

2008

TROPMAN REPORT

*Applied Research about the Pittsburgh Region's Nonprofit Sector***SOCIAL RETURN ON INVESTMENT  
CASE STUDY ANALYSIS:***Community Human Services**In-Home Services/Homemaker Program**The Union Project**Youth Barista Program*

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The social impact of the nonprofit sector is difficult to quantify. For example, what impact do nonprofits have on the economy by addressing issues such as homelessness, hunger, poverty, crime and literacy? How do nonprofits reduce the tax burden of citizens by providing services not offered by public or private sources? How does a thriving nonprofit sector help in attracting and retaining citizens to live in the county? While there are many individuals within the sector such as nonprofit executives, board members and consumers who can attest to the impact of the sector on the economy, much of the information regarding the sector's impact remains fragmented and anecdotal. In response, The Forbes Funds commissioned the University Center for Social and Urban Research (UCSUR) at the University of Pittsburgh to identify a method for measuring this impact, or what is called an agency's social return on investment.

Social Return on Investment, or SROI, is a social impact method that recognizes that social missions of nonprofit organizations have quantifiable, economic value. Social impact methods attempt to monetize some of the social and environmental outcomes of nonprofit organizations. While most social activities of nonprofit organizations are not measured or quantified by standard accounting, some do have quantifiable outcomes. An SROI analysis determines the values of outcomes and compares it to the investment needed.<sup>1</sup> For example, volunteering has opportunity costs that can be calculated with appropriate wage values. Workforce development initiatives can compare a client's income before training with income achieved afterward. If training is for an unemployed population, social costs of unemployment can be compared to the earnings and societal contributions of an individual after moving into the workforce.

<sup>1</sup>Gair, Cynthia. "A Report From the Good Ship SROI." 2002. The Robert Enterprise Development Fund. 23 Jan. 2009 <[http://www.redf.org/system/files/\(2\)+A+Report+from+the+Good+Ship+SROI.pdf](http://www.redf.org/system/files/(2)+A+Report+from+the+Good+Ship+SROI.pdf) >

**TABLE 1. SOCIAL RETURN ON INVESTMENT METHODOLOGY**

STAGE	ACTIVITY
<b>DEFINE BOUNDARIES</b>	Define the scope of work and determine what is being evaluated.
<b>DATA COLLECTION</b>	Utilize document reviews, research and staff interviews to collect as much data as possible about the program. Two phases of data collection are often used to enhance validity and reliability of output.
<b>STAKEHOLDER ANALYSIS</b>	Analyze which populations are impacted by the program.
<b>IMPACT MAP</b>	Plot stakeholders, desired outcomes, and indicators to determine impact on each group. The impact map tells how the program makes a difference or how the organization delivers on its mission.
<b>ANALYSIS</b>	Apply financial proxy measures for indicators and calculate economic value of each indicator. This includes comparing results to benchmark data assuming the program did not exist.
<b>RESULTS AND SENSITIVITY ANALYSIS</b>	Review assumptions and attributions (results that are shared by other programs or organizations) to determine concrete SROI figures. Conclusions can be reported in multiple outlets.

After looking at several methodologies for measuring SROI, UCSUR selected the model developed by Robert Enterprise Development Fund (REDF) and J. Emerson and adapted by the New Economics Foundation (nef). This model is regarded as the first SROI method and was developed to assess whether REDF was accomplishing its mission, whether the benefits outweighed the investment, to inform future decisions and to communicate impact to potential investors.<sup>2</sup> The New Economics Foundation revised the model to produce a more streamlined and less time-intensive approach to measuring social impact.<sup>3</sup> The SROI model used here develops an understanding of the organization, how it meets its objectives, and how it works with its stakeholders. The organization can then create its own impact map which links inputs and outputs through to outcomes and impacts.

Two case studies of measuring SROI were created in an attempt to develop and test this method of measuring social impact. An established program of the Community Human Services Corporation,

the Homemaker Program was selected for the first case study. The second case study is an analysis of a relatively new and evolving program at the Union Project, the Youth Barista Program. Understanding SROI can help an organization to review and refine service delivery, address issues of accountability and transparency, and more effectively communicate their impact to funders, stakeholders and the community.

The first step in conducting the SROI analysis is to identify which program is being analyzed and to collect as much information about the program as possible. Included in this data collection is an analysis of the stakeholders. An impact map is then created to link program outcomes to stakeholders and to select indicators of social impact. Each indicator has features that must be evaluated, including selecting a financial proxy, determining attribution and analyzing benchmarks for deadweight, displacement and drop off.<sup>4</sup> Table 1 outlines the stages of an SROI analysis. Table 2 provides an overview of common terms used in SROI analysis.

<sup>2</sup>Javits, Carla J. "REDF's Current Approach to SROI." May 2008. The Robert Enterprise Development Fund. 23 Jan. 2009 <[http://www.redf.org/system/files/\(1\)+REDFs+Current+Approach+to+SROI.pdf](http://www.redf.org/system/files/(1)+REDFs+Current+Approach+to+SROI.pdf)>

<sup>3</sup>Durie, S. (2007). Solstice Nurseries: Social Return on Investment Report. Series Report No. 2. PLACE: Social Economy Scotland Development Partnership.

