab Spring. All of those indicators showed that Egypt was doing well. Investment was up and returns were strong. Yet because no one was directly examining the economic, social, and political aspirations of the youth supposedly benefiting from a growing economy, the depth of their frustrations and the diffusion of these feelings across Egyptian society was largely discounted or missed, even by those responsible for assessing the impact of interrelated development strategies. Walji's call to incorporate the "politics of dignity" into the investment equation echoed the comments of Lester Salamon, of the Johns Hopkins Institute for Policy Studies, who also warned of the significant costs of not accurately depicting beneficiary, or end users', voices when crafting and monitoring investment initiatives.

Much of the debate surrounding this issue has focused on whether measuring more textured personal and community change is too challenging or costly, or even possible at all. This point is underscored as comprehensive measures have emerged in recent years that demonstrate the impact of social investments. Yet these new metrics rarely document the experiences and perceptions of program participants, community residents, and other beneficiaries. Data drawn from public sources and program records tell a strong story of program performance and related demographic, economic, and social indicators. But they often fail to provide the full story of actual change in personal and community life. Although many of these new social impact measurement systems may describe the more nuanced effects of various interventions, they have yet to incorporate ways of consistently tracking changes at the client and community level.

As this essay contends, it is not only possible, but essential, to capture the beneficiary voice, the views of informed community stakeholders, and the observed physical changes that are occurring on the ground. These results can be obtained in conjunction with other critical measures rather than as add-ons to be tackled at a later date. As we show, it is possible to do systematic, methodologically sound impact measurement that more fully demonstrates what investors want to know: How are people's lives improving? How are communities changing?

Measuring the “Hard to Measure”

For more than a decade, under the auspices of the Success Measures program based at NeighborWorks America, national, regional, and local nonprofits in the affordable housing and community development field have been demonstrating that it is possible to document “hard to measure” personal, organizational, and community outcomes. They have collaborated with their peers, researchers, and funders to design, test, and deploy tools that elicit beneficiary voice in addition to any observable changes. These shared measures and data collection tools effectively capture the social impacts of a range of both people- and place-based investments and programs.

Success Measures is a specialized community development evaluation resource. Since 2005, this social enterprise has provided services to 340 local community development organizations and funders. It draws on a growing, well-vetted resource library of more than 80 outcome measures and 240 corresponding data collection instruments. These surveys, interview guides, observation checklists, focus group protocols and spreadsheets, used alone or in combination, measure outcomes for a wide range of program areas. These include affordable housing, economic development, neighborhood revitalization, financial capability, and green residential and community energy conservation practices. Practitioners build their own capacity to track results over time, identify emerging trends and opportunities, and use what they learn to better allocate resources. The Success Measures Data System (SMDS) also structures data collection for field work or online delivery, and tabulates, aggregates, and stores the resulting evaluation data for easy retrieval for further analysis.

