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SROI ANALYSIS OF RONALD MCDONALD HOUSES IN ITALY

Social Return On Investment Report

May 2017

The report has been developed by **ARCO (Action Research for CO-development) research centre, University of Florence**, under the scientific supervision of **Luca Bagnoli**, Full Professor in Business Administration at the University of Florence.

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1. Introduction

This report summarises the results of an independent evaluation of the social return on investment that was created by Fondazione per l'Infanzia Ronald McDonald Italia (Ronald McDonald House Charity – RMHC hereafter) during the financial year 2016. The evaluation, which was undertaken between February and May, 2017, aims to understand, measure, and report on the social value of the various services provided by the four Ronald McDonald Houses in Italy (Florence, Roma Palidoro, Roma Bellosguardo, and Brescia).

In recent years, the notion of social impact has drawn increasing attention among many providers of funding, NPOs, associations, foundations, and social entrepreneurs who wish to understand, evaluate and explain their activities. In many of these discussions, the Social Return on Investment (SROI) represents an innovative methodology that applies a participatory framework to improve managerial processes and measure the social-environmental return for beneficiaries and communities.

This report is divided into four sections. Section 1 gives a background of RMHC and explains our SROI analysis. Section 2 describes the SROI methodology, and Section 3 describes the stakeholders who took part in the research, the inputs, the outputs and the outcomes of SROI analysis. Section 4 presents the main findings.

1.1 Background

The RMHC's Italian headquarters were established in 1999, and provides services through four Ronald McDonald Houses (Florence, Roma Palidoro, Roma Bellosguardo, and Brescia) and two Family Rooms in hospitals at Bologna and Alessandria. For the past 17 years RMHC has implemented programmes to support families with sick children who have to travel far from home, providing comfort, support, and resources just steps away from the hospital. Since several studies have stressed the importance of ensuring that families stay together when a child is hospitalized, RMHC has made this the centre of their activities. By applying the Family Centered Care approach, a view on caring for children that emphasizes the strengths and needs of their families, RMHC allows families to be active participants in their child's care.

1.2 Purpose of the analysis

RMHC commissioned ARCO (Action Research for CO-development), a research centre at the University of Florence that performs research and consultancy for various organizations at local, national and international level, to perform an independent SROI evaluation of their charitable activities. The aims of this report are twofold. First, analysing the social impact of the activities of RMHC will allow to improve on existing practices by taking into account the feedback of beneficiaries, stakeholders, and the community.

Second, disseminating the results will also permit to publicly evaluate the social value of RMHC Houses, in line with RMHC transparency and rigor criteria. Indeed, this SROI analysis evaluates the impact of the RMHC Houses by examining the social, economic, and environmental values that are created by the implementation of its services. The RMHC's main beneficiaries and stakeholders are involved in the process of selecting which outcomes should be measured and how. As a result, this SROI analysis takes into account what beneficiaries and stakeholders experience as result of the RMHC's services, and place a financial value on it.

2. The SROI methodology

The SROI methodology is based on the identification of activities using an input-output-outcome model, relying on extensive dialogue with stakeholders (Manetti et al., 2015). Stakeholder engagement is essential in order to avoid self-referential decision-making processes, duplication of measurements for diverse categories of stakeholders, and incorrect or subjective attribution of indicators to certain stakeholders.

In order to apply the SROI methodology to the activities of every RMHC House in 2016, we devised a strategy based on the following steps (Manetti et al., 2015):

1. Contextualization of RMHC, its mission and activities, and its internal structure;
2. Mapping all the activities involved in the management of the four Ronald Houses in Italy;
3. Transparent identification and monetary valuation of the inputs used by these activities;
4. Using the involvement of relevant stakeholders, participatory mapping of outputs and outcomes;
5. Identification of suitable indicators for estimating these outputs and outcomes;
6. The identification and calculation of appropriate financial proxies for the economic valuation of these outcomes;
7. Subtracting potential displacement effects, deadweight effects, attribution issues, and drop-off effects in order to obtain the monetary value of impacts produced;
8. Actual calculation of the SROI ratio.

While the monetary value of inputs and most investments have a clearly identifiable market price (with some remarkable exceptions: for example, we had to formulate a fair value to volunteer hours), the financial evaluation of outcomes poses greater challenges. When no financial proxy is immediately available, one of the following approaches is used (Manetti et al., 2015):

- *contingent valuation*, which means asking stakeholders to put a monetary value on perceived benefits;
- *revealed preference*, where the financial value is derived from similar goods or services that have a market price;
- *travel cost method*, which verifies how far the average user is willing to travel to gain access to a particular item or service;

- *average household spending*, which evaluates family spending habits for activities over and above those necessary to satisfy primary needs (e.g. free time, personal well-being, hobbies, and sport).

Thus, selecting the financial proxies is a process that has to be conducted according to the aforementioned criteria and the various scientific evidence and data. One of the consequences of this is that the SROI analysis could change depending on which criteria is followed while choosing the financial proxies. This is why two SROI analyses can often bring about very different results.

It is also important, moreover, to determine the duration of various outcomes. Some activities have long-term effects on users, covering their entire lifespan, while others are limited to less than a year.

The last step of this process consists of subtracting any potential displacement effects, deadweight effects, attribution issues, and drop-off effects from the value obtained for each outcome.

- *Deadweight*: how much of the change would have happened without the measured activity?
- *Displacement*: how much of the outcome has displaced other outcomes?
- *Attribution*: if the impact is not entirely attributable to the measured activity, what percentage of the impact is produced solely by RMHC?
- *Drop-off:* how much does the outcome drop-off in future years?

Once deductions have been made for these effects, impact can be calculated by multiplying the financial proxy of each outcome by its quantity, and then repeating this process for all the other outcomes.

Finally, the result of the previous sum (total impact) is corrected by taking into account possible repercussions of the impact of each outcome over the course of several years. It is therefore necessary to project along a temporal axis the value of the impact of each outcome throughout the estimated duration of the effect. Given the complexity of calculations that might result, it is advisable to limit the duration of impact (NEF 2009).

These steps enabled us to calculate the total value of the impacts for the four RMHC Houses managed by RMHC. After having applied a discount rate of 3%[1] per year to the total value of impacts in a five-year framework, the Total Present Value of impact was calculated. The SROI ratio is then calculated as the ratio between "Total Present Value of Impacts" and "Total Value of Inputs."

[1] When making economic estimates and choices based on cost-benefit analyses, the British Treasury Minister's Green Book for public authorities recommends a base rate of 3.5 %. However, following criticisms by the "Stern Review on the Economics of Climate Change" (Stern 2006), the Treasury lowered the rate to 3% in order to eliminate the effect of pure time preference, which was estimated at 0.5 % (Groom et al. 2005).

