

Powerful Metrics & Methods for Measuring Effective Social Impact

A How-To Guide for Corporate Giving & Employee Engagement Leaders





About Us

America's Charities inspires employees and organizations to support the causes they care about. We help employers achieve their giving, engagement, and social goals, and we help nonprofits fundraise unrestricted, sustainable dollars through the workplace. We do this to bring more resources to the nonprofits changing our world. Our 40 years of experience combined with an accountable and transparent process has resulted in raising more than \$750 million of sustainable funds for more than 20,000 nonprofits addressing a range of causes including education, human rights, hunger, poverty, research, animals, veterans, disaster relief, and health services. Learn more and contact America's Charities at www.charities.org/contact.

Powerful Metrics & Methods for Measuring Effective Social Impact was written by Peter Panepento, Founder of Turn Two Communications, with editorial direction and design provided by America's Charities' team, Lindsay J.K. Nichols, Vice President, Marketing and Communications, and Sarah Ford, Marketing Director.



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Employee Engagement and Giving Best Practices

“If you can’t measure it, you can’t improve it.”

– Peter Drucker

Your company likely has a number of motivations for its corporate philanthropy, employee giving, and employee volunteering programs.

Your human resources department sees these efforts as vehicles to improve employee engagement and build stronger connections.

Your communications and marketing team leverages your philanthropy to burnish your brand and position you as a good corporate citizen.

And you — and your nonprofit partners — want to make an impact and improve the lives of the people you’re trying to help.

But are your efforts truly hitting the mark? Does all of the time and investment you put into your corporate philanthropy actually help your employees and your brand? Does your work make an impact in your community?

For too many companies, the answers to these

important questions are unclear.

While many businesses attempt to measure the impact of their corporate philanthropy, they admit that these measures are, at best, imperfect.

More than 7 in 10 companies surveyed in [America's Charities' Snapshot Employer Research](#) say they plan to reevaluate their employee engagement strategies over the next 18 months. And, as they do so, they will be looking at metrics to help guide their decisions.

But even as companies attempt to gauge the impact of their work, fewer than half — 44 percent — say they have systems in place that benchmark their programs against their peers.

“Few organizations realize that they have the ability to measure the impact of their employee engagement programs,” said [Jim Starr](#), president and CEO of America’s Charities. “True impact is measured over the long-term — often measured in years and even decades — and it’s easy to feel defeated by lack of resources and capacity, or scientific and empirical evidence demonstrating causal relationship between program and outcomes. But it really is possible to measure impact by starting small, asking the right



Watch and listen to a recorded 3BL Media webinar about [the changing nature of workplace-centered philanthropy and employee engagement](#), including its role in attracting employees and engaging Millennials, featuring America’s Charities experts and Snapshot Employer research.



questions, and keeping your long-term goals in mind every step of the way.”

If your company is looking to reevaluate its measurement strategies or is in the process of launching a new program, America's Charities' team of experts can help. This white paper is a preview of how.

You'll learn what questions you should ask and what tools exist — and you'll get expert advice from America's Charities' leadership team and corporate colleagues who have already developed effective measurement systems.

While no two companies — and no two programs — are exactly the same, this guide will help you get started as you look to build or improve your measurement system.

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Understanding Your Goals

Any conversation about effective measurement should begin with a discussion about your company's strategic goals — and how your workplace giving, employee engagement, volunteering, and other philanthropy programs support those goals.

After all, it's important to know what you want to accomplish before you can determine how to measure your success.

“You have to understand why your company is starting the program and measure the program to that,” says Graham McLaughlin, Managing Director for Community Impact for The Advisory Board Co. in Washington. “Why is this program being put in place? Are you looking to drive cause marketing? Do you want to drive pride in your employees? Are you looking for social impact? You have to really think about how you want to craft your program.”

While it might seem obvious, many companies don't take the time to ask these questions up front before deciding what they want to measure.

It's tempting — and sometimes quite easy — to jump to using simple measures such as how much money has been raised or how many hours have been volunteered and call it a day. These outputs are important data points to track. But taken on their own, they are not likely to tell you much about whether your program is hitting the mark or the depth of impact your organization is having.