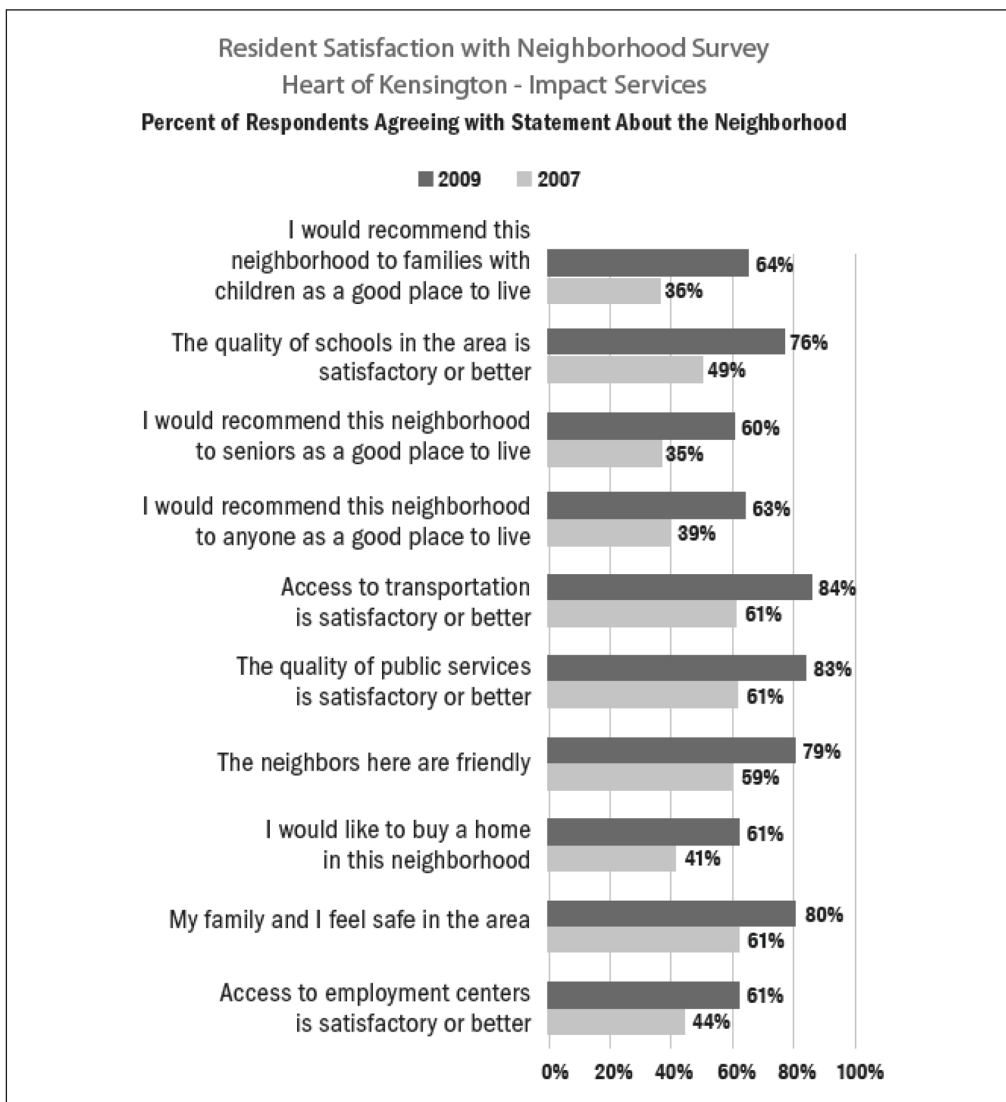
Engaging Beneficiaries

In addition to community-based agencies, investors, foundations, and other funders have used the rich repository of data in the SMDS to better understand the many changes taking place at the community level, promote effective practice, and reassess needs across grant-making portfolios or geographic regions. For example, through an innovative partnership with the Wells Fargo Regional Foundation, 50 organizations serving low- and moderate-income communities in New Jersey, Delaware, and eastern Pennsylvania are using a common Success Measures survey tool to track changes over a multi-year period during intensive neighborhood-directed revitalization efforts. The results combine hard-to-measure factors, such as social capital and a sense of well-being, with observations of physical conditions of neighborhoods and data on market health. The Foundation has used the insights to improve programs, refine its grant-making strategies, and leverage resources for neighborhood planning processes at the state and local levels.

Impact Services, a Philadelphia-based grantee in the Wells Fargo Regional Foundation initiative, was able to better target its ongoing development efforts by gaining a greater understanding of the impact of its commercial revitalization and related community outreach and organizing efforts. The initial stage of this particular project, from 2007 to 2009, centered on community outreach and planning for bricks and mortar development.

Using the Success Measures “Resident Satisfaction with Neighborhood” survey, the organization found increased resident satisfaction in every measure of neighborhood quality of life over the period (see Figure 1). This finding underscored the value of community building as a foundation for the revitalization process. As the cornerstone of these evaluation activities, the process of eliciting feedback from residents who could describe the changes taking place in their neighborhoods proved not only accurate, but an effective method of engaging citizens and developing social capital over the long term.