3. The SROI analysis

The relationship between inputs, outputs, and outcomes is called the "theory of change." The SROI theory of change attempts to explain change as perceived by the target community of the project, constructing a story of qualitative and quantitative change among a project's main stakeholders.

3.1 Stakeholder Engagement

The current SROI analysis focuses on finding out how much value has been created by RMHC. The identification, selection, and engagement of stakeholders who might affect or be affected by the activities of RMHC are core features of SROI methodology.

Table 1 describes both the type of involvement and the change that occurs for each category of stakeholder.

Table 1 - Stakeholder engagement and main outcomes

Stakeholder	Involvement	Stakeholders reported outcomes
FAMILY (PARENTS)	**29** semi-structured interviews (both in person and by conference call).	RMHC programs keep families close to each other, through greater proximity to the hospital, less time travelling, and the peer support that comes from others staying in the RMHC House. Families who stay in a RMHC House participate more in their child's care, report significantly more positive hospital experiences, and experience more valuable time spent with their child.
CHILDREN	The parents were the main intermediaries.	Children with special medical conditions can live with their parents, preventing negative impacts from an unintended disruption of their daily routine. Moreover, RMHC Houses provide appropriate space to play with other children who are experiencing similar situations, which helps them cope with trauma.
HOSPITALS	**7** semi-structured interviews (in person)	The hospitals reported that their partnerships with RMHC improve the quality of care and reduces staff and economic burdens associated with finding patients and their families affordable lodging and other accommodations.
RMHC HOUSE STAFF	**8** semi-structured interviews and **9** questionnaires	Working for a RMHC House increases the employee's self-fulfilment by making them feel useful to families and children in need. Nevertheless, the personnel may suffer from stress caused by daily contact with emotionally-charged situations.
RMHC HEADQUARTERS STAFF	Meetings, interviews (in person), conference call (**6**)	RMHC headquarters staff report a strong commitment to the mission of the charity, and are proud to work for it.
RMHC BOARD // RONALD McDONALD CHARITY	**3** semi-structured interviews (both in person and by conference call)	RMHC board has a strong commitment to the charity's mission, which enhances their self-image and provides them with the opportunity to solve sensitive issues.
McDONALD'S CORPORATION // McDONALD'S LICENSEES	**2** semi-structured interviews (both in person and by conference call)	McDonald's licensees report a high satisfaction in transferring part of the revenues to a project with a social aim.
VOLUNTEERS	**7** semi-structured interviews (in person)	The social aim of RMHC Houses provides volunteers with increased self-satisfaction and improves their social skills and abilities.

DONORS (PRIVATE CITIZENS)	**2** semi-structured interviews (in person)	Private donors report a high satisfaction in transferring part of the revenues to a project with a social aim.
DONORS (COMPANIES AND ASSOCIATIONS)	**3** semi-structured interviews (in person)	Donors (companies and associations) report a high satisfaction in transferring part of the revenues to a project with a social aim.
COMMUNITY / ENVIRONMENT	Although it was considered during the preliminary phase of the research, it was not considered material.	
OTHER NON-PROFIT ORGANIZATIONS	**5** semi-structured interviews (in person)	Report a high satisfaction in devoting their contribution to a project with a social aim.
OTHER HOTEL ORGANIZATIONS	Although they were considered during the preliminary phase of the research, their role is considered through the displacement effect on accommodation savings (see section 3.4).	
TOTAL # OF STAKEHOLDERS INVOLVED **81**		

3.2 Inputs and value

The inputs referred to in this study describe what stakeholders contribute in order to make RMHC activities possible. The following table illustrates the monetary value of the contribution for each category of stakeholder.

While all the monetised inputs were derived from RMHC data, the non-monetised inputs – namely, pro-bono working hours by RMHC board members and volunteers – have been valued by comparing them to the average hourly wage for each qualification profile.

Table 2 – Stakeholder, inputs, and value

Stakeholders	Inputs			
Who will we have an effect on? Who will have an effect on us?	*What will they invest?*	*Value*	*Comment*	*Value Included €*
FAMILY (PARENTS)	Contributions per night	90.033€	Not counted in the calculation to avoid double counting. Already included in management costs.	0.00 €
CHILDREN	Children and hospitals are the main beneficiaries of RMHC services			
HOSPITALS				
RMHC STAFF	RMHC staff costs	542.077€		542.077€
RMHC HEADQUARTER STAFF	Staff costs at RMHC headquarters	318.979€		318.979€
RMHC BOARD	Time: pro-bono working hours by RMHC board members (multiplied by the economic value recommended by CESVOT in the "Tabella per la valorizzazione dell'impegno volontario" for the maximum level — level 10)	22.754€		22.754€
RONALD McDONALD CHARITY	Management costs (minus RMHC personnel costs and extraodinary costs)	2.695.951 €		1.530.495 €

Stakeholders	Inputs			
McDONALD'S CORPORATION	Fundraising (events, pre-tax donations)	474,745€	Not counted in the calculation to avoid double counting. Already included in management costs.	0.00 €
McDONALD'S LICENSEES	McDonald's restaurants donate 0.1% of net sales	1,055,899€	Not counted in the calculation to avoid double counting. Already included in management costs.	0.00 €
VOLUNTEERS	Time: volunteer hours (multiplied by the economic value recommended by CESVOT in the "Tabella per la valorizzazione dell'impegno volontario," level 1 to level 4)	74,690€		74,690€
DONORS (PRIVATE CITIZENS)	Donations (including RMHC donation boxes, McHappy Day and other fundraising events)	921,119€	Not counted in the calculation to avoid double counting. Already included in management costs.	0.00 €
DONORS (COMPANIES AND ASSOCIATIONS)	Charitable contributions	271,654€	Not counted in the calculation to avoid double counting. Already included in management costs.	0.00 €
COMMUNITY/ ENVIRONMENT	Excluded because it has been considered immaterial			0.00 €
OTHER NON-PROFIT ORGANIZATIONS	Partially included in volunteers' input			0.00 €
TOTAL				**2,488,995€**

3.3 Measuring the outcomes

When mapping stakeholder for this project, we tried to determine who has experienced significant change as a result of RMHC activities. The main beneficiaries are identified and described in the social mission: the families with seriously ill or injured children receiving medical treatment and hospitals that benefit from reduced hospitalizations. Other stakeholders who are affected by the activities of RMHC – Italy are described in Table 3.

Table 3 also shows the third stage of the SROI computation. Here, we describe the changes that occurred for each category of stakeholder (i.e. the outcome), the indicators defined by the data that was provided by RHMC or collected through interviews/questionnaires, the financial proxies we used in order to monetize tangible or intangible outcomes, and the corresponding total impact (in Euros).

