

PRACTICAL GUIDE

Social **Impact** Measurement Guide

A Practical Guide for NZ and Australian Not-for-Profit Organisations

Version 1.0
2025 Edition

Published by
AmplifyData.org.nz

For
NZ/AU NGO Sector

Theory of Change

Outcome Measurement

SROI Framework

Data Collection

Case Studies

Templates & Tools

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A step-by-step journey from understanding impact to measuring and communicating it.

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Quick Reference Checklist

Introduction to Social Impact Measurement

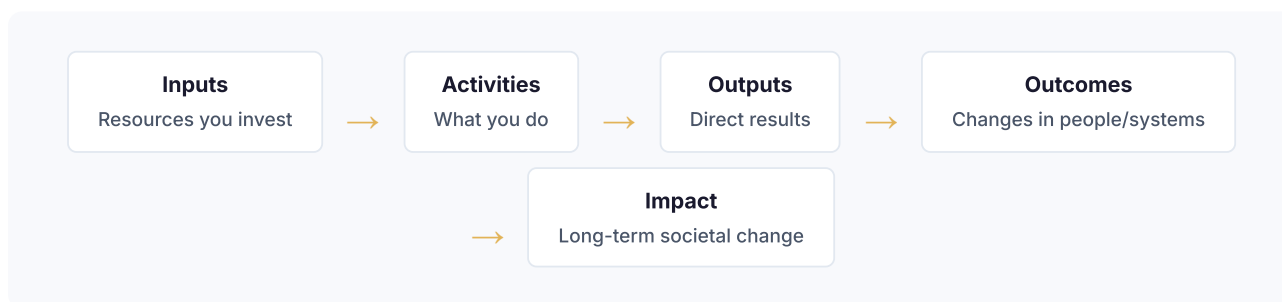
01

What social impact means and the journey from inputs to lasting change

What is Social Impact?

Social impact refers to the effect an organisation's actions have on the wellbeing of communities and society. For not-for-profit organisations, measuring social impact means understanding and demonstrating the difference your work makes in people's lives.

The Impact Measurement Journey



Key Definitions

TERM	DEFINITION	EXAMPLE
Inputs	Resources invested in your work	Staff time, funding, facilities
Activities	What you do with those resources	Workshops, counselling, advocacy
Outputs	Direct products of your activities	50 workshops, 200 participants
Outcomes	Changes in people or systems	Increased confidence, new skills
Impact	Long-term, broader effects	Reduced community inequality

Why Measure Impact?

The compelling reasons for investing in impact measurement

02

Benefits of Impact Measurement

For Your Organisation

- ✓ Understand what works and what doesn't
- ✓ Improve programme design and delivery
- ✓ Make evidence-based decisions
- ✓ Build organisational learning culture
- ✓ Strengthen strategic planning

For Stakeholders

- ✓ Demonstrate accountability to funders
- ✓ Show donors their money makes a difference
- ✓ Give voice to beneficiaries' experiences
- ✓ Contribute to sector-wide learning
- ✓ Strengthen funding applications

The NZ/AU Context

Funders in NZ and AU are increasingly requiring outcome reporting. Philanthropy Australia's *Measuring What Matters* and NZ's Social Wellbeing Agency frameworks signal a sector-wide shift from counting outputs to measuring outcomes. Organisations that can demonstrate impact have a significant competitive advantage in funding applications.

Outcome Measurement Methodologies

Established frameworks for measuring the change your work creates

03

Key Approaches

Results-Based Accountability (RBA)

Developed by Mark Friedman. Asks three key questions: **How much did we do?** (quantity), **How well did we do it?** (quality), **Is anyone better off?** (outcomes).

Best for: Simple, practical approach for organisations of any size.

Most Significant Change (MSC)

Participatory method where stakeholders share and select stories of the most significant changes they've experienced.

Best for: Complex programmes where outcomes are hard to predetermine. Empowers beneficiary voice.

Outcomes Star™

Licensed tool with versions for different sectors (homelessness, mental health, family). Uses visual star diagram to track progress across multiple domains.

Best for: Case management settings, individual progress tracking.

Social Return on Investment (SROI)

Framework that assigns monetary value to social outcomes. Produces a ratio (e.g., \$4 of social value per \$1 invested).

Best for: Established programmes, when funders want economic framing.