Figure 1. Excerpt of Impact Services’ Success Measures Resident Satisfaction Survey Results 2007 and 2009



The experience of Neighborhood Housing Services (NHS) of Toledo, Ohio, is another illustration of how a veteran neighborhood community development organization used these tools. Since 2007, through support provided by NeighborWorks America for its member organizations, NHS of Toledo has been partnering with Success Measures to develop and implement a comprehensive community-level outcome evaluation of its efforts to stabilize areas hard hit by the foreclosure crisis. Initially, the organization conducted a survey of resident satisfaction and neighborhood security in one designated target area. They also collected “person on the street” interviews regarding community use of public space as well as interviews with key stakeholders on their perception of the neighborhood. These surveys were complemented by direct visual assessments of building conditions by NHS of Toledo and by gathering building permit data for the area. (Figures 2 – 4 illustrate sample data from NHS of Toledo’s evaluation of the High Level neighborhood.)

Figure 2. Housing Quality in the High Level Neighborhood, Toledo, OH, 2009

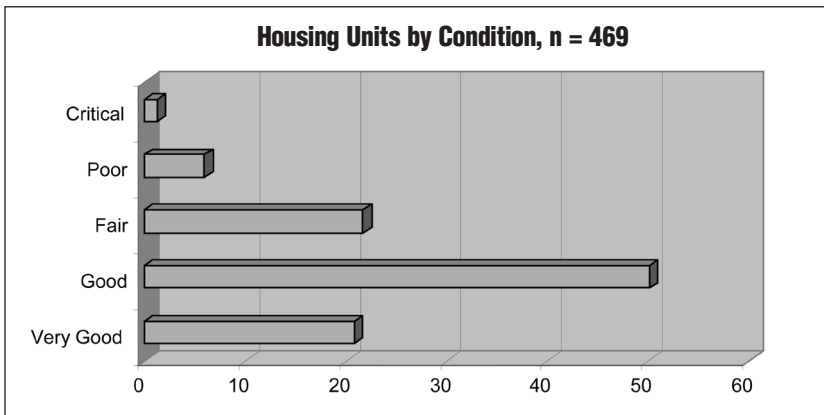


Figure 3. Building Permit Activity in the High Level Neighborhood, Toledo, OH, 2009

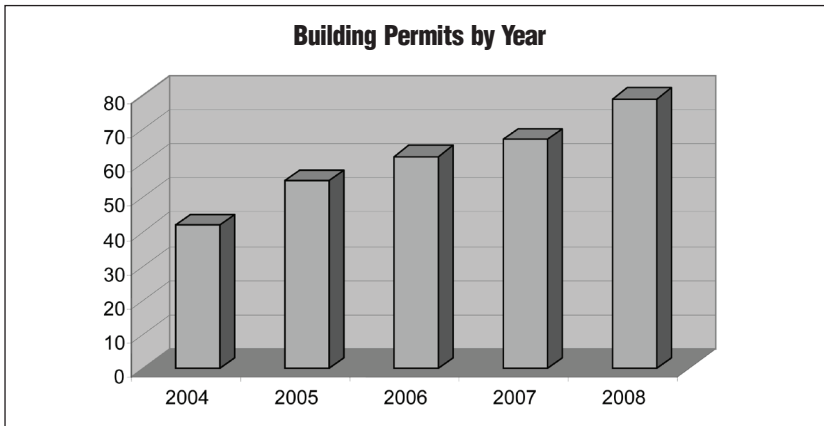
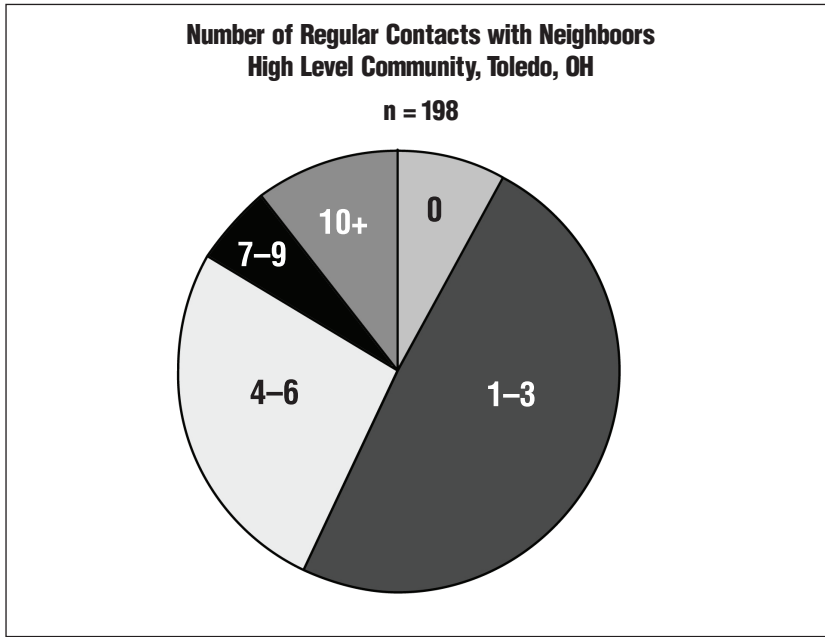