<sup>4</sup>"Measuring Value: A Guide to Social Return on Investment". 2008. Nef. 23 Jan. 2009 <<http://www.neweconomics.org/gen/uploads/jkefez55axlzer31smpvcv4520062008134406.pdf>>

**TABLE 2. COMMON TERMS USED IN SROI ANALYSIS**

<b>IMPACT</b>	Outcomes achieved through activity with any deadweight, drop off, attribution or displacement effects taken into account.
<b>DEADWEIGHT</b>	Estimate of the social benefits that would have been realized without intervention. SROI analysis provides a method for estimating how much of the benefit would have happened anyway by making use of available baseline data and subtracting this from the organization's calculated outcomes.
<b>DROP OFF</b>	The proportion of an outcome that is not sustained can be calculated using benchmarking information or research evidence. For example, a program that provides assistance to people searching for employment may have participants who drop out of employment soon after getting a job. Therefore, those participants cannot be counted and the lasting value created would decrease. Benchmarking this project against other projects' employment outcomes may be one way of estimating how to take this drop off into account.
<b>ATTRIBUTION</b>	In some situations the organization will be sharing the returns with other agencies including those that have been involved in supporting individual participants. The additional value created has to be shared between those agencies and only the proportion of the returns generated by the organization is included in the calculation of SROI.
<b>DISPLACEMENT</b>	In some cases, the positive outcomes for stakeholders generated by an activity are offset by negative outcomes for other stakeholders. For example, an employment organization may place individuals with employers at the expense of other individuals who are seeking work.
<b>FINANCIAL PROXY</b>	A financial proxy is substitute value which is used within SROI to monetize an outcome. For example, an improvement to mental health might be compared with a measurable reduction in hospital visits in order to derive a financial value that represents the impact upon an individual's mental health.

### **COMMUNITY HUMAN SERVICES CORPORATION - HOMEMAKER PROGRAM**

Community Human Services Corporation (CHS) is a human service agency focusing on youth, family, mental health, residential programs and homeless services. CHS grew out of the needs and changes in the Oakland neighborhood of Pittsburgh and today its programs extend throughout the city and county while retaining an emphasis on serving Oakland residents. By engaging with the residents and organizations located in Oakland, CHS provides services which reflect "a need in our culture to mix informal community rituals with the more formal supports and interventions." This concept integrates people and helps rebuild community while assisting persons at risk.<sup>5</sup>

One of the many programs CHS offers is the Homemaker Program. The Homemaker Program provides care to residents with disabilities who live in their own homes. Services include emergency-based personal care, on-going personal care, home help and caretaker relief. Participants in the Homemaker Program must have a disability, live in the city of Pittsburgh (excluding the North Side), be 18-59 years old and have an income of no more than 250% of the poverty guidelines.

The goals of the Homemaker Program are to ensure that participants in the program:

- Remain in their home and avoid early placement in long term care;
- Enjoy a clean, safe and healthy home;
- Reduce the risk of isolation.

<sup>5</sup>CHS website <http://www.chscorp.org/>, accessed on 01/12/2009

The Homemaker Program began in 1982 when an Allegheny County demonstration project was implemented for the purpose of employing and training welfare recipients to work as homemakers. Once the program demonstrated success in placing people into jobs, the program changed focus to ensure that quality services were available to assist people with disabilities to stay in their homes.

The Human Services Development Fund, administered through the Allegheny County Department of Human Services, provides support for the program. On average, the program serves 100 persons per year, with 101 participants in the latest fiscal year, at an annual cost of \$306,000. The program has one part time and eight full time employees. The in-home coordinator, who reports to the health director, is responsible for the overall program coordination. An in-home assessor evaluates clients' needs to qualify for services and the homemakers provide the care and home assistance for the program participants.

The Homemaker Program is part of a larger programmatic movement to help the elderly and people with disabilities remain in their homes and communities. This reflects both social and personal preferences for continuing individual living situations coupled with rising costs of institutional living arrangements.<sup>6</sup> One constraint in the past to expanding in-home services has been federal funding formulas that favor institutional care over community or home-based services. Less than \$1 for every \$5 spent by Medicaid for care goes to home- or community-based care in Pennsylvania. Institutional care represents the bulk of Medicaid spending.<sup>7</sup> Nonetheless, spending for home and community-based care has been rising rapidly over nearly two decades. It is expected to continue to rise as more institutions are closed.

Previous evaluations of the Homemaker Program analyzed program effectiveness from organizational and managerial perspectives. These evaluations found the program successful through:<sup>8</sup>

- A team approach in program implementation;
- Employment of homemakers as salaried and valued team members;
- Frequent communication between clients, homemakers and staff;
- Weekly meetings attended by homemakers and staff;
- Develop of service care plans with client input; and
- Close monitoring of program activities.

