

ThirdSector

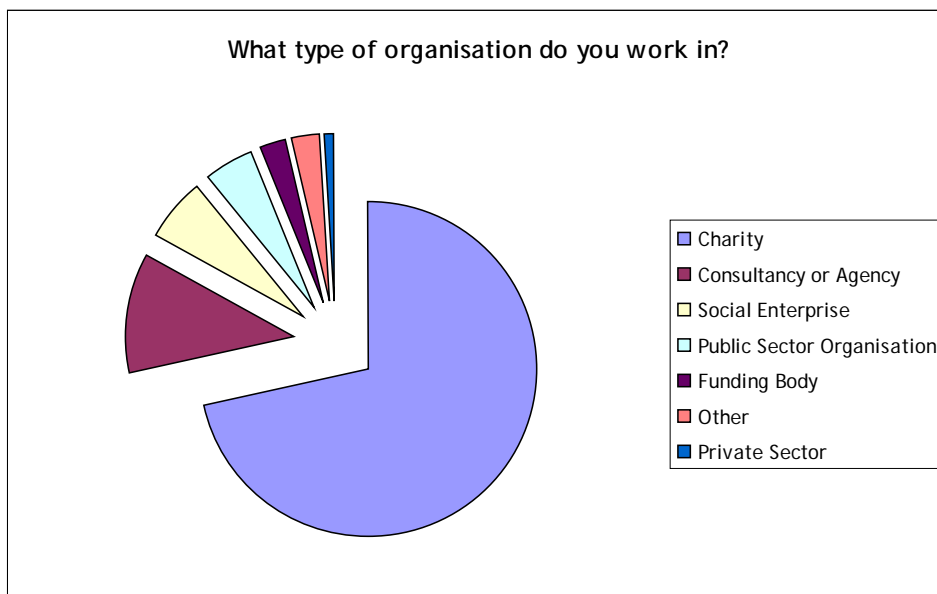
Charity Impact Measurement Survey Report 2012



Ahead of Third Sector and New Philanthropy Capital's annual Charity Impact Measurement conference (London, 16 October 2012), Third Sector conducted a survey with over 240 organisations to explore current trends in impact measurement. This report summarises the key findings and results of that survey.

Survey Audience

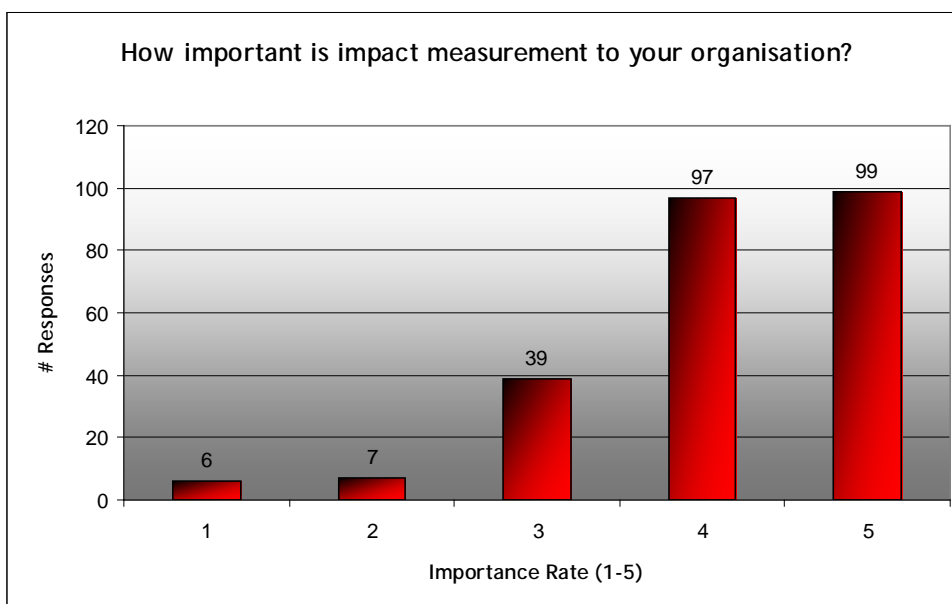
To get a clear view of our audience, we started by asking what type of organisation the respondents worked in. The vast majority (over 170 respondents, or approximately 70%) classified themselves as charities, followed by 12% consultants or agencies, 6% social enterprises, 5% public sector, 2% funding body and under 1% private sector.



