

**Justice & Diversity**  
CENTER

OF THE BAR ASSOCIATION OF SAN FRANCISCO

**SOCIAL RETURN ON INVESTMENT ANALYSIS  
PUBLIC BENEFITS LEGAL SERVICES  
For the year ended December 31, 2013**

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# WHAT IS SOCIAL RETURN ON INVESTMENT?

In normal financial analysis, Return on Investment is the ratio of money gained or lost relative to the money invested. In social service organizations, Social Return on Investment measures the financial value created by the organization through delivery of services to the community.

Social Return on Investment (SROI) is an approach to measuring and understanding the financial impact of an organization. While SROI is built on the logic of cost/benefit analysis, it is different in that it measures the comparable value of organizations whose results cannot be easily measured in money.

In the same way that a business plan contains more information than simply financial projections, SROI provides information about actual and long-term results of services, and the qualitative, quantitative, and financial information on which to base decisions about the delivery of social services by organizations.

There are two types of SROI analysis:

- Evaluative analysis – which is based on actual outputs and outcomes that have already taken place or are currently in process;
- Forecast analysis, which predicts the value created when the activities meet their intended outcomes.

An SROI analysis can take many different forms. It can encompass the social value generated by an entire organization, or focus on just one specific aspect of the organization's work.

SROI analysis has been developing since the 1960's. Many trial processes have been undertaken and many articles written about the process since then. The SROI process became more fully developed during the last decade, primarily based on a detailed multi-year study conducted by the SROI Network, The New Economics Foundation, New Philanthropy Capital, the National Council on Voluntary Organization, and the Government of Scotland. Community Services Analysis LLC is the first organization in the United States to be a member of the international SROI Network.

There are two separate phases of SROI:

Phase 1 is the measurement of the value delivered to the community by the services currently being delivered by the organization (the “**Outputs**”). The most accurate and understandable measurement basis for these outputs is the Fair Market Value of the services being delivered - what it would cost the community to acquire the same services that a social service provider delivers if that provider did not exist – plus the value of benefits received during the immediate period under study. This result is a measurement of the comparative efficiency of the organization in delivering or providing the services.

Phase 2 is the measurement of the long-term value of the results of these output services delivered – known as the “**Outcomes**”. These measurements may take years to realize. For example, people with disabilities who receive training on independent living skills and how to more fully integrate within the community require significantly less financial support from the community over the course of their lives.

By way of another example, people who are receive assistance in finding and retaining employment require less future financial support from their communities, plus their future demands on the law enforcement and legal systems are less, their future needs for community-based medical assistance are less, and their future tax payments are greater.

An SROI analysis can fulfill a range of purposes. It can be used as a tool for strategic planning, as a basis for funding and investment decisions, as a basis for communicating impact and financial results to stakeholders, and as a methodology for comparative evaluation of an organization’s long-term effectiveness.

While not the only basis for funding and investment decisions, the SROI results provide the most accurate and comprehensible answer to two of the important questions asked by decision makers:

- “What are the long term financial benefits from these services?”, and
- “What is the measurable “bang for the buck”?”.

**JUSTICE & DIVERSITY CENTER  
OF THE BAR ASSOCIATION OF SAN FRANCISCO  
PUBLIC BENEFITS SERVICES  
SOCIAL RETURN ON INVESTMENT SUMMARY**

The Justice & Diversity Center of the San Francisco Bar Association provides free, expert legal advice and representation to low-income residents of the San Francisco area. During the year 2013 the Justice & Diversity Center lawyers and paralegals provided assistance to more than 8,000 people of every racial, religious, and ethnic background through direct legal services and advocacy provided by staff and the generous contributions of volunteers.

In the year ended December 31, 2013, the Justice & Diversity Center provided services in 45 different categories of services and over 200 different types of cases. The Justice & Diversity Center closed 465 Public Benefits cases during the year.

<b>TOTAL NUMBER OF CASES CLOSED IN 2013</b>	<b>465</b>
<b>IMMEDIATE DIRECT VALUE OF SERVICES</b>	<b>\$351,400</b>
<b>LONG-TERM CONSEQUENTIAL IMPACTS OF SERVICES</b>	<b>\$2,487,201</b>
<b>TOTAL VALUE OF SERVICES TO THE COMMUNITY</b>	<b>\$2,838,601</b>
<b>TOTAL PUBLIC BENEFITS COSTS FOR 2013</b>	<b>\$660,062</b>
<b>SOCIAL IMPACT RETURN ON INVESTMENT</b>	<b>430%</b>
<b>For every \$1 invested in The Justice &amp; Diversity Center Legal Services Public Benefits services during the year, the San Francisco community receives \$4.30 of immediate and long-term financial benefits.</b>	

The Social Return on Investment analysis completed for the Justice & Diversity Center is a measurement of the values delivered during a year-long period ending on December 31, 2013. These values are based on the number of clients and the types of legal matters handled during this period.