The social impact, however, was not previously measured.

## **SROI ANALYSIS OF THE HOMEMAKER PROGRAM**

### **Step One: Determine Boundaries**

The SROI team met with CHS to discuss their programs and define the scope of work. The main criteria were to satisfy CHS's desire to measure a specific program and the availability of the SROI team regarding time and resources. The Homemaker Program satisfied CHS's desire to measure social impact for a particular program while providing reasonable analysis within the bounds of time and resources. The Homemaker Program has a long history and has been separately and consistently funded by the Human Services Development Fund of Allegheny County. This factor makes the evaluation of the social impact of the program an easier task compared with those sponsored by a variety of funders over different time frames. The goal was to determine the added value of enabling individuals to remain in their homes versus putting them in institutional care.

### **Step Two: Data Collection**

Various data collection techniques and sources were used such as archival document review, overview of program outcomes, library and internet research and interviews. The first phase of data collection involved reviewing program information as well as a review of similar health care programs. The second phase of data collection involved interviews with staff from CHS to collect first hand data about program performance, evaluations, budgets and turnover rates.

<sup>6</sup>O'Shaughnessy, C., Weissert, R., Stone, J., Panangala, S. and Walters, M. (2003). A CRS Review of 10 States: Home and Community-Based Services – States Seek to Change the Face of Long-Term Care: Pennsylvania. Order Code RL31850. Washington, D.C.: Congressional Research Service, Library of Congress.

<sup>7</sup>ibid

<sup>8</sup>K.S. Peterson (1997). Community Human Services Corporation In-Home Service Program Evaluation Report, University of Pittsburgh.

**Step Three: Stakeholder Analysis**

A comprehensive list of stakeholders was constructed based on the data collected. This list included direct and indirect beneficiaries such as families and neighbors of participants and community members.

For this study, however, priorities were established to focus on the direct stakeholders in the program – the participants, CHS staff and the funder. Table 3 lists each stakeholder group, their input into the program and anticipated output and outcomes.

<b>TABLE 3. HOMEMAKER PROGRAM STAKEHOLDER ANALYSIS</b>			
<b>STAKEHOLDER</b>	<b>INPUTS</b>	<b>OUTPUTS</b>	<b>INTENDED OUTCOMES</b>
<b>PARTICIPANTS/ CLIENTS (101 DURING THE LAST FISCAL YEAR)</b>	<ul style="list-style-type: none"> <li>• Time</li> </ul>	<ul style="list-style-type: none"> <li>• 1.5-2 hours of service per visit</li> <li>• 2-5 visits per week for the majority of clients</li> <li>• Instructional clients= 3 hours per visit</li> <li>• Caretaker relief= 3.5-4 hours per visit</li> <li>• Home help clients= 3.5 hours per visit</li> </ul>	<ul style="list-style-type: none"> <li>• Improve ability to stay in their homes</li> <li>• Have a clean, healthy and safe environment</li> <li>• Can better interpret own needs</li> <li>• Reduce risks associated with isolation</li> </ul>
<b>COMMUNITY HUMAN SERVICES STAFF</b>	<ul style="list-style-type: none"> <li>• Time</li> <li>• Training</li> <li>• Materials</li> </ul>	<ul style="list-style-type: none"> <li>• Serve over 100 clients per year</li> <li>• Renew grant for the program every year</li> </ul>	<ul style="list-style-type: none"> <li>• Sustaining program</li> </ul>
<b>HUMAN SERVICES DEVELOPMENT FUND, DEPARTMENT OF HUMAN SERVICES, ALLEGHENY COUNTY</b>	<ul style="list-style-type: none"> <li>• \$306,000 grant year (provides for all expenses for program)</li> </ul>	<ul style="list-style-type: none"> <li>• CHS serves DHS clients</li> </ul>	<ul style="list-style-type: none"> <li>• Savings on not having to institutionalize individuals served by this program</li> </ul>
<b>HOMEMAKERS</b>	<ul style="list-style-type: none"> <li>• Labor (8 people work 37.5 hours per week, 1 works 7.5 hours per week)</li> </ul>	<ul style="list-style-type: none"> <li>• Wages/benefits</li> <li>• Sense of purpose</li> </ul>	<ul style="list-style-type: none"> <li>• Continued employment with living wages and good benefits</li> </ul>
<b>FAMILIES/NEIGHBORS</b>	<ul style="list-style-type: none"> <li>• Relative’s care</li> <li>• Neighbor’s care</li> </ul>	<ul style="list-style-type: none"> <li>• Not assessed, but additional survey work could be done</li> </ul>	N/A

#### Step Four: Impact Map

While inputs and outputs are relatively easy to assess, the outcomes of the program are more difficult. The SROI process considers both short term outcomes and longer term results. The impact map seeks to address the following questions:

- How does the program affect the key stakeholders?
- How does the program work through analysis of inputs, outputs, outcomes and impacts?