Choosing Your Approach

FACTOR	SIMPLE TRACKING	OUTCOME FRAMEWORK	SROI
Resources needed	Low	Medium	High
Expertise required	Basic	Moderate	Specialist
Credibility	Good	Strong	Very strong
Best org size	<5 staff	5–20 staff	10+ staff
Time investment	1–2 hrs/month	3–5 hrs/month	Significant project

Theory of Change Framework

Mapping how your work creates change — from resources to long-term impact

04

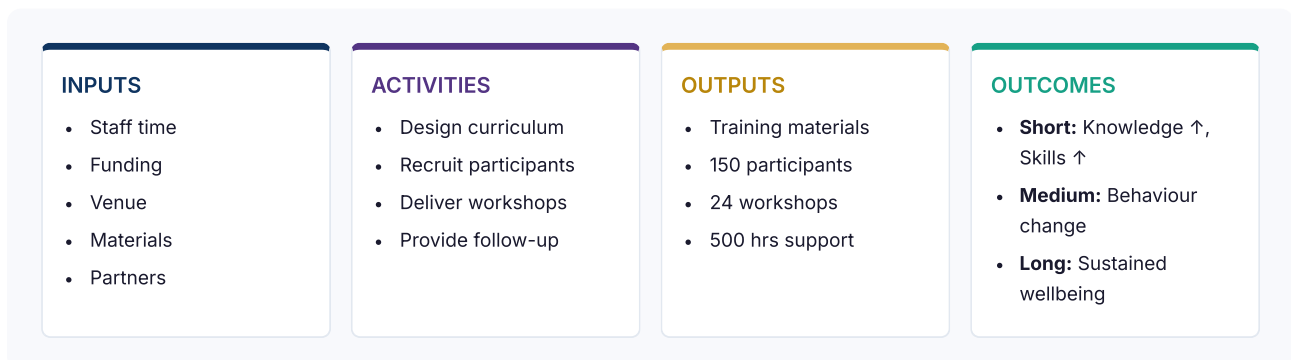
What is a Theory of Change?

A Theory of Change (ToC) is a comprehensive description and illustration of how and why a desired change is expected to happen. It maps the logical pathway from your activities to your intended outcomes and impact, including underlying assumptions.

Building Your Theory of Change

- 1 Define your long-term goal**
What ultimate change do you want to see? Start with the end in mind.
- 2 Map backwards from the goal**
What medium-term outcomes lead to this goal? What short-term outcomes lead to those?
- 3 Identify your activities**
What do you do that creates these short-term outcomes?
- 4 Articulate assumptions**
What must be true for your pathway to work? What external factors matter?
- 5 Identify indicators**
How will you know each outcome is happening? What data will you collect?

Logic Model Template



Selecting & Defining Indicators

Choosing the right metrics using SMART criteria and validated tools

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SMART Indicators

SMART Criteria

- **Specific:** Clear about what is being measured
- **Measurable:** Can be counted, rated, or assessed
- **Achievable:** Realistic given your programme
- **Relevant:** Connected to your outcomes
- **Time-bound:** Clear measurement timeframe

Common Mistakes

- ✗ Measuring only what's easy, not what matters
- ✗ Too many indicators (3–5 is usually enough)
- ✗ No baseline data to compare against
- ✗ Confusing outputs with outcomes
- ✗ Indicators that don't align with your ToC

Indicator Examples by Sector

SECTOR	OUTCOME	INDICATOR	TOOL / SOURCE
Mental Health	Improved wellbeing	WHO-5 score change	WHO-5 Index
Youth	Increased confidence	Self-efficacy scale score	GSE Scale
Employment	Job readiness	Employment rate at 6 months	Follow-up survey
Education	Skills gained	Pre/post assessment score	Custom assessment
Community	Reduced isolation	UCLA Loneliness score	UCLA Scale
Environment	Habitat restored	Native species count	Field surveys

Data Collection Methods

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Quantitative, qualitative, and culturally appropriate approaches to gathering evidence

Types of Data

Quantitative Data (Numbers)

- Surveys with rating scales
- Pre/post assessments
- Administrative data (attendance, completion)
- Validated measurement tools
- Service usage data

Answers: How much? How many? What percentage?

