



# The impact of impact reporting

## Sustainability and Systemic Risk

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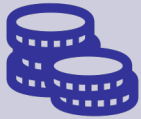
This presentation is based on the following publication:

The ethical status of social impact bonds (2019)

Journal of Economic Policy Reform

DOI: [10.1080/17487870.2019.1573681](https://doi.org/10.1080/17487870.2019.1573681)

# Impact reporting



A quantified or financialized measure of the success of particular social interventions delivered by charities or social enterprises.



Useful for funders of social interventions and improves resource allocation – especially relevant for private social investors seeking blended financial and social returns from their investment.



But measuring and reporting social impact can have adverse consequences

## OUR IMPACT

Last year, we helped 24,432 people across England and Wales with our [award-winning services](#). For many of them, St Giles Trust was the only place they could turn to.

These are our headline achievements for 2016/17



**£8.34**

Saving to the taxpayer for every £1 invested in our Peer-led services



**24,982**

People helped in 2017/18



**517**

Number of people who trained as Peer Advisors in 2017/18



**4,793**

People were helped to find a permanent home in 2017/18



**795**

Clients helped into paid work in 2017/18



emmaus

Re-established relationships with children	Research suggests an average family spends 49 minutes together per day. Converted into an annual figure and multiply by the average wage to obtain value of time.	£3,688	<a href="http://www.independent.co.uk/news/uk/home-news/49-minutes-the-time-each-day-the-average-family-spends-together-1987035.html">http://www.independent.co.uk/news/uk/home-news/49-minutes-the-time-each-day-the-average-family-spends-together-1987035.html</a>
Reduced loneliness	A partial QALY based on a score of 3 for 'usual activities', which isolates the part of life that relates to social relations.	£13,800	<a href="http://www.economicsnetwork.ac.uk/health/EQ_5D_index_calculator.xls">www.economicsnetwork.ac.uk/health/EQ_5D_index_calculator.xls</a>
Increased financial security	Value of savings accrued while at Emmaus with 3% interest	£312	MIR Data
Increased leisure time	Value of holiday allowance provided to Companions	£200	MIR Data

# Some problems with impact reporting

- Gaming of results
- Contracting issues
- Denial of service
- Effects on staff

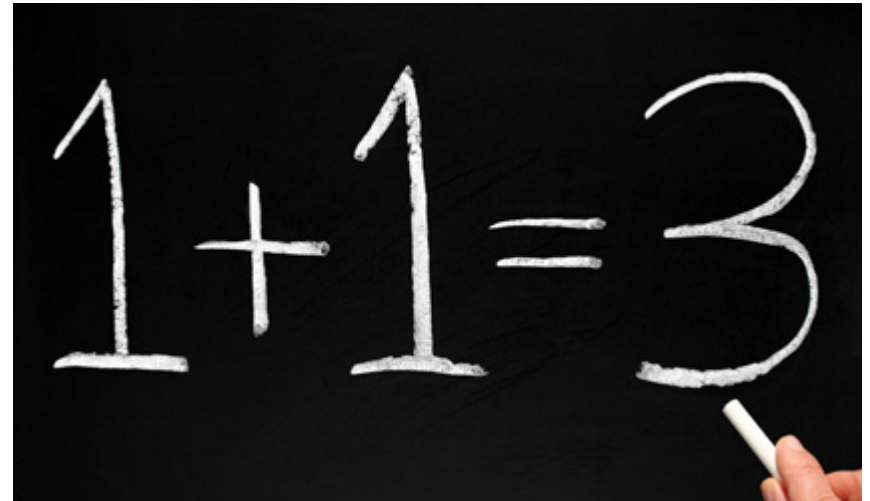


# Gaming of results

**Target easiest beneficiaries - “cream skimming”** (OECD, 2016)



**Provision of misleading information** (Lowe and Wilson, 2015, McHugh et al, 2013)



# Contracting issues



Private investors may have stronger contracting skills than local authorities in particular regarding definitions of impact measures (e.g., Utah pre-school SIB)

# Denial of service

**Excluding most difficult targets - “Parking”** (OECD, 2016)



**Randomised control trials require non-treatment group**

(Tse and Warner, 2018, Worrall, 2008)





# Motivation of caseworkers

## Financialising/quantifying moral activities

- Might undermine intrinsic motivation (Benabou and Tirole, 2006; Morley, 2020; Titmuss, 1971, UNDP, 2018)

## Form-filling vs helping needy clients



# A bigger question about the markets *enabled* by impact measures

Should these individuals become sources of profit?



# Conclusion

**Problems with impact reporting include:**

- \*Gaming of results
- \*Contracting issues
- \*Denial of service
- \*Effects on staff motivation
- \*Enabling the commoditisation of beneficiaries