Table 3 - Outcomes and the measurement of impact on every stakeholder

Stakeholder	Outcome	Indicator	Quantity	Duration	Financial Proxy	Explanation	Value	Source	Total impact*
FAMILY (PARENTS)	The family can stay in a comfortable accommodation while paying a low and voluntary fee.	No. of nights spent at RMHC Houses.	20,496	1	Average daily savings for accommodations	We split the families into 2 categories: those who stayed more than 30 days at the RMHC House and those who stayed less than 30 days. For the first category, we assumed that their alternative to the RMHC House would be to rent an apartment. As a result, we considered the average rental price for a small apartment (50 m^2) in the same area of the RMHC House and we multiplied it by the number of nights spent by the family at the RMHC House. For the second category, we considered as a financial proxy the average price for a standard double room in a hotel (100€) and we multiplied it by the number of nights the family stayed at the RMHC House.	28 €	Our elaboration on data provided by RMHC. Real estate market prices were taken from Immobiliare.it. The average price for a double standard room in a hotel was taken from: Booking.com Airbnb Trivago.	545,041€
	The family has the opportunity to prepare their meals at home.	No. of meals potentially consumed at Ronald McDonald Houses.	40,992	1	Average savings per meal	We estimated the average cost for each meal consumed out-of-home (7€) by 2 people. We then estimated the cost of each meal consumed at home using the average consumption of a family with an adult and a child. The difference between these 2 costs corresponds to the savings per meal. In order to estimate the impact, we multiplied the estimated savings for the n° of meals potentially consumed at the RMHC House (that is, the number of nights multiplied by 2 meals per day).	7 €	Our elaboration on data provided by RMHC. The average food/beverage consumption for a family with an adult and a child was found at www.dati.istat.it (under "food consumption, 2015").	257,980 €
	Parents increase their personal resilience.	No. of families whose resiliency increased by staying at RMHC House.	762	5	Average expenditure for psychotherapy	During the interviews 77% of the interviewees stated that staying at the RMHC House increased their ability to cope with such a stressful and traumatic situation. Thus, we assumed that this effect was present among 77% of the families hosted in 2016, which amounts to 762 families in total. The impact is formulated by taking the average cost of a psychotherapy session (90€), multiplying it by the number of families, and weighting it by how many weeks they stayed at the RMHC House.	248 €	Our elaboration on data provided by RMHC. Data collected during interviews with families. Average cost for a psychotherapy session can be found at Tariffario Nazionale Ordine degli Psicologi e Psicoterapeuti.	189,383€

Stakeholder	Outcome	Indicator	Quantity	Duration	Financial Proxy	Explanation	Value	Source	Total impact*
FAMILY (PARENTS)	Parents can relax and experience relief from the pressures of caring for an ill child.	No. of families who experienced a sense of relief while staying at RMHC House.	762	5	Average expenditure for a yoga course	During the interviews 77% of the interviewees stated that staying at the RMHC House gave them the opportunity to relax and distract themselves. Thus, we assumed that this effect was present in 77% of the families (762 in total) who stayed at a Ronald McDonald House in 2016. The impact is given by the average monthly cost for a yoga course (50€), multiplied by the number of families, and weighted by how many weeks they stayed at the RMHC House.	35 €	Our elaboration on data provided by RMHC. Data collected during interviews with families. Average cost for a yoga course was determined by comparing the prices of 3 yoga schools.	26,303 €
	Family members have an opportunity to stay close to each other	No. of families who were able to enhance family cohesion while staying at RMHC House.	990	5	Average expenditure for family therapy	During the interviews 100% of the interviewees stated that staying at the RMHC House gave them the opportunity to enhance family cohesion. Thus, we assumed that this effect was present among 100% of the families (990 in total) who stayed at a Ronald McDonald house in 2016. The total impact is arrived at by taking the average cost for a session of familiar therapy (120€), multiplying it by the number of families, and weighting it by how many weeks they stayed at the RMHC House.	331 €	Our elaboration on data provided by RMHC. Data collected during interviews with families. The average cost for a psychotherapy session was provided by Tariffario Nazionale Ordine degli Psicologi e Psicoterapeuti.	327,936€
	Parents are supported in coping with trauma due to the presence of other families who are experiencing similar situations	No. of families who were able to cope with trauma by sharing experiences with other families while staying at a Ronald McDonald House.	990	5	Average expenditure for group therapy	During the interviews 100% of the interviewees stated that one of the most important aspects of staying at the RMHC House was the possibility of sharing experiences and information with other families and finding people that could help them deal with difficult moments. We therefore assumed that this effect was present among 100% of the families (990 in total) who stayed at a Ronald McDonald House in 2016. The impact was tabulated by taking the average cost for a session of group therapy (45€), multiplying it by the number of families, and weighting it by how many weeks they stayed at the RMHC House.	124 €	Our elaboration on data provided by RMHC. Data collected during interviews with families. The average cost for a psychotherapy session was provided by Tariffario Nazionale Ordine degli Psicologi e Psicoterapeuti.	122,976 €

Stakeholder	Outcome	Indicator	Quantity	Duration	Financial Proxy	Explanation	Value	Source	Total impact*
CHILDREN	Children are able to play with peers in pleasant, safe, and appropriate spaces.	No. of children aged 0-12 years old.	787	5	Average expenditure for nursery school, kindergarten, and primary school	The impact is tabulated by determining the average weekly fees for nursery school, kindergarten, and primary school, multiplying it by the number of children aged 0 - 12, and then weighting it by how many weeks they stayed at the RMHC House.	227€	Our elaboration on data provided by RMHC. Data collected during interviews. The average monthly cost for nursery school, kindergarten, and primary school was found at *"Asili nido e mense scolastiche: Analisi a cura del servizio politiche territoriali della UIL sulle città Capoluogo di Regione - Anno scolastico 2015 – 2016"*, UIL, 2017.	178,683 €
	Children can stay close to their families while undergoing treatment	No. of nights that children who received bone marrow transplants spent at a RMHC House instead of a hospital	16,877	5	Average expenditure for domiciliary care cost	The impact is arrived at by taking the daily cost for domiciliary care (20,54€) and multiplying it by the number of nights spent at an RMHC House by families who stayed more than 1 month.	21 €	Our elaboration on data provided by RMHC. Daily cost for domiciliary care was found at *"Comitato Ospedalizzazione Domiciliare (D.M. 12/4/2002) - Documento conclusivo."*	346,680 €
HOSPITALS	The hospital can reduce the length of the hospitalization for children after bone marrow transplants, while still complying with the scheduled treatment	No. of nights that children who received bone marrow transplants spent at a RMHC House instead of a hospital.	6,701	1	Hospitalization cost	The number of nights that children who received bone marrow transplants spent at a RMHC House was taken from information collected during the interviews with doctors. The impact was obtained by multiplying the number of nights by the average daily cost for hospitalization (624€).	624 €	Our elaboration on data provided by RMHC Statistics pertaining to the number of nights that children who had bone marrow transplants spent at CR instead of in the hospital was collected during interviews with doctors. Daily cost for hospitalisation can be found in *"Libro verde sulla spesa pubblica, allegato 1 Decreto Ministero della Salute, 18.10.2012."*	4,181,674 €
RMHC STAFF	The staff has to cope with the emotional burden caused by working at a RMHC House.	No. of hours of psychological support for personnel in 2016	60	5	Average cost for psychotherapy	The impact is tabulated by taking the number of hours of psychological support provided to RMHC staff in 2016 and multiplying it by the average cost of a psychotherapy session.	90 €	Our elaboration on data provided by RMHC. Data was collected by interviewing/ administering questionnaires to staff members. Average cost for a psychotherapy session can be found at Tariffario Nazionale Ordine degli Psicologi e Psicoterapeuti.	-5,400 €