The impact map focuses directly on the costs of the program and costs of program alternatives for participants. Because alternative programs also funded through DHS are the financial proxies developed, further proxies are not needed. For instance, there is no separate financial proxy developed for DHS. For homemakers, who are also key stakeholders in the program, the SROI is simplified to develop financial proxies for the costs of the program through alternative care for participants. See Table 4 for the complete impact map.

#### Step Five: Analysis

This analysis focused on estimating the cost of avoiding early placement in long term care. Those alternative care programs were identified as a result of analyzing the impact map. Program costs for one year were compared with three alternative programs now in place in Allegheny County. These programs are:

- Options Program – Department of Aging program for elderly and physically disabled adults 18-59 who receive a monthly cap of expenses per person.
- Dom Care – CHS’s program for the elderly or mentally ill who can no longer live independently and require services daily.
- Attendant Care – Participant stays in own residence but requires a higher level of service than the Homemaker Program.

The Options Program was at the lowest cost comparison, capped at \$625 per month by the state. The most expensive alternative program was the Attendant Care program, with Pennsylvania

expenditures averaging \$16,268 per person. Dom Care, at \$914 per person per month, fell in the middle range.

The comparable programs represents a range of program options if a participant was not in the Homemaker Program. The costs of each alternative program were analyzed and compared to the Homemaker Program costs resulting in the estimates of cost differential.

#### Step Six: Results and Sensitivity Analysis

The Homemaker Program provides cost-savings for the community and public by avoiding more costly alternative care programs. At an annual budget of \$306,000, if the average number of participants in the Homemaker Program were enrolled in the alternative programs, the annual additions in human services costs for this population would range between \$451,426 for the Options Program and \$1,336,907 for Attendant Care. Dom Care would cost an additional outlay of \$801,000. For every \$1 spent on Community Human Service’s In-Home Services Homemaker Program, county and state agencies save an estimated \$1.48 to \$4.37 in alternative care options. These savings are often directly passed on to the government and general public who most often bear the costs of these programs.

These are direct savings from the Homemaker Program participants not requiring alternative, more expensive care. There are, however, other elements of CHS’s Homemaker Program value that are not captured in these figures, including the value of social inclusion by participants remaining in their homes and communities. These additional social benefits are beyond the scope of this analysis, but could be analyzed further by CHS with additional resources. Although research on measuring social inclusion is in its early stages, research results from a study in Scotland measures improvement in people’s level of social inclusion.<sup>10</sup> A number of options were available for the ‘positive’ use of time (seeing family, meeting friends, volunteering, and leisure time with others) as well as some options that might be seen as negative e.g.

TABLE 4. IMPACT MAP<sup>9</sup>

KEY STAKEHOLDER	DESIRED OUTCOME	INDICATOR USED	FINANCIAL PROXY USED	SOURCE OF FINANCIAL AND MONITORING INFORMATION	ATTRIBUTION	BENCHMARK FOR DEADWEIGHT	BENCHMARK FOR DISPLACEMENT	BENCHMARK FOR DROP OFF
<b>Participants (101)</b>	Ability to stay in their homes, have a clean, healthy and safe environment, better interpret their needs and reduced risks associated with isolation	Staying at home, time spend with homemaker and retention in program	Alternative care costs	Country DHS or state	None	Family friends, neighbors, church or benevolent society	Costs of similar services	Leaving program
<b>Community Human Services</b>	Sustaining program	Program funding, low turnover and fewer new trainings	Dollar costs, total and per person	Previous program evaluation and budget	None	n/a	Costs of similar services	Leaving program
<b>Human Services Development Fund</b>	Savings on not institutionalizing participants	Increased funding in another setting	Same as above	See above	n/a	n/a	Costs of similar services	Leaving program
<b>Homemakers</b>	Continued employment	Job opportunity	Not evaluated in this study	CHS documents	n/a	n/a	n/a	n/a

<sup>9</sup>It is typical for impact maps to have empty cells the further away from the primary stakeholder the map goes. For those cells the research teams has place "n/a". "Measuring Value: A Guide to Social Return on Investment". 2008. Nef. 23 Jan. 2009 <<http://www.neweconomics.org/gsa/uploads/kefez55axtzer31smvpcp4520062008134406.pdf>>

solitary leisure time, sleeping, watching TV. Financial value is assigned to the increased number of hours and used for SROI analysis. To complete a study like this requires tremendous effort in conducting follow-up and surveys. It is worthy mentioning, however, that the Homemaker Program generated greater social value than the dollar savings measured here.

Other possible additions to this analysis include the value of a clean, healthy and safe home environment as measured through improvement in health conditions, reduced reliance on medicines and reduced number of accidents. Again, this requires longer term follow-up effort and collaboration with CHS homemakers.

The social value also extends to the employees of the program. The homemakers gain the sense of security from a stable job with living wages and benefits, especially considering many of the staff were recruited as welfare recipients. Job satisfaction in the Homemaker Program is evidenced by the very low staff turnover rates. This continuity of care adds additional value for participants and the community at large.