If your company is interested in finding out whether the program is driving business and social outcomes, experts say it's important to take the time to determine what those outcomes should be — and then build the measures that help you gauge your success in achieving those outcomes.

Depending on the size and structure of your



IMPORTANT QUESTIONS:

Here are some questions you can ask to define the goals for your corporate philanthropy program:

- What are your company's values?
- What are your company's business goals?
- What are your company's human resources goals?
- What are your company's marketing and communications goals?
- What is most important to your employees and other key stakeholders?
- What is important to your company's leadership?
- What would you like to be known for?
- What are you striving to accomplish?
- What type of change or community impact are you hoping to achieve?

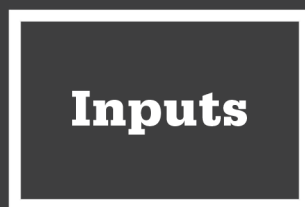
company, this process will require more than just a brainstorm by the person who leads your philanthropic programs. She should take the time to interview key stakeholders from your C-suite, human resources, marketing and communications, and other key departments who might have a

stake in the results. If the outcomes are to be obtained with a community partner, an early conversation with them to agree upon the outcome measures and methodology is also recommended.

Some companies also take the time to survey employees and even potential nonprofit partners to determine their goals up front.

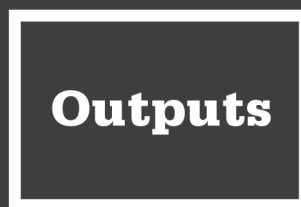
Ultimately, they are hoping to get a 360-degree view of the most important outcomes for the program — and then they begin to build measurements that track progress toward those outcomes. Establishing the outcomes first and working backwards is key to ensuring that the inputs and outputs support the desired outcomes and program goals.

THE DIFFERENCE BETWEEN INPUTS, OUTPUTS, AND OUTCOMES:



Inputs

The human capital and other items we use to implement a project, e.g., people, time, money, and information.



Outputs

The first level of a project's results, usually consisting of metrics that are easy to quantify and tabulate. Your outputs are what the project has achieved in the short-term, e.g., 20% employees participated or donated.



Outcomes

Directly related to your larger community impact goals, this measure explains the long-term consequences and results of the project, e.g., as a result of employees volunteering in a mentor program, students increased reading by one grade level.



Basic Measures

It's likely that your company is going to want to track some top-level metrics to gauge employee participation, employee contributions, community impact, and your company's investment in its philanthropic programs to validate that the goals are being achieved.

These metrics will help your company quantify your philanthropy to your board, your leadership team, and the public. They will also help your company understand the amount of time and money it is investing in these programs.



Company Investment Metrics

- Staff time (FTEs or hours) dedicated to management of philanthropic programs
- Financial value of staff time dedicated to management of philanthropic programs
- Non-staff costs associated with philanthropic programs (*cost of marketing materials and promotions, office space, etc.*)
- Employee time dedicated to giving, volunteering, attending information sessions, etc.
- Corporate donations associated with philanthropic programs (*matching funds, etc.*)



Employee Giving Program Metrics

- Amount raised
- Number of employees who participate
- Percent of employees who participate
- Average gift per employee
- Company match
- Company investment



Employee Volunteer Program Metrics

- Employee participation
- Hours volunteered
- Company investment



You will also be able to track them over time to monitor growth and changes.

Most companies that run giving and volunteering programs track some version of each of these metrics as part of their basic reporting.

Typically, they entrust a key member of their team with ensuring that there are systems in place for collecting this basic information and for reporting back to the company's leadership and key stakeholders regularly.

It's important to note that while these measures are essential for most companies that manage giving programs, your attempt to effectively measure your company's philanthropic efforts shouldn't end here. You should also develop a number of other metrics based on your company's larger philanthropic goals around business impact, human resources, marketing and communications, and community impact.