Stakeholder	Outcome	Indicator	Quantity	Duration	Financial Proxy	Explanation	Value	Source	Total impact*
RMHC STAFF	The staff feel satisfied because they perceive that their work is important and useful to society	N. of hours donated to promote values and mission of RMHC outside working hours	6	3	Average monthly wage for the House Staff	We considered the amount of hours donated by House Staff to promote values and mission of RMHC. The impact is tabulated by taking the number of hours and multiplying it by the average monthly wage for the House Staff.	2,080€	Our elaboration on data provided by RMHC. Data collected during the interviews with the RMHC board members.	12,635 €
RMHC HEADQUARTER STAFF	Staff at RMHC Headquarters report a strong commitment to the mission of the Charity. Personal satisfaction is therefore a primary outcome for many staff members. However, this outcome was not considered because it has a residual impact compared to the others.								
RMHC BOARD	Involvement in the activities of RMHC increases the satisfaction levels of board members.	No. of pro-bono working hours by members the board in 2016.	760	3	The economic value of 1 hour of volunteering (Level 10)	We considered the amount of pro-bono working hours by RMHC board members in 2016 and multiplied it by the economic value recommended by CESVOT in the "*Tabella per la valorizzazione dell'impegno volontario*" for the maximum level (level 10).	30 €	Our elaboration on data provided by RMHC. Data collected during the interviews with the RMHC board members. The economic value of volunteering is discussed in "*Tabella per la valorizzazione dell'impegno volontario*", CESVOT, 2008.	22,754 €
RONALD MCDONALD CHARITY	*The Ronald McDonald Charity bears the majority of the cost of the inputs associated with this analysis.*								
McDONALD'S CORPORATION	McDonald's Corporation can improve its image by promoting the activities of RMHC through fundraising events, pre-tax donations, grants, and texts-to-give. This outcome has not been included because it is not considered material.								

Stakeholder	Outcome	Indicator	Quantity	Duration	Financial Proxy	Explanation	Value	Source	Total impact*
McDONALD'S LICENSEES	The outcome for McDonald's Licensees involves the personal satisfaction they experience while contributing to an activity with a social aim. This outcome was not considered because it has a residual impact compared to the others.								
VOLUNTEERS	Volunteers can increase their social and emotional skills	No. of hours spent by volunteers who claim to have enhanced their social and emotional skills	1,514	3	The cost of a training course to become competent in dealing with patients (emotional management, conflict resolution, and communication).	30 % of the volunteers claimed during the interviews that volunteering for RMHC increased their social and emotional skills. We then assumed that 30% of the total hours of volunteering could be monetized. In order to do so, we considered the annual fee for a training course to become competent in dealing with patients, and we computed the cost for each hour of the course. The impact is then tabulated by multiplying this cost by the total number of hours.	13 €	Our elaboration on data provided by RMHC. Data collected during the interviews with volunteers. The cost of the training course was found in *"La relazione con i pazienti in ambito sanitario. Abilità comunicative, gestione delle emozioni, risoluzione dei conflitti"*. Università di Siena	18,928 €
	Volunteers feel satisfied because they feel useful to society	No. of volunteering hours	5,048	3	The economic value of 1 hour of volunteering (Levels 1 - 4)	We considered the hours of volunteering and split them into different categories depending on the tasks involved. For each category, we applied the economic value recommended by CESVOT in "Tabella per la valorizzazione dell'impegno volontario" (Levels 1 – 4).	15 €	Our elaboration on data provided by RMHC. The economic value of volunteering can be found in "*Tabella per la valorizzazione dell'impegno volontario*", CESVOT, 2008.	74,703 €
DONORS (PRIVATE CITIZENS)	The outcome for private citizens who donate to RMHC involves the personal satisfaction they feel as a result of taking part in an activity with a social aim. However, this outcome was not considered because it has a residual impact compared to the others.								
DONORS (PRIVATE CITIZENS)	The outcome for companies and associations that donate to RMHC is twofold: on the one hand, supporting RMHCs improves their image among their clients or members; on the other hand, it provides them with a feeling of personal satisfaction because they contribute to an activity with a social aim. However, this outcome was not considered because it has a residual impact compared to the others.								

Stakeholder	Explanation
COMMUNITY // ENVIRONMENT	The outcomes for the community are myriad because Ronald McDonald Houses act as catalysts for other associations, companies, or individuals that want to take part in an activity with a social aim. This improves the RMHC's social network and fosters the social capital of the people living in the area. However, this effect was not included because it was impossible to compute properly. There is also an effect on the environment because RMHC Houses reduce the need for transportation among families whose children require long-term treatment or follow-up examinations. This has a positive impact on the environment by minimizing air pollution, but it was not considered in the current study because there was not enough information to compute it properly.
OTHER NON-PROFIT ORGANISATIONS	The outcomes for other non-profit partner organizations involve the personal satisfaction that arises as a result of contributing to the activities of RMHC. However, this outcome was not considered because it has a residual impact compared to the others.
OTHER HOTEL ACCOMODATIONS	The presence of RMHC Houses could generate a crowding out effect on hotels and other kinds of accommodations. This effect was partially included via the technical parameters explained in sections 3 and 4. Nonetheless, we didn't pay too much attention to this phenomenon because most of the people who stay in RMHC Houses are from low income families, which means that most of them cannot afford to stay at a hotel anyway.
TOTAL OUTCOMES	**6,300,277 €**

** The total impact is computed by multiplying the value of each outcome, weighted by the technical parameters shown in Table 4. For a full explanation of the technical parameters, please see section 3.4.*

> *"When you realize that Ronald McDonald House exists, it is like getting back to life"*

As table 3 illustrates, the impact of RMHC on **families** with sick children is significant and multidimensional. Besides significantly reducing the costs families accrue as a result of travelling away from their hometown, RMHC also has direct effects on the well-being of the family as a whole. On the one hand, families can concentrate their energies on the specific needs of their children, thus guaranteeing family cohesion and allowing them to focus on their children's illness. On the other hand, RMHC Houses also offer recreational activities (e.g. cooking classes, hairdressing services, and exercises programs) and opportunities to socialize with other families. These types of positive outcomes were reported often during the interview process:

"Although [in hospital] *you do not feel abandoned because you are followed by professionals, you are very afraid of what expects you later. When you realize that Ronald McDonald House exists, it is like getting back to life after a very tough and challenging period."*

Another parent stated:

"Staying here is vital. You have human contact with people who have experienced similar problems. It is really supporting. I've met so many beautiful people here — people who experience traumas but who then acquire the tools to cope. Even children here learn that differences exist between people with diverse conditions. They become very open-minded."