The social value added of the Homemaker Program is profound. The impact of the Homemaker Program on the community and society is much greater than monetary calculation. Nonetheless, by focusing on direct alternative care programs for CHS's Homemaker Program participants, this SROI demonstrates a sizeable and significant cost savings for the public.

## **THE UNION PROJECT - YOUTH BARISTA PROGRAM**

The Union Project is a nonprofit organization that seeks to create community by connecting neighbors and celebrating art and faith in common space. The Union Project provides neighborhood space to connect, create and celebrate through the restoration and reuse of the abandoned Union Baptist Church. Since its inception in 2001, the Union Project has received tremendous support from the community

with over 4,000 volunteers contributing more than 40,000 hours of work. In 2006, the Union Project created four social enterprises that both generate income for the organization and serve to fulfill its mission: 1) space rental, providing gathering space for community, family and professional events, 2) the EatUp Café, an in-house eatery and coffee shop, 3) Ceramics@UP, a production pottery and community co-operative ceramics studio and 4) GlassAction, stained glass restoration focusing on the preservation of historic windows.

This SROI study examines the Youth Barista Program, housed in the EatUP Café. The program works with young men and women, 18-21 years of age, who are “aging out” of foster care to provide them with employment and life skills. “Aging out” marks the years when a former foster child is too old for child welfare programs, but perhaps not ready for living independently as an adult.<sup>11</sup> Twenty-thousand youth “age out” of foster care each year.

Research has shown that the transition between foster care and adulthood is a difficult and important period for young adults. “This population is less well educated, more likely to not have a high school diploma, and experiences more material hardships than peer groups.”<sup>12</sup> Youth aging out of foster care have average earnings below the poverty level and progress at a slower pace in the job market than other adults.<sup>13</sup> Furthermore, this population also becomes financially independent far earlier than their counterparts. Individuals may have difficulty earning a living, which can lead to higher rates of homelessness, crime, and incarceration later in life.<sup>14</sup> Former foster care individuals also had significantly higher rates of involvement in the criminal justice system, from arrests to convictions, than their peers. The report concluded that their findings “powerfully illustrate the inadequacy of society’s efforts to date to ensure that young people for whom the state has become the parent make a successful transition to adulthood.”<sup>15</sup>

<sup>10</sup>Sheila Durie, (2007), Impact Arts Fab Pad Project: Social Return on Investment Report, Commissioned by Social Economy Scotland Development Partnership

<sup>11</sup>Courtney, M.E, Dworsky, A., Cusick, G.R., Havlicek, J., Perez, A., and Keller, T. (2007). Midwest Evaluation of Adult Functioning of Former Foster Youth: Outcomes at Age 21. Executive Summary. Chapin Hall Center for Children, University of Chicago, Chicago, December.

<sup>12</sup>Courtney, M.E. and Hughes Heuring, D. (2005). The Transition to Adulthood for Youth “Aging Out” of the Foster Care System, Chapter Two in D. W. Osgood, E.M. Foster, C. Flanagan, and G.R. Ruth (eds), On Your Own Without A Net: The Transition to Adulthood for Vulnerable Populations. Chicago: University of Chicago Press.

<sup>13</sup>George, R. et. al. (2002). Employment Outcomes for Youth Aging Out of Foster Care – Final Report. University of Chicago Chapin Hall Center for Children. Chicago, IL.

<sup>14</sup>Courtney, M.E. and Hughes Heuring, D. (2005). The Transition to Adulthood for Youth “Aging Out” of the Foster Care System, Chapter Two in D. W. Osgood, E.M. Foster, C. Flanagan, and G.R. Ruth (eds), On Your Own Without A Net: The Transition to Adulthood for Vulnerable Populations. Chicago: University of Chicago Press.

<sup>15</sup>Courtney, M.E, Dworsky, A., Cusick, G.R., Havlicek, J., Perez, A., and Keller, T. (2007). Midwest Evaluation of Adult Functioning of Former Foster Youth: Outcomes at Age 21. Executive Summary. Chapin Hall Center for Children, University of Chicago, Chicago, December.

Several federal programs have been initiated since 1986 to assist these former foster care individuals in their transition to independence, including the John Chafee Care Independence Program, which provides funds for services and Medicaid coverage for former foster care youth until age 21.<sup>16</sup> The Union Project's Youth Barista Program provides services for these youth to improve their chances of a stable adult life. The Program began with the Kitchens With Mission, a Seattle-based organization that is working to build and sustain communities that provide food-service based training and employment for individuals facing barriers to employment.<sup>17</sup> Kitchens With Mission, working closely with Starbucks Coffee, sought to expand the program to other cities. The organization partnered with the Social Innovation Accelerator to identify the Union Project as an ideal organization to administer this program. Kitchens With Mission provided initial training and curriculum for the program which was adapted by the Union Project and the Social Innovation Accelerator to better fit the Pittsburgh area market and the participant needs.

