

Social Impact Modeling for Funders



Social Impact Models can provide both non-profit and funding organizations with a comprehensive framework to define the change they want to see in their communities and evaluate whether the organizations and programs they are funding are helping them to achieve that vision. Through an on-going process, philanthropic organizations can use the model to continually assess their funding priorities and provide feedback on progress to donors, board members and the community.

Step 1. Define the Social Problem

Creating a concise definition of the social problem your funding organization wishes to address helps your organization stay focused and make funding decisions judiciously. Information used to determine the Social Problem may be gathered through community needs assessments, environmental analyses, and data documents developed by governmental and other organizations. Some questions to ask include: Are there specific trends in the social problem? Are there other trends in the environment that impact the social problem? What are the root causes of the social problem? What are the key elements of the environmental landscape related to the social problem? What are the key barriers and opportunities related to addressing the social problem?

Step 2. Develop Your Vision of Success

The Vision of Success is one of the most critical components of a Social Impact Model. It defines how your community will be different if you are ultimately successful in addressing the Social Problem and sets the end goal for all of your organization's funding decisions. Some key questions to ask include: If your organization (and funded programs) achieved everything it set out to do, what would the result of that achievement look like? How can the vision be sustained? How would the community and residents change?

Step 3. Craft a Funding Mission

The Funding Mission statement will provide an accurate, measurable description of your organization's work and funding priorities against which you can gauge your progress. It will also help you determine what you will and will not fund in the future. Make sure your Funding Mission and Vision of Success have common language – they should be closely tied to one another.

Step 4. Establish Social Impact Indicators

Social Impact Indicators are the overarching outcomes which will assess your organization's progress toward meeting the Vision of Success (and will determine whether your approach to solving the Social Problem is working.) These indicators should be achievable, but ambitious, targets and should tie directly to your Vision of Success. They can be indicators you develop and track either internally or with a consultant, or they can be indicators tracked by other sources such as governmental agencies or national non-profits. Be thoughtful of whether your indicators are easily measured.

Step 5. Identify Social Impact Strategies

Identify the main guiding principles your organization will use to carry out your Funding Mission. Some questions to think about include: How will your Vision of Success be sustained long-term? How do you want to focus your funding decisions? With evidence-based programs? With long-term goals taking time to achieve results or with immediate "emergency need" impact? Will you solicit organizations to work with you or will you select from those who approach you? What are the key characteristics of ideal funding recipients?

Step 6. On-Going Alignment Check with Funded Programs Outcomes and Strategies

The work of the funded programs and organizations is the core of any philanthropic organization. A final key step in the Social Impact Model is on-going evaluation to ensure the strategies of the programs you fund align with your Social Impact Strategies and program outcomes align with your Social Impact Indicators. By closely examining the outcome information provided by funded organizations, you can determine whether you are on the path to reaching your Vision of Success. Many funding organizations require programs to provide logic models and year end results, but make the mistake of asking only for numbers served or units provided. These output figures offer insight into the implementation of programs, but provide little in the way of indicating whether change has occurred. Ideally, philanthropic organizations should provide some incentive and support to their funded programs to provide true outcome information in the form of program performance indicators directly linked to your Social Impact Indicators.