The Social Return on Investment value may vary in future periods based on the number of matters, the types of legal issues, and the outcomes achieved in these matters.

The Social Return on Investment for the Justice & Diversity Center is significantly higher than values for many other types of social service organizations based on two primary factors:

Many types of Public Benefits legal services delivered result in significant future cost savings or additional income to the State of California. These long-term values include (among others):

- Multiple year income from Social Security and/or Disability benefits that were previously denied, terminated, or reduced;
- Reduced public support and medical costs through access to Food Stamps benefits;
- Cost savings and benefits resulting from other Public Benefits legal aid services available to qualified low-income individuals and families.

Another significant reason for the high value of the Justice & Diversity Center's Social Return on Investment is the number of volunteer ("pro bono") hours of legal services delivered by attorneys in the San Francisco area. The pro bono services would be less available and less efficient if not for the Justice & Diversity Center.

The Justice & Diversity Center provides the necessary infrastructure, including attorney recruitment, training, and recognition, client screening, administrative support, technical assistance, and follow-up services for clients and pro bono volunteers.

For the year, the social fiscal values produced by the Public Benefits services of the Justice & Diversity Center are as follows:

**Public Benefits Issues:** Matters involving public programs such as Social Security benefits, Food Stamps, and Unemployment Compensation.

During the year the Justice & Diversity Center closed 465 legal matters resulting in \$351,400 in immediate direct financial benefits and \$2,591,874 in long-term consequential financial benefits.

<b>PUBLIC BENEFIT MATTERS</b>	<b>NUMBER OF CASES</b>	<b>DIRECT SERVICE BENEFIT VALUES</b>	<b>LONG-TERM OUTCOME BENEFITS</b>
<b>Food Stamps</b>	<b>48</b>	<b>\$30,625</b>	<b>\$453,600</b>
<b>SSI / SSDI</b>	<b>339</b>	<b>\$220,875</b>	<b>\$2,093,454</b>
<b>Other Income Maintenance Issues</b>	<b>22</b>	<b>\$10,625</b>	<b>\$44,820</b>
<b>Removal of Legal Barriers to Public Benefits</b>	<b>56</b>	<b>\$14,625</b>	<b>\$0</b>
<b>Government and Court Cost Savings</b>		<b>\$74,400</b>	

In addition, the Justice & Diversity Center provided advice and guidance to 2,292 low-income San Francisco residents at Walk-In Clinics. Although the types of problems presented were not individually tracked, many of these services were in the area of Public Benefits problems.

**Government and Legal System Cost Savings:** Cost savings to the community’s government agencies and court systems through work reduction and increases in efficiencies from the legal aid and assistance services provided by the Justice & Diversity Center.

During the year The Justice & Diversity Center provided services and assistance in 465 Public Benefits legal matters resulting in \$74,400 in immediate direct financial savings.

These values are included in the totals for the above service area totals.

## **SUMMARY OF SOCIAL RETURN ON INVESTMENT ANALYSIS VALUE**

The total immediate direct and longer-term consequential value of The Justice & Diversity Center's Public Benefits services delivered during the year was \$2,943,274.

Of this total, approximately \$104,673 in value will not be received due to various factors such as the death or relocation out of the state by benefit recipients.

**The net value resulting from the Justice & Diversity Center's activities during the year totaled \$2,838,601.**

**The total expenses for Public Benefits legal aid activities for the year totaled \$660,062.**

**The net Social Return on Investment for The Justice & Diversity Center Public Benefits Legal Services during the year ended December 31, 2013 was 430%.**

**For every \$1 expended in The Justice & Diversity Center Public Benefits Legal Services during the year, the San Francisco community receives \$4.30 of immediate and long-term financial benefit.**

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***ABOUT COMMUNITY SERVICES ANALYSIS LLC***

Community Services Analysis LLC is the leading provider of Social Return on Investment Analysis in the United States. Since 2007 CSACO has completed over 100 SROI studies for local and state agencies around the country, including such clients as the State of Pennsylvania Department of Education, the State of California Department of Rehabilitation, the City of Philadelphia, United Way, United Cerebral Palsy, Habitat for Humanity, the State of Arizona Library and Public Archives, and multiple Legal Aid organizations.

Community Services Analysis LLC is the first organization in the United States to be a member of The SROI Network, the international Social Return on Investment standards and accreditation organization, and has been recognized by many national social services organizations such as ANCOR (*the American Network of Community Options and Resources*), ACCSES (*the American Congress of Community Support and Employment Services*), and NLADA (*the National Legal Aid and Defenders Association*).