There are four objectives of the Youth Barista Program: 1) conduct Barista training, 2) provide basic employment skills, 3) provide job skills that are applicable to a wide range of jobs and 4) provide job placement preparation. The program partners with: 1) Allegheny County Department of Human Services (DHS), whose goal is to help the youth move out of the foster care system into stable work environments, 2) Starbucks, which looks to further their mission of contributing positively to the community and environment and 3) the Social Innovation Accelerator, which seeks to reduce organizations' dependence on grants by encouraging social enterprise.

The Youth Barista Program is an eight-week training program which includes two weeks of hard skills training, six weeks of on-the-job training at the EatUp Café and continuous life skills training. This eight

week training is followed by a paid externship with a local coffee shop. The training activities include lectures, films, hands on barista training, field trips, and food and money handling topics. During its first operating year, 2007-08, the program served eleven young men and women. With the 2008-09 year, the Youth Barista Program is expanding to serve 20 young adults with an additional 40 planned for 2009-2010.

Barista skills are measured weekly by supervisors and with two barista exams during the 8-week training period. In addition, local community members volunteer their time to perform mock interviews with the participants. These mock interviews are evaluated and discussed with the participants to help identify strengths and weaknesses in interviewing skills. The Casey Life Skills questionnaire is administered at the beginning and end of the program to determine the progression. This questionnaire is one that is also used by DHS to help determine the level of social and interpersonal skills of the young people they serve. Participant feedback is incorporated throughout the program including their evaluations of lectures and presenters.

## **SROI ANALYSIS OF THE YOUTH BARISTA PROGRAM**

### **Step One: Determine Boundaries**

The Union Project manages many different projects and all are budgeted separately with central management and support costs applied to each project. Like CHS, the Union Project was interested in having an SROI conducted on one specific venture: the Youth Barista Program. Like CHS's Homemaker Program, the Youth Barista Program is an appropriate program as it is funded separately from other programs and serves a unique population within the organization. For the first year, the pilot project did use organizational resources, such as space and salary costs which must be estimated as a part of the analysis.

<sup>16</sup>ibid

<sup>17</sup>Kitchens With Mission website. [www.kitchenswithmission.org](http://www.kitchenswithmission.org).

<b>TABLE 5. STAKEHOLDER ANALYSIS</b>			
<b>STAKEHOLDER</b>	<b>INPUTS</b>	<b>OUTPUTS</b>	<b>OUTCOMES</b>
<b>PARTICIPANTS (11)</b>	<ul style="list-style-type: none"> <li>• Time/attendance</li> <li>• Labor/personal work</li> </ul>	<ul style="list-style-type: none"> <li>• Barista skills</li> <li>• Life skills</li> <li>• Self esteem</li> </ul>	<ul style="list-style-type: none"> <li>• Employment</li> <li>• Increased employability</li> <li>• Sustainable lifestyle</li> <li>• Improved attitudes</li> </ul>
<b>UNION PROJECT</b>	<ul style="list-style-type: none"> <li>• Staff/time</li> <li>• Commitment</li> <li>• Spaces, training facilities and materials</li> </ul>	<ul style="list-style-type: none"> <li>• 7 out of 11 participants finished the program</li> <li>• Employee for café</li> <li>• Increased visibility</li> </ul>	<ul style="list-style-type: none"> <li>• Sustaining program</li> <li>• Fulfilling mission and meeting social objectives</li> <li>• Gaining more sources for income and grants</li> </ul>
<b>ALLEGHENY COUNTY DEPARTMENT OF HUMAN SERVICES</b>	<ul style="list-style-type: none"> <li>• Stipend of \$200 per student for 8 weeks training</li> <li>• Staff and time for outreach and recruitment</li> </ul>	<ul style="list-style-type: none"> <li>• New service provider</li> <li>• Fewer people becoming “idle youth”</li> </ul>	<ul style="list-style-type: none"> <li>• Improved outcomes for “idle youth”</li> </ul>
<b>KITCHENS WITH MISSION (SEATTLE)</b>	<ul style="list-style-type: none"> <li>• Providing a national model for the program</li> <li>• Starbucks partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Expand their model</li> </ul>	<ul style="list-style-type: none"> <li>• Advances their goals</li> </ul>
<b>STARBUCKS</b>	<ul style="list-style-type: none"> <li>• Providing coffee equipment and coffee</li> <li>• Volunteers provide life skills training</li> </ul>	<ul style="list-style-type: none"> <li>• Training potential employees</li> </ul>	<ul style="list-style-type: none"> <li>• Improved corporate responsibility</li> <li>• Greater community involvement and image building</li> </ul>
<b>SOCIAL INNOVATION ACCELERATOR</b>	<ul style="list-style-type: none"> <li>• Technical assistance (\$15,126)</li> <li>• Funding (\$10,538.50)</li> </ul>	<ul style="list-style-type: none"> <li>• Mock café</li> <li>• Curriculum</li> <li>• Publicity for the YBP and SIA</li> </ul>	<ul style="list-style-type: none"> <li>• Building social enterprises</li> <li>• Increased visibility of the YBP and SIA</li> </ul>
<b>LOCAL COFFEE SHOPS</b>	<ul style="list-style-type: none"> <li>• Provide coffee</li> <li>• Time</li> </ul>	<ul style="list-style-type: none"> <li>• Skills training with mock interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Community involvement</li> </ul>

**Step Two: Data Collection**

The Union Project provided the records of participants, their outcomes and the results of a baseline and exit survey conducted by the Union Project. The staff conducted weekly participant performance evaluations, comprehensive barista skills tests, a participant feedback form, and evaluation of the life skills program by both the Union Project staff and the participants. The Union Project also provided the program proposal and budget for the upcoming Youth Barista Program year. The Social Innovation Accelerator provided information about the resources they contributed to the project including the building of a ‘mock café’ and extensive curriculum development.