The Importance Of Impact Measurement

One of the key objectives for this survey was to assess the perceived importance of impact measurement. We therefore asked respondents to rate, on a scale of one to five (five being the most important), how important impact measurement is to their organisations.

Unsurprisingly, only 5% of charities said it rated one or two out of five; 79% scored four or five, effectively confirming impact measurement as a key concern for charities today.

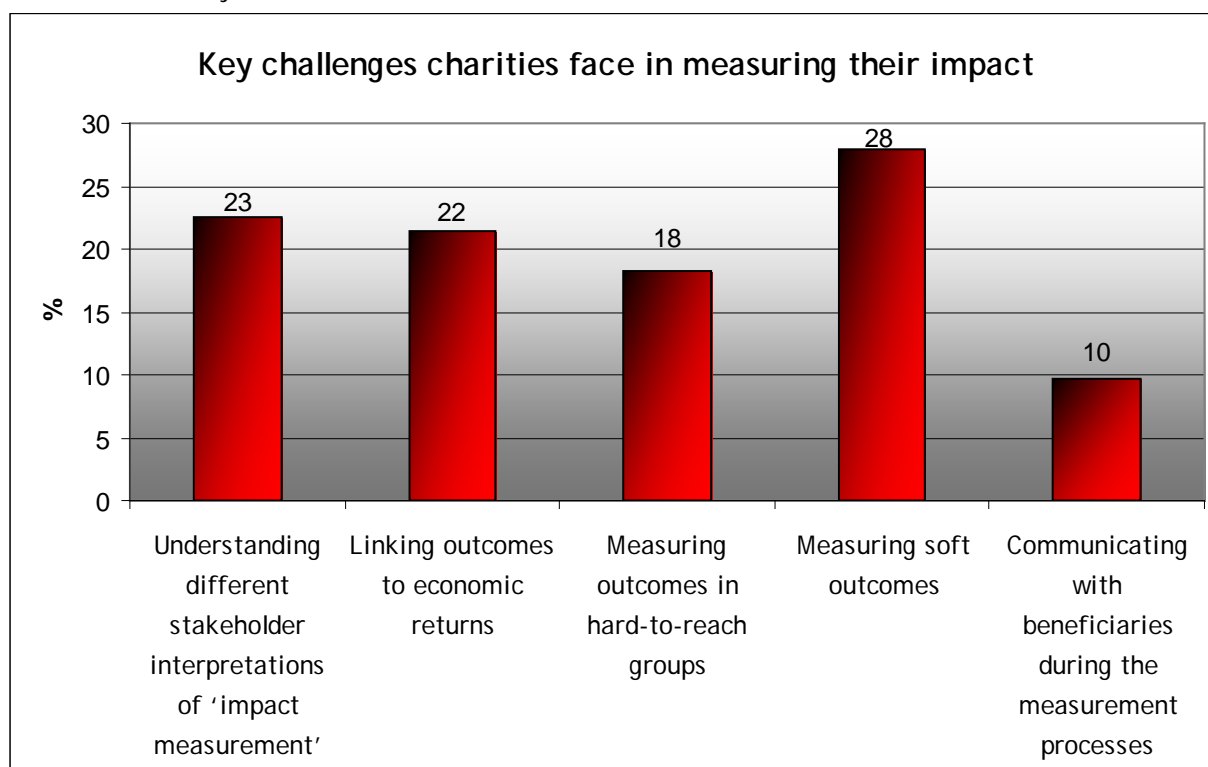


Key Measurement Challenges

We then drilled further into this rating to try to understand the key challenges charities currently face in measuring the impact of their activities.