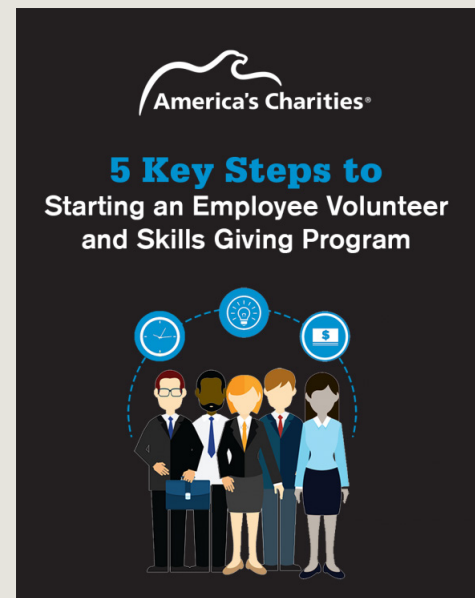


Strategic Volunteerism

Volunteerism is increasingly becoming the core around which companies are building employee engagement strategies and programs. It also serves as a catalyst for deeper partnerships with nonprofits.

However, the goals of employers, nonprofits, and employee volunteers are often misaligned.

Download our free guide, "[Five Key Steps to a Successful Employee Volunteer and Skills Giving Program](#)," to improve your existing volunteer program or begin anew the right way.





Business Impact Measures

At New York Life, employee giving and volunteering programs are a large part of its culture — and connect directly to its corporate values.

As these programs have grown and evolved, the company has been getting anecdotal evidence that employees and agents who participate in these programs gain access to new contacts and clients who help boost its bottom line. But rather than simply relying on anecdote, New York Life is now working to measure the business impact of its philanthropic programs.

To do that, it is using an assessment tool to help it better understand the business impact of its philanthropic efforts.

“We expect this to help us better understand how this work is benefiting our business, and how we can make future investments and refine our strategy to have an even greater impact,” says Matthew Nelson, New York Life’s Corporate Vice President for Corporate Responsibility.

If one of the goals of your company’s giving or volunteering programs centers around improving sales or building relationships with potential clients or customers, you should consider developing metrics that will help you measure your progress toward that goal.

By doing so, you will be able to show how your investment in your philanthropic programs is helping advance your business.



KEY MEASUREMENTS:

The following is a list of common business impact measures that companies use to gain insights into the impact of their philanthropic programs on their bottom line:

- Sales leads gained
- New contacts
- Direct sales gained





Human Resources Measures

For many companies, employee giving and volunteering programs connect to a larger strategy around employee attraction, engagement, and retention.

That's because a company's social values and corporate social responsibility (CSR) are increasingly important to job seekers and employees who are looking to align their work with doing good. This is especially true among younger workers.

“There's a lot of competition for companies to attract and retain talent,” says Sarah Ford, Marketing Director for America's Charities. “If you can evaluate and share your company's CSR and social impact in the community, you are well on your way. Having defined metrics helps companies find and keep the best and brightest.”

If your company has strategic goals related to employee engagement, building metrics that track the correlation between your workplace giving, employee volunteering, and corporate philanthropy programs and topics like successful recruitment, job satisfaction, and retention should be considered as part of your measurement program.

These metrics can be developed in a number of different ways, depending on your company's existing metrics and its resources.

For companies with a large work force, these measures can include tracking the tenures of employees who participate in its volunteering program vs. the tenures of employees who do not participate — or measuring whether employees who participate in the giving program are more likely to earn merit-based promotions or raises.

For others, it might mean conducting periodic employee surveys that track satisfaction and measure it against participation in their philanthropic programs.

For still others, it can start with noting whether overall satisfaction increases or turnover decreases as it builds its philanthropic programs.

No matter what, though, if you are looking to prove that your philanthropic program is helping you attract and retain good talent, there are a number of metrics that you should consider to determine whether your program is hitting the mark.



KEY MEASUREMENTS:

If you are looking to connect your giving and volunteering programs to corporate human resources goals, here are some metrics to consider:

- ✓ Participation rate
- ✓ Job satisfaction rate - participants vs. non participants
- ✓ Influence of giving/volunteering on job satisfaction
- ✓ Retention: employee turnover rate - participants vs. non participants
- ✓ Promotion rate - participants vs. non-participants
- ✓ Development of job-related skills - participants vs. non-participants
- ✓ Employee satisfaction rate for volunteering programs
- ✓ New hires who cite volunteering/giving as influencing their decision to accept job offer



Communications & Marketing Measures

One of the most important goals for many companies that engage in giving and volunteering programs is improving the value of its brand. Often, companies are looking to position themselves to the public, lawmakers, and others as caring corporate citizens.