**Step Three: Stakeholder Analysis**

Working with the Union Project staff a comprehensive list of stakeholders was created. The time allocated to produce the SROI analysis did not provide sufficient time to interview all stakeholders, including the participants. However, the written evaluations and feedback about the impact this program had on participant’s lives and their ability to gain employment were reviewed. Direct and indirect stakeholders were considered but the full SROI focused fully on key stakeholders: the participants, the Union Project, and DHS. Table 5 contains the stakeholder analysis.

**Step Four: Impact Map**

An impact map was created to assess how the Youth Barista Program improves the lives of the young people in the program and how it achieves its results.

Four main financial indicators for the SROI were considered. They are:

1. Avoided cost of idle youth including the cost of alternative provisions and cost of staff/time supervising or caring for idle youth.
2. Increases in future earning potential.
3. Value of skill training and personal development (the cost for similar skill training courses offered by other training centers or universities).
4. Impact on the sustainability of the Union Project including increases in grant or in-kind support for the program and UP and potential income from youth working in the café.

These indicators are analyzed in the impact map in Table 6.

**Step Five: Analysis**

The costs of this program are relatively small and difficult to assess. The program received in-kind support from the stakeholders listed and payments for stipends for the participants from DHS. Starbucks donated coffee, products, and machinery for the mock café in its first year. The Social Innovation Accelerator helped to develop and adapt the Kitchens With Mission’s curriculum to fit the Union Project and their participants at an estimated cost of \$15,126. The Accelerator also constructed a ‘mock café’ in the Union Project for training at an estimated cost of \$10,538. The only actual expense for the program was the 8 week salary of its coordinator, paid by the Union Project, at approximately \$4,000. As it grows to a year round program the coordinator salary will increase to \$28,000.

Given the size of the program, 11 initial participants, the impact numbers are small but provide a good starting place for future analysis as the program grows. Over the next two years the program is expected to triple in size, with subsequent impacts increasing accordingly. Based on the impact map and stakeholder analysis above, three key outcomes of the project were monetized. Those outcomes are:

1. Increased current and future earnings;
2. Increased employability;
3. Improved life skills and personal development.

**Step Six: Results and Sensitivity Analysis**

The results of the Youth Barista Program can be seen as a success, even with a small number of participants and short tenure. The participant evaluations of the program were positive and indicated that they gained not only barista skills but self-confidence and interpersonal skills. In addition, 7 of the original 11 participants finished the program achieving a 64% completion rate. Of those seven, five, or 71%, are currently employed in the food and coffee industry and earning more than minimum wage. It is important to note that the remaining two participants have deferred their employment due to family commitments.

**TABLE 6. YOUTH BARISTA PROGRAM IMPACT MAP**

KEY STAKEHOLDER	DESIRED OUTCOME	INDICATOR USED	FINANCIAL PROXY USED	SOURCE OF FINANCIAL AND MONITORING INFORMATION	ATTRIBUTION	BENCHMARK FOR DEADWEIGHT	BENCHMARK FOR DISPLACEMENT OR DROPOFF
<b>Participants</b>	<ul style="list-style-type: none"> <li>• Employment</li> <li>• Increased employability</li> <li>• Sustainable lifestyle</li> <li>• Improved attitudes</li> </ul>	<ul style="list-style-type: none"> <li>• Learning new skills</li> <li>• Sustained work placement</li> <li>• Reduced behavioral problems</li> </ul>	<ul style="list-style-type: none"> <li>• Cost for Life Skills training course (GSPIA's or Three Rivers Workforce)</li> <li>• Potential future earnings</li> <li>• Avoided cost of not having a job</li> </ul>	Monitoring and evaluation of The Union Project and DHS	Shared with a number of stakeholders and supporters	Idle Youth research	Monitoring and Evaluation by Union Project, DHS
<b>Union Projects</b>	<ul style="list-style-type: none"> <li>• Sustaining program</li> <li>• Fulfilling UP mission and meeting social objectives</li> <li>• Gaining more sources for income/grants</li> </ul>	<ul style="list-style-type: none"> <li>• Increased financial and social support from outside</li> <li>• Improved sustainability of the café</li> </ul>	<ul style="list-style-type: none"> <li>• Value of grants or in-kind support from other sources</li> <li>• Potential increase in income from the café</li> </ul>	Union Project, Social Innovation Accelerator financial records	N/A	N/A	Monitoring and Evaluation by Union Project, DHS
<b>Allegheny County Department of Human Services</b>	Improved outcomes for "idle youth"	<ul style="list-style-type: none"> <li>• Reduced chances for the youth to become "idle youth"</li> <li>• Increased placement of youth aging out of foster care</li> </ul>	<ul style="list-style-type: none"> <li>• Avoided costs of alternative provision</li> <li>• Possible reduced cost in staff/time taking care of those "idle youth"</li> </ul>	DHS	Shared with a number of stakeholders and supports	Idle Youth research	Monitoring and Evaluation by Union Project, DHS