As noted in the methodology section, determining the financial proxies that are needed to estimate the value created for each stakeholder category is challenging. We opted to value the psycho-physical well being of parents by making a market comparison (*What it would cost to achieve the same outcome?* See Table 3). Although these elements and proxies may overlap, they actually highlight specific effects that could not be clearly defined. As a result, we chose to split the overall impact, which can be summarized as "improvement of psycho-physical well being", into four different effects:

1. *Increase of personal resilience*, which has been compared with the average expenditure for psychotherapy.
   During the interviews, alarge majority of parents confirmed the positive impact of increasing proximity to their hospitalized children and being able to play a more active role in their care. This, in turn, reduced parental stress and anxiety, which is in line with the Family-Centered Care approach, whereby all family members are fully involved with health care providers to make informed decisions about the health care and support services the child and family receive (Lantz, P., M.; Hohman, K.; Hutchings, V., 2014). Given the impact of psychological support in this process, we chose the expenditure for psychotherapy as a proxy that could help us ascribe value to this outcome.

2. *Parents can relax and experience relief from the pressure of caring for an ill child*, which has been compared with the average expenditure for a yoga course.
   RMHC provides parents with an opportunity to create a clear separation between time spent in hospitals (and other health care institutions) and RMHC Houses. Thus, RMHC Houses are not perceived as an extension of the hospital, but rather as a place where is it possible to create a sense of "normalcy" and address the needs of the family as a whole. Moreover, residential care services cover some of the more quotidian aspects of family life, allowing parents to focus solely on their child's wellbeing. Consequently, this environment facilitates moments of reflection and relaxation, encouraging family members to focus on "the here and now." This approach is particularly important in situations where it is not possible to anticipate the future, and represents the core assumption of *Gestalt* theory, an experiential and humanistic form of therapy developed by Fritz Perls, Laura Perls, and Paul Goodman in the 1940s that places emphasis on gaining awareness of the here and now (Perls, F., 1977). Since links have between drawn in the academic literature between yoga and *Gestalt* theory (Balogh, P. 1976), we chose the average expenditure for a yoga course in order to value this outcome.

3. *Increase of family cohesion*, which has been compared with the average expenditure for family therapy.
   Although it is evident that having access to low-cost lodging enhances family cohesion, it also touches on other important factors. In fact, families are encouraged to participate in care and decision-making, share views on how their child's health issues are being addressed, and feel involved in the health care process. And although it is not always possible for both parents to reside at RMHC House due to professional responsibilities, commuting back to one's hometown for work is tackled with lower anxiety. Moreover, the impact on siblings is particularly noteworthy, as they can avoid dropping out of school and are not isolated from other members of the family. We chose the expenditure for family therapy as a proxy that could be used to ascribe value to this outcome.

4. *Mutual support*, which has been compared with the average expenditure for group therapy.
   Parent-to-parent or peer-to-peer interaction satisfies the need for social interaction and support. Providing social support from peers and other types of coping interventions reduces stress and depression, and increases knowledge and confidence, which in turn improves parental participation in the care and support of their child (Lantz, P., M.; Hohman, K.; Hutchings, V., 2014). We chose the expenditure for group therapy as a proxy in order to determine the value of this outcome.

It is worth noting that we do not assume that families who choose not to stay at a RMHC House will necessarily sign up for three different psychotherapy sessions and a yoga class every week. However, we use these proxies to capture some of these immaterial impacts and monetize them, as required by the SROI methodology.

As far as the impact of RMHC Houses on **children** is concerned, the change they experienced is twofold. First, they live in close contact with their parents in an apartment (or room) that makes it possible to follow the required treatment in a familiar environment, thus avoiding the trauma that a long hospitalization may bring about. On this regard, the Family Centered approach ensures that children and their parents are fully involved with health care providers to make informed decisions about the health care and support services (Lantz, P., M.; Hohman, K.; Hutchings, V., 2014). In line with such approach is the view of children as social actors, which is based on evidence that contextualizes children as active rather than passive, and participants playing an active role in the lives of their families, communities and societies (Biggeri, M., Ballet, J., & Comim, F., 2011, p. 28). Secondly, the child's ability to play and share common spaces with other children is restored, enhancing the immaterial positive effect of allowing young patients to temporarily forget about their illness. One of the parents we interviewed reported:

"The first time we came here my son told me, looking out the window: 'Daddy, it seems we are in vacation.' It was amazing to see him so happy. He wrote in a letter: 'Thanks to RMHC for giving me back my freedom."

A paediatrician similarly compared RMHC Houses environment to a kindergarten:

"Our effort is to give continuity to their daily routine. Shorter they stay in the hospital and the better it is — especially if the hosting home is like a kindergarten that gives to children an important psychological support. This results in a remarkable psychological improvement."

Comparing a RMHC House to a kindergarten environment compelled us to consider the role of the latter in child development during the early stages of childhood. According to Von Suchodolez et al (2009), the transition to school is seen as an extensive process of adaptation, the success of which is reflected in a child's prosocial (rather than problematic) behaviour. Moreover, the transition to school must be conceptualized in terms of relationships between children and their surrounding contexts — including schools, peers, family members, and neighbourhood —and their direct and indirect effects on children. The stability found in these relationships plays an important role in determining how well the child transitions to school (Rimm-Kaufman, S. E., & Pianta, R. C., 2000). Consequently, allowing children to play freely and safely with peers definitely enhances their prosocial behaviour, thereby increasing their knowledge and confidence.
We chose the average expenditure for nursery school fees, kindergarten, and elementary school as a proxy to value this outcome because all of these outcomes are similar to the ones produced by school attendance. While valuing this outcome, we did not consider adolescents because they represent a unique group that is characterised by different needs — for example, the need for privacy (Lantz, P., M.; Hohman, K.; Hutchings, V., 2014). We use the average expenditure for domiciliary care as a proxy to value this outcome (i.e. the possibility given by RMHC Houses to follow the required treatment plan staying close to their family members).

