



Social Return on Investment (SROI) – (FAQs)

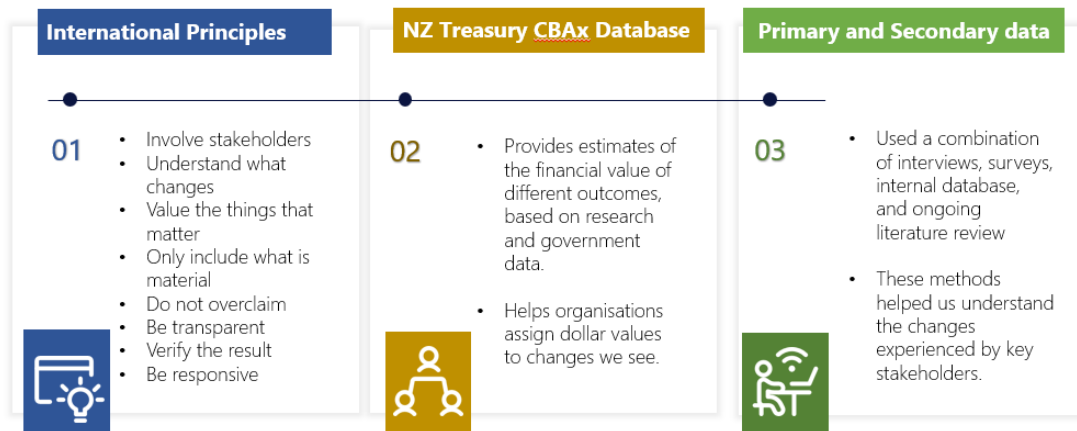
This FAQ document was created to help readers better understand the findings, methods, and key terms used in our Social Return on Investment (SROI) summary report for the Social Workers in Schools (SWiS) service. While the report provides detailed information, we understand that some concepts – such as the terms 'attribution' and 'deadweight' – may be unfamiliar. This document aims to answer common questions in a simple, accessible way, so that anyone interested in the value of the SWiS service can easily understand how we measured social value, what the numbers mean, and why they matter.

1. What is an SROI ratio and how is it calculated?

SROI stands for Social Return on Investment. The SROI ratio tells us how much social value is created for every \$1 invested. For example, an SROI ratio of \$3.5:1 means that for every dollar invested in the SWiS service, \$3.5 worth of social value was created.

To make sure everything was accurate, fair, and meaningful, we:

- Followed international guidance and principles.
- Used the NZ Treasury CBAX tool and other trusted sources.
- Collected primary and secondary data.



To calculate this ratio, we:

- Identified meaningful changes (outcomes) for key stakeholders like students, parents, and social workers.

- Put a dollar value on those outcomes (this is called 'monetising').
- Adjusted for things like whether the outcome would have happened anyway (deadweight) or if others helped (attribution).
- Added up the total value and divide by the cost of the service.

This gives a simple number that shows how much good was created for every dollar spent.

2. What is 'deadweight' and why is it important?

Deadweight means the part of a change that would have happened anyway, even if there was no SWiS service. We don't want to claim credit for outcomes that aren't a result of the SWiS service.

By removing deadweight, we make sure the value we report is only the part caused by SWiS. This keeps our results honest and realistic.

3. What is 'attribution' and why does it matter?

Attribution is about recognising that SWiS is not the only reason a change happened. Other people or services might also help a student do better.

We estimate what portion of the outcome was due to SWiS, and only include that portion in our results.

4. Is a higher SROI ratio always better?

Not always. A high ratio might look good, but what really matters is that the data and assumptions behind it are solid. An extremely high ratio can sometimes raise questions about whether the outcomes were overestimated. The goal of SROI is not to get the biggest number, but to give a fair and evidence-based picture of the value created.

The ratio isn't meant for comparison, even to similar programmes. It doesn't really mean anything without understanding the full context and background. What really matter is how accurate and honest the analysis is – whether it truly reflects the changes that happened for people involved. A lower ratio based on solid evidence is much more meaningful than a high one that's not well supported.

5. Is an SROI ratio of \$3.5:1 considered good?

Yes. In most SROI evaluations, a ratio above \$3 is considered strong—especially if the data is reliable. It shows that the value created is much greater than the cost of the service.

6. What is the NZ Treasury CBAX Data Tool, and how is it used?

The CBAX tool is a guide from New Zealand Treasury that puts dollar values on things like better health, reduced crime, etc. This is a spreadsheet-based tool that helps government agencies and service providers estimate the monetary value of social outcomes. These financial values are

based on research, public health data, and government costs (like reduced healthcare or justice system spending). They represent how much value society gains when a person experiences a positive change or outcome.

7. Why does the report use numbers instead of percentages?

SROI is focused on how many people experienced a real change, not just the percentage. This is because we use actual numbers to calculate how much value was created overall.

Also, percentages can be misleading when group sizes are small or vary a lot. Using actual numbers gives a clearer picture.

8. What does the SROI ratio tell funders?

It shows how much social value was created from their investment. If a funder gives \$100 and the SROI is \$3.50:1, that means \$350 of social good was created.

It's like investing in shares—if you put in \$100 and get back \$350, that's a strong return. SROI works the same way, but for social outcomes.

9. How do you know which outcomes to count?

We only count outcomes that are meaningful, clearly linked to the service, and supported by evidence. We talk to stakeholders, look at the data, and make sure we're not over-claiming.

10. Why doesn't the SROI ratio include benefits to OT or schools?

This SROI analysis focuses on the significant outcomes experienced by key stakeholders – in alignment with SROI principles.

However, the service also creates indirect benefits for other agencies (eg OT) and our partners (eg schools). These are real but not included in the ratio to keep things accurate and conservative.

Here is a link to the report: <https://www.psn.org.nz/about-us/research/swis-sroi-summary-report>

If you have any questions, please contact the Service Evaluation team at set@psn.org.nz.