Qualitative Data (Stories)

- Interviews (individual or group)
- Focus groups
- Case studies
- Observation notes
- Most Significant Change stories

Answers: Why? How? What was the experience like?

Cultural Considerations

Kaupapa Maori Research

- Maori ownership and control of research
- Culturally appropriate methods (whanau-centred)
- Benefits returning to Maori communities
- Use of te reo Maori where appropriate
- Whakapapa-based approaches
- Maori Data Sovereignty principles

Indigenous Australian Research

- Follow AIATSIS guidelines
- Community consent and benefit
- Return data and findings to communities
- Yarning circles and storytelling methods
- Prioritise community-led approaches
- Indigenous Data Sovereignty

Consent and Ethics

Essential Requirements

- Clear information about data use
- Voluntary participation
- Confidentiality assurance
- Right to withdraw
- Safe storage of data

"We collect feedback to improve our services and demonstrate our impact. Your responses are confidential and will only be reported in aggregate. Participation is voluntary and won't affect your access to services."

Introduction to SROI

Social Return on Investment — putting a dollar value on social outcomes

07

What is SROI?

SROI is a framework for measuring and accounting for the value created by an organisation. It puts a dollar value on social, environmental, and economic outcomes.

The Basic Formula

SROI Ratio = Present Value of Benefits ÷ Present Value of Investment

Example: SROI of **4:1** means **\$4 of social value** created for every **\$1 invested**

The Seven SROI Principles

1. **Involve stakeholders** — Those affected should inform what gets measured
2. **Understand what changes** — Articulate how change is created
3. **Value what matters** — Use financial proxies for outcomes
4. **Only include what is material** — Focus on significant changes

5. **Do not over-claim** — Account for what would have happened anyway
6. **Be transparent** — Explain decisions and methodology
7. **Verify results** — Subject to external review where possible

When SROI is Not Ideal

New or pilot programmes, very small organisations, programmes with hard-to-monetise outcomes, or when simpler methods would suffice.

Financial Proxies

OUTCOME	POSSIBLE PROXY	VALUE SOURCE
Reduced anxiety	Cost of counselling sessions avoided	Market rate for services
Employment gained	Average salary increase	Labour market data
Avoided homelessness	Cost of emergency housing	Government data
Improved wellbeing	Wellbeing valuation	Academic research
Reduced reoffending	Cost to justice system	Government reports

Practical Implementation for Small Teams

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Start where you are — progressive approaches matched to your capacity

Start Where You Are

Level 1 1–2 hrs/mo	Basic Tracking: Count outputs (people served, activities delivered), collect basic satisfaction feedback, record stories informally.
Level 2 3–5 hrs/mo	Outcome Focused: Define 2–3 key outcome indicators, implement pre/post surveys, conduct periodic interviews or focus groups.
Level 3 5–10 hrs/mo	Systematic Measurement: Full Theory of Change developed, regular data collection and analysis, impact reports to stakeholders.

Proportionate Measurement

ORGANISATION SIZE	RECOMMENDED APPROACH
< 2 FTE	Basic tracking + 1–2 outcome measures
2–5 FTE	Logic model + 3–5 outcome indicators
5–10 FTE	Theory of Change + systematic collection
10+ FTE	Comprehensive framework, potential SROI

Low-Cost Data Collection Tools

TOOL	PURPOSE	COST
Google Forms	Surveys	Free
Microsoft Forms	Surveys	Free with M365
SurveyMonkey	Surveys	Free basic tier
Airtable	Data management	Free basic tier
Google Sheets	Data analysis	Free
Canva	Report design	Free basic tier

Time-Saving Tips

- Integrate data collection into existing touchpoints
- Use administrative data you already collect
- Train volunteers to assist with data entry
- Create templates for repeat use
- Batch data analysis quarterly

Case Studies from NZ/AU NGOs

Real-world examples of impact measurement in practice

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Case Study 1: Youth Development (Aotearoa NZ)

Regional Youth Development Trust — Rangatahi Leadership Programme

Challenge: Demonstrate long-term impact to multiple funders with limited staff capacity.

Approach: Simple Theory of Change with rangatahi input. Three key indicators: self-reported confidence (1-5 scale), leadership skills (observation rubric), post-programme pathway. Data collected at start, end, and 6-month follow-up.