The third stakeholder category that benefits from the services provided by RMHC is the **national healthcare system** (in general) and **hospitals** (in particular). The relationship between RMHC and hospitals is defined by the fact that the houses do not directly select the patients, but rather assist hospital reception systems in providing accommodations and Family-Centered Care to seriously ill children. In order to be eligible to stay in the house, the families should contact the social service department at the hospital where the child receives treatment that will place the name of the family on the waiting list for the day that they intend to arrive. Hospitals would apply specific priority criteria for eligibility and then transmit the request to RMHC. Sometimes specific units are linked to specific RMHC Houses — for instance, Brescia's hematology-oncology division and Palidoro's neuro-rehabilitation unit — but some houses prefer to respond to the accommodations needs of a greater number of patients, such as the Florence and Roma Bellosguardo Houses (although the latter generally hosted patients from the hematology-oncology unit as well).

"Our effort is to give continuity to families' daily routine."

The introduction of the "Diagnosis Related Groups" (DRG) system changed Italian hospitalization practices. This approach attempted to rationalize the structure and funding of the health care system according to the appropriateness principle, which states that health care fees should be based on the treatment cost of patients with similar diagnoses, rather than on the number of days they have been hospitalized. The implementation of this system led to more early discharges from hospital. According to this new framework, RMHC has a central position in enforcing the efficiency of the sanitary system by i) reducing the burden of the hospital in assisting with lodging and food; ii) reducing the length of time a child stays in the hospital; iii) increasing the number of patients the hospital serves; and iv) reducing costs to the hospital (Lantz, P. M., Rubin, N., & Mauery, D. R., 2015). All four impacts have been confirmed during the interviews. Concerning the first impact — reducing the burdens hospitals face in providing lodging and food to patients — one health professional reported:

"RMHC houses are a concrete extension of our reality. It happened that other units of the hospital perceived it as an advantage for us because we have a significant assistance with lodging for our patients and their families. Thus, RMHC Houses have become a prolongation of our department."

Although other health care professionals stated that their hospitals have a strong network of organisations that provide accommodations to patients, they all recognized the added value of RMHC Houses, most notably their ability to provide economic savings to less affluent families as well as a form of psycho-physical support that is in line with the Family-Centred Care approach mentioned earlier:

"The RMHC responds to the needs of families with ill children providing willingness, professionalism, in a welcoming environment which undoubtedly deserve public praise. It represents a paradigmatic model that other associations aiming at operating in the sector may look after as a benchmark to build their own experience."

The other three reported impacts — *time of hospitalization reduced, number of patients served by the hospital increased, and hospital costs reduced* — are inter-connected, and were discussed during the interviews with hospital personnel.
This, in turn, confirms that RMHC helps hospitals comply with the appropriateness principle, serve a greater number of patients, and allocate resources in a more efficient manner:

"Having a solid structure close to the hospital allows us to reduce the days of hospitalization of children. We should consider that every day of hospitalization in the transplant centre cost 1300 €. Then the children move to the ward, the daily cost of which is 700 €; the saving is huge. In so doing, you can increase the number of patients served by the hospital who might otherwise could not have access due to the distance from their domicile (or lack of proper domicile)."

"Without RMHC support, we would have extended hospitalization period, since transplanted children require close care and we would have to keep them in the hospital."

"The presence of RMHC reduced the hospitalization of transplanted child for at least 10 days. So, if in 2016 we had 25 admissions, we approximately reduce of 250 days the hospitalization period, which in turns means to transplant 3 - 4 additional patients. That is, RMHC provided us with the possibility of reaching the (transplants) capacity of the hospital."

"RMHC houses are a concrete extension of our reality, they have become a prolongation of our department."

"RMHC allows us to proceed with early discharges and to accommodate and treat many more patients in one year, saving many more children: 5-6 years ago, we treated 9-10 children per year, in 2016 we transplanted 25."

"For NHS, hospitalization days have unpopular costs. The advantage is really all-round: you gain in terms of gaining resources allocated to other patients in terms of access to hospital beds to maintain compliance with hospitals' schedules."

Besides focusing on the economic value of RMHC Houses, health care professionals also mentioned an immaterial impact that is not often evident: the idea that being treated for an acute disease does not guarantee a full recovery, which can only be reached if health care providers consider the psychological wellbeing of the patient. Otherwise the costs associated with treating mental distress and posttraumatic stress disorder will have to be absorbed by society at large.

In choosing the most appropriate proxy for the RMHC's impact on hospitals, we considered the main change that arose in providing health services: namely, the re-

duced costs that came about as a result of the reduced length of hospitalization among children who have received bone marrow transplants. We only considered the RMHCs in Brescia and Roma Bellosguardo, both of which are associated with the hematology-oncology unit. We did not include the RMHCs in Florence and Roma Palidoro because they hosted more diverse types of patients, which made it impossible to precisely forecast the average reduction of hospitalization (for a more detailed explanation of the proxy calculation, please see Table 3).

Volunteers are a somewhat peculiar stakeholder category because determining the value of voluntary activities might result in a situation in which work time is used as both an input for providing services and as an indicator that measures the overall satisfaction of volunteers.

"RMHC represents a paradigmatic model that other associations aiming at operating in the sector may look after as a benchmark to build their own experience.

"My satisfaction on working for RMHC can be explained through my willingness to support the organisation's aim by donating my time for its purposes."

Consequently, we consider it as both an input that volunteers provide to RMHC and as an output to measure their degree of satisfaction. Even if determining the monetary value of volunteering does not lead to a general consensus, the most recommended method of establishing the price of volunteer work is the so-called "replacement cost approach," which uses the wage of a paid worker doing a similar job as a guideline (Manetti, G., Bellucci, M., Como, E., & Bagnoli, L., 2015). We chose the economic value of 1 hour of volunteering as a proxy in order to value the satisfaction levels of volunteers who have worked for RMHC (for a more detailed explanation of the proxy calculation, please see Table 3). Interestingly, the social aims of RMHC was often reported as a motivating factor among volunteers during our interviews:

"Illness leads to a waste of time; it steals time. Since I am lucky and I actually have a lot of time, I can return it back to those who are losing it. This is my personal motivation to volunteering at RMHC: return the time to ill children by donating mine."

The interviews also revealed an improvement in relational and soft skills among volunteers, including conflict management, social interaction, and team work. We chose the cost of a training course to become competent in dealing with patients as a proxy in order to ascribe value to this outcome.