Measuring soft outcomes remains the biggest problem area, but perhaps more worrying was that 23% of respondents said that the second biggest challenge is understanding different stakeholder interpretations of impact measurement. If you isolate the responses of only those who work for charities, then that figure leaps to nearly half of those surveyed (47%).

If definitional certainty is elusive, then a cohesive, sector-wide approach to impact measurement may still be some distance away.



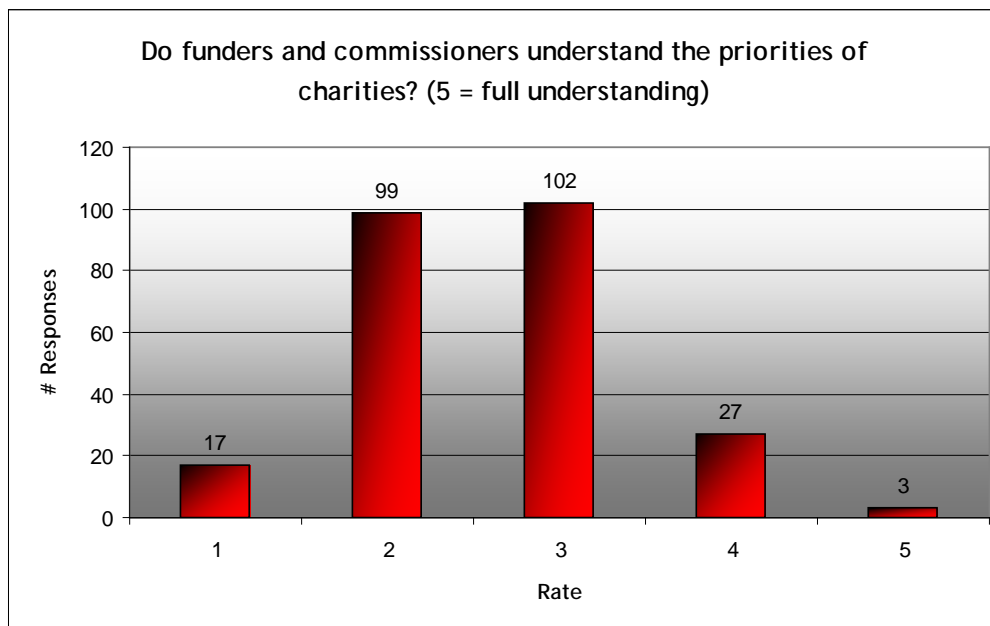
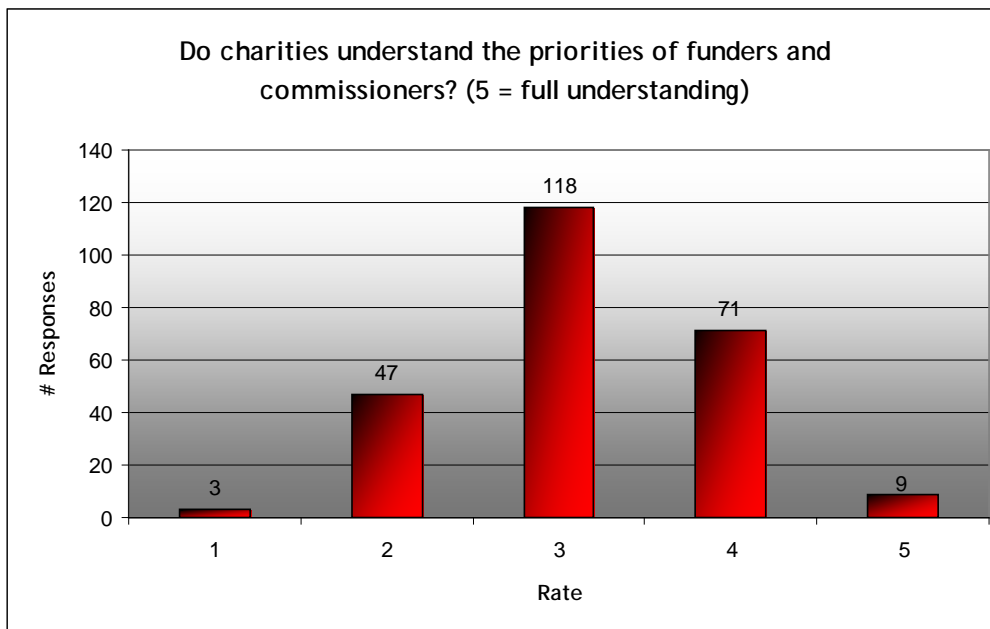
Additional challenges mentioned by those surveyed included:

