



Assessing Social Impact using Social Return on Investment (SROI)

Mobile employment van in three districts of Telangana, India

Implemented by:
Nirmaan Organization, in partnership with Firstsource

Report prepared by:



INTRODUCTION

The Social Return on Investment (SROI) methodology helps quantify the financial value of outcomes generated by social interventions. It expresses, in monetary terms, the social value created for every rupee invested in a project.

Unlike traditional economic analyses, SROI methodology goes beyond measuring investments and outputs. It focuses on the value of outcomes or changes experienced by stakeholders. Social outcomes – such as increased self-confidence, improved communication skills, and employability, are represented in financial terms alongside more tangible costs like salaries.

The SROI analysis integrates quantitative and qualitative data, using surveys to provide a holistic account of the impact generated. The outcome of an SROI analysis is an SROI ratio, which compares the investment made with the financial value of social outcomes generated. This ratio demonstrates the financial benefit of social investments in a measurable way.

While SROI helps assess social initiatives in financial terms, it is crucial to recognize that the calculated social value return does not represent actual, spendable financial returns. Instead, SROI serves as a tool to quantify social outcomes using financial measures rather than other economic indicators. By leveraging financial proxies to estimate value and aggregating these valuations, we derive an estimate of the total social value generated by an intervention.

The following SROI calculation assesses the impact of the Mobile Employment Van Project – a Corporate Social Responsibility (CSR) initiative by Firstsource, implemented by Nirmaan Organization. The project impacted 1,565 beneficiaries across three districts in Telangana, India. The total investment on the program was INR 14,82,030 (~ USD 17,300).

Step 1. Establishing scope and identifying stakeholders

The stakeholders considered for the SROI analysis include:

- Youth who have undergone the career counselling program – 1,565
- Youth who were provided job placement services – 200
- Youth who were placed - 150

Step 2. Mapping outcomes

The outcomes are the key changes experienced by the participants having completed or still undergoing the course, measured in financial terms. There were multiple changes experienced by them and these have been narrowed down to the most important outcomes for inclusion in the SROI.

The Mobile Employment Van Project aimed to provide career counselling and job placement support for youth from disadvantaged communities. By aligning their skills with market demands, the initiative helped them secure entry-level employment opportunities across various sectors.

i. The proposed project outcomes were

- Increased awareness of career options and self-assessment among 1,565 students.
- Enhanced communication skills and work readiness among 150 beneficiaries
- Successful job placement for 150 beneficiaries in entry-level roles.

The impact map

The positive outcomes experienced by the key stakeholders – 1,565 youth who attended the mobile employment van awareness, 200 who participated in personality development and soft skills training and 150 youth who landed jobs are mapped in the Impact Map below.

ACTIVITY	INPUT	OUTPUT	OUTCOMES	IMPACT
Mobile employment van for job placements	Organizing career counselling sessions	1,565 youth participated in career guidance sessions	Increased awareness about career opportunities and required skills	Better-informed career choices leading to long-term job stability
	Promotional materials			
	Pamphlets and books			
	Fully equipped mobile employment van			
	Counsellors			
Job employment training	Workshops	Job assistance provided to 200 youth in remote areas		Employment outreach expanded to underserved areas.
	Counselling workshops			
Soft-skills and confidence building workshops	Workshops	200 youth trained in soft skills (communication, teamwork, etc)	Increased confidence and personality development	Increased confidence and readiness for job interviews
Job placement	Partnerships with companies, placement drives, job matching efforts	150 youth directly placed in various job sectors	Increased employment rate among youth	Economic upliftment and reduction in unemployment rate
			Improved well-being	
			Enhanced saving capacity	

During the stakeholder consultation, the participants were asked whether they had experienced these outcomes before and after the program.

Step 3. Evidencing outcomes and giving them a value

This step determines how stakeholders experience the listed outcomes and establishes the financial value of each mapped outcome. The following outcomes were observed during our FGD discussions with the youth.

S. No	Key Improved Outcome
1	Improved awareness on various career pathways
2	Job placement
3	Increased confidence and personality development
4	Improved well-being and less stress
5	Increased saving ability
6	Improved social standing
7	Ability to contribute to their family
8	Reduced rural migration
9	Sustained Employment
10	Career Progression
11	Improved Household Income
12	Debt reduction
13	Reduced propensity to get into crimes

However, only the top 5 outcomes were considered for the SROI study. They are as follows.

Outcome No	Key Outcome
1	Improved awareness on various career pathways
2	Job placement
3	Increased confidence and personality development
4	Improved well-being and less stress
5	Increased saving ability

Step 4. Establishing impact

This step involves considering what other elements are part of the change experienced by the youth. They include:

- Deadweight – what would have happened anyway
- Displacement – the positive impact on one stakeholder at the cost of negative impact of another stakeholder
- Attribution – the change attributable to others
- Drop-Off- It also considers whether and how much an outcome that extends into the future (past the year of investment) will drop off over time.

These elements are applied as discounts to the value included in the SROI analysis (expressed as percentages). They help ensure that the SROI value is not over-claimed, and provide a 'reality check' on the actual impact of the social investment. These values have to be gathered during stakeholder consultations

i. Deadweight

The % of participants who were confident that they would have got the skills on their own volition was the value assigned for Deadweight. The completed participants were asked a question- What would they have done had they not joined the course - for which the following were the responses.