For some companies, this comes through media coverage and rankings on lists like [Fortune magazine's Most Admired Companies](#).

For others, this goal is accomplished through its own direct marketing and content marketing efforts.

For still others, it comes through building relationships with people who are served by their largesse — for example, a company might ultimately gain customers or future employees through a scholarship program or an effort to help provide financial literacy skills to low-income, first-time homebuyers.

“In addition to hard numbers, it’s important to capture your impact in a narrative form,” said Lindsay J.K. Nichols, Vice President of Marketing and Communications at America’s Charities. “Your employees that give and volunteer, your nonprofit partners, and their beneficiaries all have rich stories about how your organization has made a difference. Focus on ways your company, and workforce, have helped drive behavior inside and outside the walls of the workplace.”



KEY MEASUREMENTS:

Below are some measures to consider if your philanthropic programs aim to advance corporate goals around communications and marketing:

- Earned media mentions about your giving, volunteering, or philanthropic program
- Reach of media mentions about your programs
- New subscribers to e-mail newsletter or other marketing channels
- Visitors to portion of your website devoted to your CSR efforts
- Social media mentions
- New social media followers/friends
- Rankings on best places to work, best companies for CSR, most admired company lists
- Exposure from media outreach, news releases, etc., managed by charity partner organizations
- Acquisition of new marketing leads: cold sales leads, speaking opportunities, etc.
- Prospect conversions: moving consumers/customers down the sales funnel faster





Social Impact

While it's important to understand and measure how your philanthropic efforts are advancing your business goals, many companies are also looking to ensure that these efforts are also serving a high purpose.

After all, it's philanthropy — and chances are your company is looking to help address a social issue.

Whether your focus is on education, the environment, reducing poverty, or something else, your company wants to know that the time and money that it is investing in its philanthropic programs are helping to move the needle on the mission you're hoping to accomplish.

Measuring social impact isn't an easy task. Many nonprofits and foundations that work full-time on addressing social issues struggle to develop and report on the most appropriate measures and metrics for their work.

But, quite often, these organizations have taken steps to build meaningful metrics into their work. And it's likely that your company can work with its nonprofit partners to get reports on how your company's donations or volunteering efforts are making an impact. Some companies, in fact, require this level of reporting from their nonprofit partners — and they seek out nonprofits that are able to quantify how the company's philanthropy is achieving impact.

If social impact is one of your goals, it's important to take the time to work with your nonprofit partners to help determine your impact. It is not out of line to ask questions and press for metrics — in fact **it's important that you do so** — and it's also not out of line to shy away from partnering with nonprofits that are unable to provide details about how your company's efforts will have an impact on their work.



KEY MEASUREMENTS:

Because of the variety of corporate values and philanthropic causes, there is no one-size-fits-all approach to measuring impact. But you should be prepared to ask your charity partners a number of questions about how they measure impact — and work with them to develop a method for quantifying how your company's investments affect the charity's results and the community.

- What impact measures does the nonprofit have in place?
- Does the nonprofit have the ability to determine the impact of your company's financial investment or volunteering activity?
- How is that impact reported?
- Is the nonprofit willing to share those results with your company?
- Can your company share those results publicly?
- What resources are most valuable in terms of achieving greater impact?
- How can your company get the best possible return on its philanthropic investment?



What motivates donors to give?

When employers match individual donations. In fact, our research shows that matching gifts is second of the five biggest motivations for workplace donors. Get more facts and benefits about workplace giving, employee engagement, volunteer management, and related topics at www.charities.org/resources.



Reporting Your Results

Once you've determined your company's goals and what it plans to measure, it's time to determine how you're going to aggregate the data, how you're going to present it, who will have access to it, and what you plan to do with the results.