Similarly, we valued the time donated by **RMHC board** as both an input for providing the services and as an indicator of their satisfaction and commitment to the social objectives of the charity. In fact, the board doesn't earn a salary or a reimbursement. As a result, we chose the economic value of 1 hour of volunteering as a proxy in order to value the satisfaction of working for RMHC (for a more detailed explanation of the proxy calculation, please see Table 3).

Our interviews confirm that the **RMHC staff**'s commitment to the social objectives of the organisation is significant:

"My contribution is higher than what is expected from a common eight-hours work. Due to the commitment I have, I do not look at timetables, or working days. Also when I am not working, I still looking for supporters and funding, but I do not it for self-accomplishment. I always think at RMHC."

We chose the willingness of promoting values and mission of RMHC outside working hours as a proxy to value satisfaction levels of employees who work for RMHC. This impact should not, however, be seen in negative terms — as a sign of overwork or exploitation—but rather as evidence that its employees recognize the importance of the RMHC's mission. It also, moreover, illustrates the quality of the relational contacts with hosted families and their children. A high degree of commitment was frequently reported during the interviews:

"The satisfaction of working for RMHC could be explained through the benchmark we receive from the families; a mom that says "thank you", or the internal struggles of families when they have to leave the house. Paradoxically, such moment should be perceived as a kind of liberation; it ends the dramatic journey of the family. Nevertheless, RMHC becomes their home, and often they come to visit the house and you realize that your efforts have been successful, that you have guaranteed services to improve the quality of life of children and families. I am very happy to be part of the RMHC. I also find myself in my rest days thinking about RMHC. It's a passion. Having the expertise for helping others to feel better, I think is the biggest motivation."

"This is my personal motivation to volunteering at RMHC: return the time to ill children by donating mine."

Although relational aspects are often characterized in positive terms, they can also create an emotional burden among RMHC employees, due to their exposure to ill children in the house. Personnel are encouraged by RMHC to cope with this burden by taking advantage of free psychological support. We therefore included this negative impact by choosing the number of hours of psychological support for personnel in 2016 as an indicator, and the average cost for psychotherapy as a proxy.

Another negative impact on RMHC staff is caused by shift work. In fact, many members of the RMHC staff reported that shift work stressed them out, and that more conventional Monday-Friday office hours would enhance their external social relations and provide them with more time for recreational pursuits. Nonetheless, we did not consider this outcome because all the interviewees expressed great satisfaction in solving significant social issues while applying a multitasking approach. In fact, an important positive aspect that was reported was the opportunity to diversify tasks and assignments, thus improving on multitasking skills that diverge from the employee's specific educational background.

"My satisfaction is very high, because working at RMHC implies so many aspects.

"It's a passion. Having the expertise for helping others to feel better, I think is the biggest motivation."

Here you should learn so many tools to manage the daily life (of hosted families) that makes this job really beautiful. So many times I asked myself: 'If I should change job, where would I go looking for something similar? Beyond the educational background I have, how can I explain what we do at RMHC?' It is not simple. We might explain it as managing a reception facility, but in reality you provide a care service that comprehends many different services. Therefore, RMHC has provided me with many skills because I have to face so many challenges, so many other goals to achieve. Here you have to experiment things that you have never done. It is very enriching for the various facets of work."

3.4 Explanation of SROI parameter values

As illustrated in Section 2 of this report, SROI methodology requires us to define the duration, deadweight, displacement, attribution, and drop off value for each outcome. Our choices were influenced by a key SROI principle: do not overestimate impacts. This section discusses our motivations in determining the value of these parameters.

In order to attribute duration, we divided outcomes into three categories:

1. Outcomes that are registered and measured as a single event during the time span of our analysis (fiscal year 2016) — such as the savings families accrue by providing them with inexpensive accommodations and meals — are given a duration of 1. Drop off is 100%, as no additional impacts are measured in subsequent years in order to avoid double counting;
2. Outcomes that are linked to an improvement in satisfaction levels or competencies for particular stakeholders need to be considered in subsequent years, as the effects do not always cease after one year. These outcomes have medium to long term effects, which is why we gave them a duration of 3. We opted for a conservative approach in order to avoid overestimating the total impact. Our decision to opt for an intermediate duration is supported by evidence that some skills may become obsolete when new technologies arise (we set a drop off of 50% for each subsequent year). At the same time, the satisfaction produced by a particular experience can fade over time if this experience is not repeated (we set a higher drop off rate of 70% for each subsequent year);

3. Outcomes linked to an improvement in medical, physical, or psychological conditions — such as the ability to cope with trauma or improvement in personal resilience — are regarded as a change with enduring effects on stakeholders. In these cases, we opted for a duration of 5 years, although we acknowledge that the effects can last for the entire lifespan of an individual. This represents a scientific compromise between accounting for long-term effects and adopting a cautious approach. Given the lasting effects of these outcomes, we also opted for less pronounced drop off rates (35%). The same considerations have been applied to negative impacts, such as the stress employees face in coping with the painful moments that are often experienced by guests at RMHC.

Since we generally opted to use lower values for duration and higher values for drop off, we chose not to rely on attribution and deadweight filters. This choice is also supported by the decision to include only completely relevant stakeholders and outcomes, and our willingness to avoid overestimating the parameters of our analysis. Since our scope is narrow and focused on the most salient stakeholders and outcomes, the inclusion of deadweight and attribution filters would underestimate the total impacts produced by RMHC. One exception involves our decision to include a displacement effect with regards to the savings families accrued in securing accommodations and meals (two of the most pronounced impacts in our analysis), which reduced the impact generated on families by 5%. This enabled us to account for the symbolic (but relevant) financial displacement on nearby hotels and restaurants.

Table 4 provides an overview of the technical parameters adopted for every class of stakeholder and outcome.

Table 4 – SROI parameters for each stakeholder category and outcome

Stakeholder	Outcome	Duration of effects linked with outcomes	SROI parameters			
			Deadweight	Displacement	Attribution	Drop off
FAMILY (PARENTS)	The family can stay in a comfortable accommodation by making an inexpensive (and voluntary) contribution.	1	0%	5%	0%	100%
	The family has the opportunity to prepare meals at home.	1	0%	5%	0%	100%
	Parents increase their personal resilience.	5	0%	0%	0%	35%
	Parents can relax and experience relief from the pressures of caring for an ill child.	5	0%	0%	0%	35%
	Family members have the opportunity to stay close to each other.	5	0%	0%	0%	35%
	Parents are supported in coping with trauma due to the presence of other families who are experiencing similar situations.	5	0%	0%	0%	35%
CHILDREN	Children are able to play with peers in pleasant, safe, and appropriate spaces.	5	0%	0%	0%	35%
	Children can stay close to their families while undergoing treatment.	5	0%	0%	0%	35%
HOSPITALS	The hospital can reduce the length of the hospitalization for children who have received bone marrow transplants, while still complying with the scheduled treatment.	1	0%	0%	0%	100%
RMHC STAFF	The staff has to cope with the emotional burden caused by working at a RMHC House.	5	0%	0%	0%	35%
	The staff feel satisfied because they perceive that their work is important and useful to society.	3	0%	0%	0%	70%
RMHC BOARD	Involvement in the activities of RMHC increases the satisfaction levels of board members.	3	0%	0%	0%	70%
VOLUNTEERS	Volunteers can increase their social and emotional skills.	3	0%	0%	0%	50%
	Volunteers feel satisfied because they feel useful to society.	3	0%	0%	0%	70%

4. The SROI ratio

The SROI ratio describes the social and economic impact of RMHC activities on its beneficiaries and stakeholders. By applying an input-output-outcome model and relying on extensive dialogue with stakeholders, we calculated that for the financial year 2016 RMHC created a social return of 3.15 € for every 1€ of investment. It must be noted that a conservative approach has been implemented in order to avoid overestimating the index. Nonetheless, our findings show a considerable return on investment in social terms.