- **Outcome 1:** As per the survey conducted, an average of 80% of the beneficiaries got an idea about the job opportunities available only after the employment van project was conducted. There was a **20% deadweight** allocated to the number of beneficiaries who believed they could have amassed this information on their own.
- **Outcome 2-** A fair number mentioned that they would have found a job on their own. Hence, **20%** was attributed as **deadweight**.
- **Outcome 3, 4 and 5-** Negligible to reasonable external influence in the form of workshops etc within their colleges. Hence, **20%** was the assumed rate of **deadweight** for Outcome 4 and 5.

ii. Displacement

Displacement is the positive impact of one stakeholder at the cost of a negative impact on the other stakeholder.

- **Outcome 1:** It was observed that in a few cases, the colleges in the areas offered career counselling programs for the youth but they had not offered them any courses in confidence building or conducted job camps. Hence, the displacement was assumed at **30%**.
- **Outcome 2, 3, 4, 5:** Not many other similar support structures for job placement and confidence building were offered in the program areas. Hence **10%** was assumed as rate of displacement for all outcomes 2,3,4,5.

iii. Attribution

To assess attribution, participants were asked whether they were aware of any similar programs in their communities in which would have contributed to the outcomes mentioned. A percentage of the change then would be automatically attributed to the other providers.

- **Outcome 1:** 97% of the youth (97%) who were surveyed mentioned that they did not know about job and career pathways before and knew nobody who could support them – Hence, the value for attribution was assigned as a marginal **10%**.
- **Outcome 2:** Approximately 70% of the youth mentioned that they would have explored other options to find a job in the city. Hence, attribution was assigned at **30%**.
- **Outcome 3,4:** Negligible. Hence, **10%** was the assumed rate of **attribution** for these outcomes.

iv. Drop-off

The participants were also asked about the long-term usefulness of the skills gained through job placement and workshops. All respondents indicated that the skills learnt would be useful to them for a long time.

- The duration of the skill and job placement was assumed to be for 5 years as that is the maximum that can be assumed in an SROI calculation. Based on the above findings, only a marginal 5% dip in their knowledge and skill-sets if any, is envisaged.
- Hence the **drop off rate** is calculated to be 5% for each of the envisaged outcomes.



Step 5. Calculating the SROI

The last step in an SROI analysis is calculating the SROI ratio. The ratio is calculated by multiplying the number of stakeholders achieving an outcome by the value of that outcome (financial proxy) and then discounting for impact. All outcomes are then added together for the total present value, which is divided by the total investment.

The financial proxy was based on the feedback received from the stakeholders during the consultation with them. All the costs detailed below are for one person.

Outcomes	Proxy	Reason for assigning value
Ability to make improved career decisions and increased self-awareness	Avg cost of a career counselling program is Rs 6,000.	Approximately 90% benefited from the program, equating to 5,400 Rupees (90% of 6,000).
Job placement	Avg salary of Rs 10,000 per month *12 months (10,000*12=1,20,000)	Since all participants were placed, the success rate was 100% and hence, was Rs 1,20,000.
Increased confidence and personality development	Avg cost of a confidence and leadership program is Rs 5,000.	Given that participants were from rural areas, at least one course was necessary. 107 participants (71%) reported improvement due to the program. Therefore, the assumed impact is 71% of 5,000, totalling 3,567.
Improved well-being	The cost for counselling programs for stress is approximately Rs 5,000. in semi-urban areas.	Among the 109 surveyed, 97 participants (65%) experienced general improvements in stress levels and well-being. Hence, the estimated impact is 65% of 5,000, equalling 3,233.
Increased savings	Rs 10,000 savings per year	The average annual savings amounted to Rs 10,000 per participant.

SROI Formula

- $SROI = \frac{\text{Total Present Value of social value}}{\text{Net Present Value of the investment}}$
- Total PV of Social Value = Quantity of outcome * Proxy Value * (Attribution – Deadweight – Displacement – Drop-off for each year)
- The cost per learner*no. of Participants/completed Participants was used to calculate NPV of Investment



Some of the assumptions taken were as follows: (The financial proxies used are assumed to be reasonable)

- The consultation involved an FGD with 6 beneficiaries and survey with 109 beneficiaries.
- The percentages and answers are assumed to be representative

The adjustments for deadweight, displacement, attribution and drop off are assumed to be reasonable

Activity	Qty	Value	Gross Total	Deadweight	Displacement	Attribution	Drop off	Impact
Provided awareness on career pathways to 1,500 youth	1,565	5,400	84,51,000	20%	30%	10%	30%	29,81,513
Provided job placement services to 150 youth	150	1,20,000	1,80,00,000	10%	10%	30%	5%	96,95,700
Increased confidence and personality development activities for 200 youth	200	3,567	7,13,400	20%	10%	10%	5%	4,39,169
Improved well-being of 150 placed youth	150	3,233	5,35,050	20%	10%	10%	5%	3,29,377
Ability to save money among 150 youth	150	10,000	15,00,000	20%	10%	20%	10%	7,77,600
Total Present Value								1,42,23,359

- **Total Present Value (TPV)** = Rs 1,42,23,359
- **Input Value (IV)** = Rs 14,82,030 (*Spent by Firstsource*)
- **Net Present Value (NPV)** = TPV- IV = Rs 1,27,41,329
- **SROI**= NPV/IV= 8.60

SROI Interpretation

For every one rupee spent for the project, a social value of **8.60** was generated.