Many companies collect these data, but they don't take

the steps to use and analyze it in a meaningful way.

To avoid this problem — and to ensure that your efforts to collect data are effective and efficient — it's important to answer a number of important questions.

1. Who is responsible for collecting, reporting, and managing the data?

As with all functions in the business world, it's important for someone to “own” this process. If responsibility for data collection and reporting isn't given to a single person or group of people within your company, it's likely that it won't be properly managed or collected. Before you begin, it's important to determine which person or function in your company will own the process for collecting and reporting your data.

2. Where does the data come from?

For each measure, you need to have a data source or sources. It's important to identify how the data will be collected for each measure (whether it's through a survey, through a specific department at your company, through a charity partner, or all of the above).

3. How will you report the data?

Some companies develop a dashboard that presents the key measures for its philanthropic program in one place. Other companies develop regular reports for the C-suite and board of directors that summarize their key findings. Still others post it publicly for employees and key stakeholders. Depending on your company's culture and goals, determine how you'd like to report your impact. Leverage existing platforms for reporting, if possible, or try to make it part of your other regular reporting your organization already undertakes.

4. How frequently will you share and report your data?

Is it important for your company to track its philanthropic metrics weekly, monthly, quarterly, or annually? For each company, the answer might be different. We recommend quarterly and annually, with exceptions for special campaigns, such as disaster relief. But it's important to determine up front how often you'll need to gather and report on your metrics.

5. Who should receive your reports?

It's also important to determine which stakeholders in your company should be getting reports on your data. Many companies will share key data with employees, more in-depth data with decision makers, and provide a high-level report to the board. Determine who your stakeholders are and then develop reports for those stakeholders based on what information is most important to each. And remember that it's always easiest to start with the data that is already collected by your organization, if possible, or through a technology platform, like *America's Charities Engage*, powered by *SmartSimple*, that includes an impact dashboard that shows individual and company impact across donations, volunteering, and company matching in real-time.



Taking Action

All of these activities are likely to make little difference if you don't plan to use these data to help guide your future activities.

That's why it's also important to determine how your company plans to use your results to assess and improve your philanthropic programs moving forward.

Many smart companies look for trends in their data to see if it's helping them make progress toward its business goals and to determine whether they need to redirect their resources into other areas.

For instance, if a company finds that its employee participation rate in its giving program is dropping, it's possible that the company might need to change its approach to marketing the program internally — or that it should search for charity partners that are more in line with the values of its employees.

A number of companies also look to benchmark their results against their peers. America's Charities can help provide benchmarking data to compare your company's efforts against peers and competitors — and help you make informed decisions about how to improve and refine your program.

As we've mentioned, there's no one right way to collect and report data about your giving, volunteering, and philanthropic programs. But it is important to develop a system that reflects your company's goals, sheds light on the success of your philanthropic programs, and helps you gain insight that helps you refine and improve your programs in the future.

America's Charities: Your Community Impact Partner

The impact of employee giving and engagement campaigns on companies, employees, nonprofits, and the people and communities they serve cannot be under-stated. Employee giving generates more than \$5 billion annually—much of which is unrestricted, sustainable support that enables nonprofits to serve communities throughout the nation. Employers are increasingly becoming the nation's most valuable asset for serving unmet needs, not to mention providing competitive advantages in a crowded marketplace.

America's Charities does more than engage employees in giving. We partner with corporations and nonprofits to increase their collective social impact. We sit squarely at the intersection of the private and public sectors and distinctly understand how to translate the work of the two sectors. Our Engage CSR platform includes an impact dashboard that shows individual and company impact across donations, volunteering, and gift matching, as well as a map and other tools to help you assess and visualize your data. Contact Kim Young in our Business Development department at businessdevelopment@charities.org or 703-674-5358 to get started on building a new, or improve an existing, employee giving or engagement program.

For 40 years, America's Charities has been on the forefront of CSR and workplace philanthropy. Learn more at www.charities.org/demo, and download our suite of Snapshot research identifying current trends, attitudes, and perceptions in employee giving.



Get Started! Contact Us.

www.charities.org/contact