Figure 4. High Level Neighborhood Residents' Sense of Community, Toledo, OH, 2009



In addition to providing valuable “real time” data on the physical conditions of one neighborhood, as well as documenting people’s opinions on quality of life in the area, the Toledo evaluation jump-started a series of unanticipated, but related, events. Using information gleaned from the pilot evaluation in its marketing and advocacy efforts, NHS was able to expand evaluation activities to four neighborhoods, including one in which a hospital was an anchor institution. The hospital was interested in using data in a more systematic way to advance its own institutional priorities; prime among these were enhancing safety around the hospital and improving relations with the community. In close collaboration with NHS, the hospital assigned staff to use Success Measures’ tools and participatory process to coordinate its internal evaluation strategies with the outcome assessment activities of NHS. These activities helped energize the neighborhood and led to the creation of block watch committees and an expanded community policing program. And, with the major hospital as its partner, NHS of Toledo was able to secure state housing tax credits to further its stabilization efforts. Key aspects of their success were the care they took to develop and select tools and outcome indicators that were appropriate for specific community contexts. The success also sprung from the creative use of data collected to drive programming, and a willingness to use shared measures with a broad group of stakeholders. This is a best-case example of using core elements of participatory evaluation to break out of traditional silos and, by doing so, to attract much-needed additional investors. (See figures 5 and 6)

Figure 5. Sample of Key Findings about Toledo's High Level neighborhood, 2009

- The majority of residents felt that the neighborhood housing stock was good and improving.
- While residents felt relatively safe within their homes, they were concerned about safety during evening hours. This was attributed to suspension of regular police patrols in favor of a "quick response" tactic.
- People were not socially isolated. There was a definite sense of community in the neighborhood, reflected by significant social interaction.
- People were using a new tax-funded library and a bike path in the community.
- People were re-investing in their property as verified by a gradual rise in the number of building permits issued.
- Many people expressed that investments in new and rehabilitated housing have made a significant contribution to improving the built environment of the neighborhood.

Figure 6. Success Measures Data Collection Tools Used by NHS Toledo

Housing Quality – visual assessment of housing units using a standard rating protocol

Neighborhood Security – resident survey

Resident Satisfaction with Neighborhood Quality of Life – resident survey

External Perception of the Community – key informant interviews

Community Use of Public Space – observations at key locations in community during different times of day

Building Permit Activity – review of secondary data from local government

Success Measures also assists organizations like the Primavera Foundation, a multi-service community-based organization serving Tucson and Pima County, Arizona. In this case, the tool helped document the results of the Foundation's financial capability and education programs. Success Measures' Financial Capability data collection tools, which Primavera used, are the product of a multi-year collaborative development process in which more than 80 leading practitioners, researchers, and funders helped frame new measures to document changes in financial status, attitudes, behavior, and resilience. Nineteen organizations then tested these tools, representing a broad array of asset development, financial education, matched savings, volunteer tax preparation, and asset preservation programs. As one of the test sites, the Primavera Foundation helped ground the tools in the cultural conditions of its community. The organization has since incorporated use of the tools into ongoing program delivery and tracking. The tools allowed Primavera to track changes in behavior or attitudes

that were occurring as a result of its work with low-income clients. The Foundation was able to collect and analyze additional client information such as:

- How clients accessed and used formal financial resources;
- The range of options used to make payments;
- Whether clients invested;
- How they accessed and used credit; and
- Whether they budgeted and how they prioritized spending.