2.8 → 4.2

CONFIDENCE SCORE (1-5)

78%

IMPROVED 3+ SKILL AREAS

82%

IN EDUCATION/EMPLOYMENT
AT 6MO

Key Learnings

Keep it simple (three indicators were manageable). Involve young people in defining success. 6-month follow-up provided crucial evidence. Stories alongside numbers resonated with funders.

Case Study 2: Food Security (Australia)

Community Food Hub — Emergency Food Relief and Food Literacy

Challenge: Move beyond counting food parcels to showing lasting change.

Approach: Mapped outcomes: immediate relief → food skills → food security → wellbeing. Used simple traffic light system for food security status. Brief interviews with regular clients.

8,500

FOOD PARCELS DISTRIBUTED

72%

COOKING NEW MEALS AT HOME

35%

IMPROVED FOOD SECURITY STATUS

Key Learnings

Combined outputs (food parcels) with outcomes (food security change). Simple tracking system worked for busy staff. Client stories illustrated the numbers powerfully. Data helped advocate for upstream solutions.

Case Study 3: Environmental Conservation (Aotearoa NZ)

Coastal Restoration Collective — Community-led Dune and Wetland Restoration

Challenge: Measure environmental and community outcomes across multiple sites over 3 years.

45,000

NATIVE PLANTS (72% SURVIVAL)

60%

PEST PRESENCE REDUCED

2,400

VOLUNTEER HOURS

Case Study 4: Mental Health (Australia)

Peer Support Mental Health Service — Peer-led Recovery Support Groups

Challenge: Measure recovery outcomes appropriately and safely using validated tools.

68%

IMPROVED RECOVERY SCALE

45%

REDUCTION IN ER
PRESENTATIONS

\$340k

AVOIDED ACUTE CARE COSTS

Key Learnings

Validated tools provide credible evidence. Peer workers can effectively collect data. Cost avoidance data powerful for health funders. Recovery is non-linear; tracked progress, not linear improvement.

Reporting & Communicating Impact

Tailoring your impact story for different audiences

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Know Your Audience

AUDIENCE	WHAT THEY WANT	FORMAT
Funders	Accountability, outcomes achieved	Formal reports, acquittals
Board	Strategic insights, trends	Dashboards, executive summaries
Staff	Practical learnings, what works	Team discussions, internal reports
Beneficiaries	How feedback is used	Newsletters, community meetings
Public	Simple, compelling story	Annual report, social media

Impact Report Structure

Recommended Sections

1. **Executive Summary** (1 page) — Headline outcomes, key achievements, one compelling story
2. **About Us** (1 page) — Who we are, what we do, who we serve
3. **Our Impact** (2–4 pages) — Outcomes against goals, data visualisations, case studies
4. **Our Activities** (1–2 pages) — What we delivered, key outputs
5. **Learnings & Future** (1 page) — What we learned, how we're improving
6. **Financials** (1–2 pages) — Income/expenditure summary, governance

Data Visualisation Tips

Do:

- ✓ Use simple charts (bar, pie, line)
- ✓ Include clear titles and labels
- ✓ Show trends over time
- ✓ Make numbers human ("that's 500 families")

Don't:

- ✗ Overload with too many charts
- ✗ Use 3D effects that distort data
- ✗ Start bar chart axes above zero
- ✗ Use pie charts for 5+ categories

Storytelling with Data

The Power of One

While aggregate data is important, individual stories create emotional connection. Structure: **(1)** Meet the person, **(2)** The challenge they faced, **(3)** The journey with you, **(4)** What's different now, **(5)** In their own words.

"When Maria first contacted our service, she hadn't worked for three years and was struggling with confidence. Through our employment programme, she gained job-ready skills and built connections with local employers. After four months, Maria secured a part-time role. 'I didn't think I could do it,' Maria says. 'But they believed in me when I didn't believe in myself.'"