In addition, earning and employability were analyzed. The hourly wages at Starbucks Coffee, an indirect stakeholder of the program, were compared with the current minimum wage to determine financial impacts for the participants. Not only do employees earn more at Starbucks (\$8.32/hour versus \$6.55/hour minimum wage), employees who work more than 20 hours a week also receive benefits.

A person working 30 hours per week, at wages comparable to Starbucks earns about \$2,700 per year more than a person earning minimum wage. With benefits, the person earns an additional \$6,719 per year adding up to additional earnings of over \$20,000 over three years. The first group of graduates found jobs with comparable wages at Panera Bread, Einstein’s Bagels, and TGI Fridays.

Participants in the Youth Barista Program also benefit from improved life skills and overall personal development. Though this program trains baristas, a key goal is to improve the job and life skills of these young adults so that they can have better job prospects in the future. Participants are evaluated on their interpersonal skills, customer service and work ethic. In addition, they engage in professional development and life skill courses throughout the program, including mock interviews, resume writing, and exposure to the wider community through working coffee services at community meetings.

The value of practicing and improving interview skills, writing a good resume and gaining interpersonal skills

is difficult to quantify with the benefits reverberating throughout the participants’ career and life. These skills can assist the participant in getting a better paying job and improving their overall self-confidence. A class offered by the Community College of Allegheny County (CCAC) through the Center for Professional Development was used to estimate this value. The class costs \$170.50 per student; this means that the estimated added value of the professional development courses for Youth Barista Program participants is \$170.50.

This SROI analysis revealed difficulties in measuring alternatives and creating financial proxies for the Youth Barista Program. First, these youth are generally understudied in social literature. It is known that they face more hardship than their peers, but the extent is not extensively measured. Finally, the pilot year included only 11 youth which makes it more difficult to construct cost alternatives and determine financial impact. However, our SROI model has created a framework for measuring impact that will be determined after several years of tracking and data collection. The Union Project received a grant to continue this program and extended it from eight weeks to seven months and increased it from 20 to 30 participants for the second year. As the program grows, the Union Project should consider conducting research about the long term impact of the program by tracking participants once they leave the program. This study could provide greater evidence of the program’s impact and would contribute to existing knowledge about post-foster care youth.

**TABLE 7. WAGE COMPARISONS BETWEEN MINIMUM WAGE AND STARBUCKS COFFEE**

STAGE	PER HOUR	PER WEEK (30 HOURS)	PER YEAR	ADDITIONAL EARNINGS + BENEFITS PER YEAR	ADDITIONAL EARNINGS + BENEFITS AFTER 3 YEARS
MINIMUM WAGE	\$6.55	\$196	\$10,218	n/a	n/a
STARBUCKS COFFEE	\$8.32	\$250	\$12,979	\$2,761	\$8,284
BENEFITS <sup>18</sup>			\$3,958	\$3,958	\$11,875
TOTAL				\$6,719	\$20,159

<sup>18</sup>This number is estimated from the Community Human Services Fringe Benefits budget that states they pay \$47,500 in health insurance for 12 people. This is a reasonable estimate given that this organization operates in Pittsburgh and reports to the Allegheny County Department of Human Services.

## CONCLUSIONS

There is no one clear, agreed-upon way to measure SROI and social impact. In fact, methodology for measuring impact depends closely on the organization in question and its specific programs and outcomes. The goal of these two case studies is to present two different programs for which SROI measures might be helpful in evaluating effectiveness and gaining support for the programs. Measuring social impact continues to be a challenge for the sector as there is no universal methodology that will apply directly to every organization. In addition, it is difficult to assign dollar values to certain benefits such as mental health status or personal relationships. In fact, these are some of the challenges identified by REDF in their work.<sup>19</sup> Regardless, nonprofit organizations are encouraged to consider their social impact. Demonstrating and communicating the social impact of nonprofit organizations can result in more informed decisions and policies regarding nonprofit organizations and better relationships between the sector and policymakers, government officials, businesses, and the public as a whole.

<sup>19</sup>Javits, Carla J. "REDF's Current Approach to SROI." May 2008. The Robert Enterprise Development Fund. 23 Jan. 2009 <[http://www.redf.org/system/files/\(1\)+REDFs+Current+Approach+to+SROI.pdf](http://www.redf.org/system/files/(1)+REDFs+Current+Approach+to+SROI.pdf)>

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