According to Primavera CEO Peggy Hutchison, the organization's ability to track clients' behavior and attitude changes over time "put us in the forefront of being able to look at what long-term change we're making in people's lives and in the community. This is what we want to know, and also what funders want to know. People want more than numbers."

Success Measures is grounded by measurement tools that have been tested in a variety of cultural contexts, and reinforced by data collection practices and analyses that are rigorous and credible. It has assisted numerous organizations whose evaluation initiatives all make a compelling case for how a systematic participatory approach can become a core part of their decision-making procedures and provide potential investors with additional layers of information.

In addition, the easily accessible web-based system behind Success Measures tools is integral to the success of this evaluation approach. Openness, precision, and accountability are key elements of the system, allowing it to be used effectively by professionals and non-professionals alike. The Success Measures indicators and survey instruments offer practitioners the opportunity to compile a rich repository of information that can be shared among community-based groups to tell stories of success, advance joint advocacy efforts, and inform effective practice across the field.

Implications for the Field

With origins in the international development arena, "participatory evaluation," also referred to as participatory action research, is recognized as a methodologically sound approach that leads to both more relevant results and self-sustained action in local communities. This type of assessment should not be viewed as a substitute for analyses undertaken by third-party evaluators or certain types of focused research. Rather, it is a valuable addition that can add texture and depth to those efforts. Similarly, the outcome indicators developed by Success Measures are intended to be coupled with, and not serve as a replacement for, the tracking of outputs that define measures of performance. The practitioner-leaders who laid the groundwork for the Success Measures tools were motivated by the need to move beyond simple performance evaluation. They sought to address gaps in the evaluation landscape by producing common outcome measures that could best convey the multi-dimensional aspects of community development.

Over the past decade, much has been learned about how the participatory approach to measuring social impact relates to, and informs, leading efforts that are gaining traction in the field. These include the IRIS/PULSE taxonomy and tools developed by the Acumen Fund, CDFI Common Data Project, B Impact Rating System, CDFI Assessment and Ratings System (CARS), and other initiatives in the areas of financial capability, shared equity homeownership, and charter school reform, to name just a few. Integrating relevant outcome measures into these performance assessments would, in a very concrete way, address the need to fully understand shifts in client attitudes and behaviors in response to a variety of interventions, and help to further identify those subtle triggers that lead to social change.

Maggie Grieve directs Success Measures® and has guided its growth since its inception as a specialized outcome evaluation resource for the community development field. Maggie has more than 35 years of experience in the community development field, and has provided a range of consulting, research, and management services to assist community-based organizations, intermediaries, local governments and foundations in the design and implementation of participatory planning, evaluation, and action research initiatives. She holds a B.A. in American studies from the University of Minnesota and studied Urban Planning at the Graduate School of Fine Arts, University of Pennsylvania.

As Director of Success Measures Investments and Partnerships, Debby Visser is responsible for partner and resource development, and special initiatives that advance the use of outcome evaluation by funders and community-based organizations. She also leads the Success Measures marketing and communications efforts. For more than a decade, Debby was Principal of Visser and Associates, where she advised philanthropies and nonprofits working in the community development arena, and she served as Program Officer for Community Revitalization at the Surdna Foundation. She holds a B.A. from Case Western Reserve University and a Masters Degree in City Planning from the University of Pennsylvania.

Community Development INVESTMENT REVIEW

Free subscriptions and additional copies are available upon request from the Community Development Department, Federal Reserve Bank of San Francisco, 101 Market Street, San Francisco, California 94105, or call (415) 974-3467.

Change-of-address and subscription cancellations should be sent directly to the Community Development Department. Please include the current mailing label as well as any new information.

The views expressed are not necessarily those of the Federal Reserve Bank of San Francisco or the Federal Reserve System. Material herein may be reprinted or abstracted as long as the *Community Development Investment Review* is credited.