Common Challenges & Solutions

Practical solutions to the most common barriers in impact measurement

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"We don't have time or resources"

- Start with 2–3 key indicators, not everything
- Integrate data collection into existing processes
- Use free tools (Google Forms, Excel)
- Allocate specific time in workplans
- Share responsibility across team

"We can't measure what we do"

- Focus on outcomes beneficiaries experience
- Use self-reported change as a valid measure
- Consider proxy indicators
- Include qualitative methods for complex outcomes
- Accept that some things are hard — document anyway

"Participants won't complete surveys"

- Keep surveys short (5–10 minutes max)
- Offer incentives where appropriate
- Complete together as part of programme
- Explain how feedback will be used
- Provide multiple formats (paper, digital, verbal)

"We don't know if changes are because of us"

- Ask participants directly about attribution
- Track what else is happening in their lives
- Use contribution language: "we contributed to"
- Document your theory of how you create change
- Compare to similar groups where ethical

"Our funders want different things"

- Create a core set of indicators for all programmes
- Map core indicators to funder requirements
- Have honest conversations with funders
- Use a common framework satisfying multiple stakeholders

"The data doesn't show what we hoped"

- This is learning, not failure — embrace it
- Report honestly, including challenges
- Explore why results differ from expectations
- Use data to improve programmes
- Funders appreciate honesty and context

Templates & Tools

Ready-to-use templates for logic models, surveys, case studies, and dashboards

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Template 1: Logic Model Worksheet

Programme: _____ Date: _____

INPUTS (What we invest)

- _____
- _____
- _____

ACTIVITIES (What we do)

- _____
- _____
- _____

OUTPUTS (Direct products)

- _____
- _____
- _____

SHORT-TERM (0–12 mo)

- _____
- _____

MEDIUM-TERM (1–3 yr)

- _____
- _____

LONG-TERM (3+ yr)

- _____
- _____

Template 2: Simple Impact Survey

Feedback Survey — [Programme Name]

Thank you for participating. Your feedback helps us improve. Takes about 5 minutes. Responses are confidential.

About You:

1. Age · 2. Gender · 3. Ethnicity

Your Experience:

4. Overall experience: Excellent / Good / Average / Poor / Very poor

5. Would recommend: Definitely / Probably / Not sure / Probably not / Definitely not

Changes For You:

6. My [key outcome] is: Much better / Better / Same / Worse / Much worse

7. Most significant change: _____

8. Suggestions for improvement: _____

Template 3: Case Study Template

Impact Case Study

Name/Pseudonym: _____ (consent obtained: Yes/No)

Background: What was their situation when they came to us?

Our Support: What services/support did we provide?

The Change: What's different for them now?

In Their Words: "Direct quote from the person"

Key Outcomes Demonstrated: [Outcome 1] / [Outcome 2] / [Outcome 3]

Data Points: Before: _____ / After: _____

Further Resources

NZ, AU, and international resources for deepening your impact measurement practice

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NZ Resources

ORGANISATION	DESCRIPTION
Hui E! Community Aotearoa	Resources for the community sector
Philanthropy New Zealand	Funder perspectives on impact
Social Wellbeing Agency	Outcomes frameworks and data
Te Puni Kokiri	Maori wellbeing outcomes frameworks
Charities Services	Regulatory guidance

Australian Resources

ORGANISATION	DESCRIPTION
Philanthropy Australia	Impact measurement resources
Centre for Social Impact	Research and tools
Social Ventures Australia (SVA)	SROI expertise
ACOSS	Peak body resources
Impact Investing Australia	Social impact standards

Validated Measurement Tools

TOOL	FOCUS	ACCESS
Outcomes Star	Various (licensed)	Triangle Consulting
K10/K6	Psychological distress	Free / public domain
WEMWBS	Mental wellbeing	Free for non-commercial
Recovery Assessment Scale	Mental health recovery	Free with registration
Personal Wellbeing Index	Subjective wellbeing	Free for research

Getting Started Checklist

Phase 1: Foundation (Month 1–2)

- Define what success looks like
- Identify 2–3 key outcomes to measure
- Create a simple logic model
- Determine who is responsible
- Choose 1–2 data collection methods

Phase 2: Implementation (Month 3–6)

- Develop or adapt survey tools
- Train staff on data collection
- Begin collecting baseline data
- Set up simple tracking spreadsheet
- Collect first round of outcome data

Phase 3: Analysis (Ongoing)

- Analyse data quarterly
- Share findings with team
- Create simple dashboard/summary
- Include impact data in funder reports
- Collect and document stories of change

Phase 4: Improvement (Annually)

- Review measurement approach
- Refine indicators based on learnings
- Update Theory of Change if needed
- Set targets for coming year
- Celebrate and share impact achievements