- Attribution
- Awareness
- Choosing appropriate performance indicators
- Collecting impact data and producing comparable impact data across the organisation
- Difficulty reaching those whose opinion is important to impact
- Educating funders of what is achievable within limited (or no) budget
- Embedding impact measurement in the work that we do so that objective and consistent assessment can be made
- Ensuring impact measurement is appropriate to the activity
- Evaluation challenges in general in relation to impact measurement
- Finding affordable ways of doing this without it impacting on frontline delivery, especially as resources are falling
- Finding teaching staff willing to provide information
- Getting funders to accept creative complex measurements of qualitative impact / getting small organisations to do evaluation
- Identifying the most valuable measures on which to report over and above those over which we have little or no choice
- Judging the relative importance of measurable and un-measurable outcomes
- Justifying ROI of this operation against other competing and immediate concerns, and persuading managers of the importance of measuring impact, when resources for service delivery are so scarce
- Lack of an impact measurement culture in organisation

- Lack of resources (people, time and /or money) to gather, evaluate and communicate / present results
- Level of donor expectations on what needs to be defined prior to funding
- Long term projects with slow (but sure) impact
- Measuring impact as an infrastructure body
- Measuring outcomes using a standard approach
- Setting up and running systems that collect real impact from beneficiaries and other key stakeholders, rather than relying on inaccurate snapshots of 'impact'
- Understanding impacts where there is a significant lag between intervention and outcome, with many other intervening factors also affecting outcome

Understanding One Another

There is clearly more work to be done in ensuring charities and funders understand each other's expectations. On average, respondents scored charities' understanding of their funders' priorities 3.1 on a scale of 1-5 (5 being complete understanding), but when it came to funder understanding of charities' priorities, the average was only 2.6. While the large number of charity respondents may provide some reason for these figures, they nonetheless show that charities' perceive their funders to lack understanding of some of their work.