The main steps we used to arrive at our conclusions are summarized below.

Input–output-outcome model

Identification and monetary valuation of the **INPUTS** used by all the activities that concern the management of 4 Ronald Houses in Italy

→

Participatory mapping of the outputs and outcomes, with the involvement of **81 STAKEHOLDERS** through semi-structured interviews and questionnaires

→

Identification of **indicators** and appropriate **financial proxies** to provide a **monetary evaluation** of the **OUTCOMES**

↓

2,488,995 €

Total present value of the outcomes

=

7,828,226 €

↓

6,300,277 €

(after having applied SROI technical filters and a discount rate (3%) to the total value of impacts per year in a five-year framework)

SROI RATIO

$$\frac{7{,}828{,}226\ €}{2{,}488{,}995\ €} = 3.15$$

Our results confirm that there is significant value in supporting RMHC programmes, which provide support and resources that help keep families close. Thus, the SROI analysis clearly described the added value of RMHC houses, which provide a significant economic relief by offering low-cost accommodations that have direct effects on the well-being of the family as a whole:

- *Families* increase proximity to their hospitalized children, which allows them to play a more active role in their care, reduce parental stress and anxiety, increase family cohesion, and foster peer support;
- *Children* can live in a family-friendly environment and share spaces with other children, thereby reducing the trauma that a long stay in the hospital might bring about;
- *Hospitals* are supported in assisting families with lodging. Moreover, since RMHC reduces the length of time children stay in the hospital, the capacity to serve a higher number of patients is increased.

4.1 Sensitivity analysis

Sensitivity analysis is a useful tool for ensuring that the overall SROI assessment is as robust as possible. It also allows us to identify which assumptions are more vulnerable to change, and understand whether they have a major effect on the final social return.

In order to test the robustness of this study, we ran a sensitivity analysis that was built on two different variations of our analysis — one that was more conservative, and another that was more inclusive. These additional scenarios can help the user of this report understand if, and to what extent, the final SROI ratio is dependent on hypotheses and technical filters.

Table 5 compares the results of our main analysis (version B) with the other two iterations (versions C and I). The data from our sensitivity analysis confirms the robustness of our approach, showing that most of the social return is not heavily dependent on assumptions and subjective choices, especially those that are correlated to SROI technical filters. In fact, the most conservative scenario (C) still shows a significant 2.53 SROI ratio, which is a considerable amount. Moreover, the inclusive alternate version, which features a higher SROI ratio of 3.80, still embraces a moderate approach, thus implying that this type of result is attainable.

The decision to adopt a more balanced approach (SROI ratio = 3.15) is a direct result of our willingness to comply with the SROI principle emphasizing caution at the maximum extent, while still providing the most robust and scientifically grounded illustration of the social and economic return of four RMHC Houses in Italy.

Table 5 - Sensitivity analysis and the effect of assumptions on final SROI ratios

SROI Version	Description	Changes in comparison to the present version	SROI Ratio
C	Conservative (C) alternate version. Extremely conservative approach to the definition of proxies, duration, and technical parameters.	Inclusion of a 70% deadweight for outcomes linked to volunteers. Inclusion of extraordinary costs. Duration of every outcome linked to improved satisfaction levels lowered to 2. Drop off increased for several outcomes connected to an improvement of physical and psychological conditions of families. Duration of the outcome linked to the recreational opportunities of children reduced to 3. Displacement for accommodation savings increased to 15%. Exclusion of meal savings outcome.	2.53
B ***(presented in this report)***	Balanced (B) version (presented in this report)	-	3.15
I	Inclusive (I) alternate version. Broader (but still realistic and cautious) approach to the definition of proxies and duration of outcomes.	Alternate proxies for savings in accommodations (flat 80€ per night) and meals (flat 8€ per meal). No displacement effects for savings on accommodations and meals. General reduction of drop off values. Duration of outcomes linked to an increase in skills was set at 5. General discount rate lowered to 1.5%.	3.80

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Glossary

For the reader's convenience, a glossary of the SROI terms is provided below, retrieved from Nicholls, J., Lawlor, E., Neitzert, E., & Goodspeed, T. (2009). A guide to social return on investment. London: Office of the Third Sector, The Cabinet Office.

Attribution: An assessment of how much of the outcome was caused by the contribution of other organisations or people.

Deadweight: A measure of the amount of outcome that would have happened even if the activity had not taken place.

Discount rate: The interest rate used to discount future costs and benefits to a present value.

Displacement: An assessment of how much of the outcome has displaced other outcomes.

Drop-off: The deterioration of an outcome over time.

Duration: How long (usually in years) an outcome lasts after the intervention, such as length of time a participant remains in a new job.

Impact: The difference between the outcome for participants, taking into account what would have happened anyway, the contribution of others and the length of time the outcomes last.

Inputs: The contributions made by each stakeholder that are necessary for the activity to happen.

Materiality: Information is material if its omission has the potential to affect the readers' or stakeholders' decisions.

Monetise: To assign a financial value to something.

Net present value: The value in today's currency of money that is expected in the

future minus the investment required to generate the activity.

Net social return ratio: Net present value of the impact divided by total investment.

Outcome: The changes resulting from an activity. The main types of change from the perspective of stakeholders are unintended (unexpected) and intended (expected), positive and negative change.

Outputs: A way of describing the activity in relation to each stakeholder's inputs in quantitative terms.

Outcome indicator: Well-defined measure of an outcome.

Proxy: An approximation of value where an exact measure is impossible to obtain.

Sensitivity analysis: Process by which the sensitivity of an SROI model to changes in different variables is assessed.

Social return ratio: Total present value of the impact divided by total investment.

Stakeholders: People, organisations or entities that experience change, whether positive or negative, as a result of the activity that is being analysed.

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