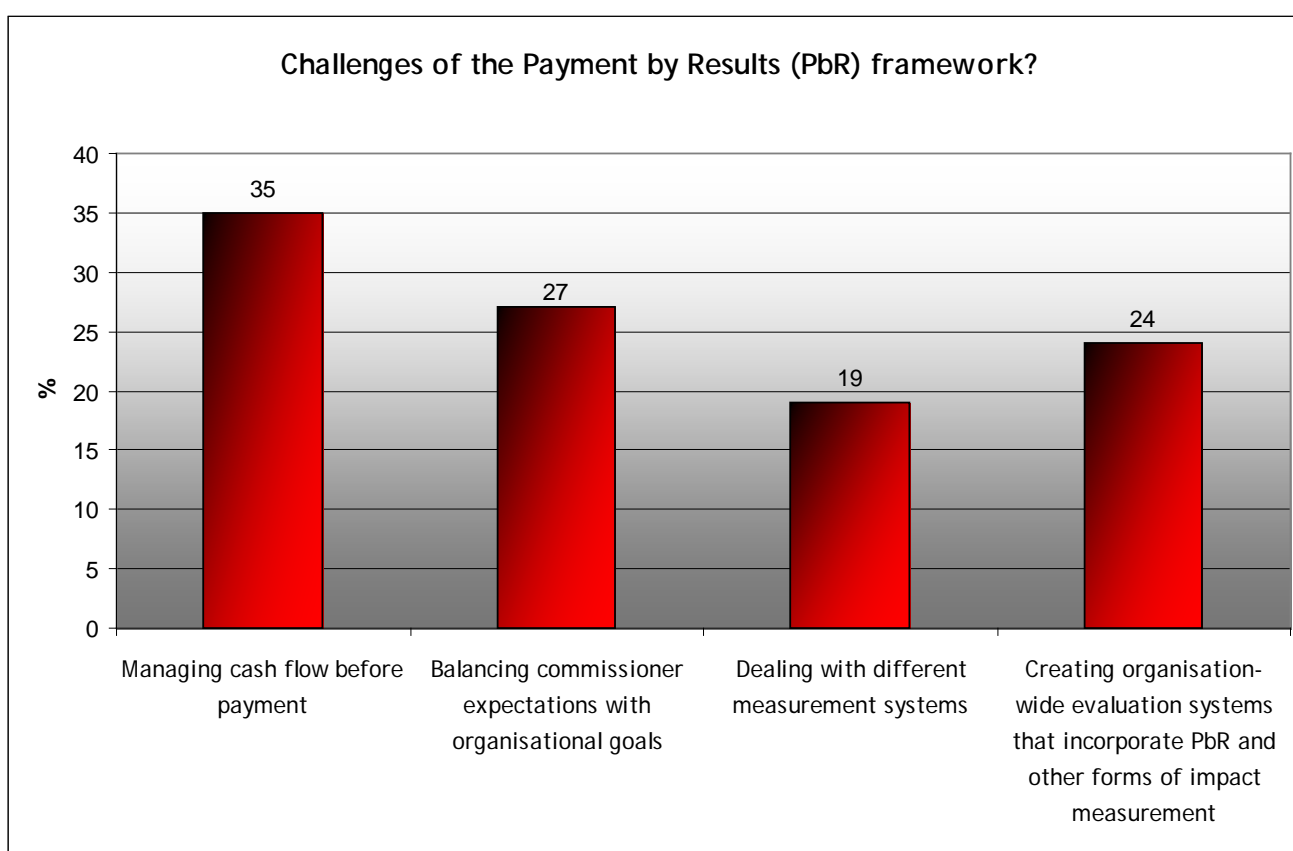


Payment by Results (PbR)

Identified in our research as one of the latest trends in impact measurement, we asked our survey participants whether they currently receive, or are likely to do so in the near future, funding via a PbR scheme.

Over 16% said yes (24% = Don't Know; 60% = No), with nearly half saying that managing cash flow before payment was/would be the main challenge; one respondent added that their organisation "didn't tender for a PbR contract recently because [they] cannot take the financial risk."

Another noted that "There is sometimes a difficulty in that PbR schemes can reward outputs rather than being outcome focused. Many of the options above are problematic for charities. We've also found that in more simple programmes (smoking cessation) PbR can work well - in more complex social interventions it is incredibly difficult to implement."



While impact measurement has come a long way in the last decade, it remains as important as ever to work together to find solutions to ongoing problems faced by the sector. As funders and commissioners increase their focus on charities that can prove their impact, charities need to continue to share their expertise and experiences to find cost-effective ways of demonstrating their value.

The 2nd annual **Charity Impact Measurement** conference (London 16 October 2012), organised by Third Sector in partnership with New Philanthropy Capital, is the UK's largest gathering of impact leaders in the third sector. It will explore some of the hottest measurement and evaluation issues affecting the industry, allowing you to benchmark your own efforts and learn from some of the sector's leading experts.

To find out more, visit www.ImpactMeasurementConference.com.