In 2013, following a detailed analysis of multiple Cost Benefit/Return on Investment methodologies and providers, the National Legal Aid and Defenders Association selected CSACO as their exclusive SROI analysis national partner.

**Social Return on Investment Analysis  
Methodology and Process Description  
Social Impact Value Map**

**Phase 1- Immediate Output Values****Output Deliverables**

Outputs are the quantitative summary of the deliverable results from an activity. These results are the planned short-term goals of the activities and are typically well measured on a timely basis as completed.

**Unit of Measure (UOM)**

The Unit of Measure is the basis for identifying the quantity of the individual output element. This may be in units such as Units, Dollars, Hours, Portions of Hours, Completion of Educational Achievement, or other measurements as appropriate to each output.

**Value per Unit of Measure**

Value per Unit of Measure is the calculated financial impact of each output per the appropriate Unit of Measure used for that output.

**Basis for Valuation**

The Basis for Valuation is a description of the methodology and reasoning behind the selection of the most appropriate Value per Unit of Measure for each output. When needed for complete understanding, alternative values are identified and discussed. This Basis for Valuation amount is also a key element in the Sensitivity Testing phase of the SROI calculation process.

**Output SROI Gross Fiscal Impact**

The Gross Fiscal Impact is the Fair Market Value replacement cost for each output service delivered. This is the short-term SROI value that primarily measures the immediate SROI value and the comparative efficiency of the services delivered to the community by the provider.

## **Phase 2 – Long Term Outcome Values**

### **Outcome Results (Description of Change)**

Outcomes are the results of the output services delivered. These outcomes may either be the projected and anticipated changes that were the basis of the stakeholders provision of the resources required, or may be unintended and unanticipated changes resulting from these same outputs.

The description of the outcomes needs to be as precise as possible to avoid uncertainty on the measurement indicator basis used and the basis for valuation. Care must also be taken not to confuse outcomes resulting from resource inputs from one shareholder with inputs from other shareholders that can result in double counting of the outcome valuations.

### **Duration of Change**

Many types of outcome have a finite life expectancy of the resulting benefits. The duration of change element defines this expected useful life of the outcome (when appropriate).

The Duration of Change element is also related to the ‘Drop-Off’ factor, which defines the reduction of benefits attributed to the outcome over longer periods of time.

## **Phase 3 - Basis for Valuation**

The Basis for Valuation is a description of the methodology and reasoning behind the selection of the most appropriate value per Unit of Measure for each output and outcome. When needed for complete understanding, alternative values are identified and discussed. This basis for valuation amount is also a key element in the sensitivity testing phase of the SROI calculation process.

There can be types of outcomes that are difficult to value in monetary terms that are routinely left out of traditional economic appraisals. There are several techniques available in SROI analysis to approximate financial values via “proxy” methods that measure financial values via indirect comparative approaches:

- Fair Market Value Replacement Cost is the cost of replacement of the activities on the open market (determined by survey) if the organization did not exist.

- Contingent Valuation assesses via survey people's willingness to pay, or to accept compensation, for a hypothetical product or service.
- Revealed Preference infers valuations from the price of related market-supplied goods or services;
- The Travel Cost method recognizes that people are generally willing to travel some distance to access goods or services on which they place a value. This inconvenience and expense can be translated into money to derive an estimate of the values of the benefits of those goods and services.

### **Source of Valuation**

The Source of Valuation is a description or listing of the research sources used in determining the Basis for Valuation.

## **Phase 3 – Valuation Impacts**

### **Deadweight %**

Deadweight is a measure of the amount of the individual outcome that would have happened even if the output activity had not taken place. It is expressed as a percentage.

### **Attribution %**

Attribution is an assessment of how much of the outcome was caused by contribution of each individual output service. This is expressed as a percentage.

The assessment of individual output service contribution can be a highly variable process with multiple conflicting factors. The relative contribution weight of an individual factor can vary from individual to individual, and the calculations can become problematic over long periods of time.

### **Drop-Off %**

In longer periods of time (greater than one year), the amount of outcome is likely to be less, or if the same, will be more likely to be influenced by other factors. Drop-off is an assessment of the ongoing reduced attribution to the outcome factors.

It is expressed as a fixed percentage of deduction from the remaining level of outcome at the end of each year.

**Outcome SROI Gross Fiscal Impact**

The Outcome Gross Fiscal Impact is the total value of all fiscal benefits for each output and outcome.

**Outcome SROI Net Fiscal Impact**

The Outcome Net Fiscal Impact is the total value of all fiscal benefits for each outcome (both anticipated and unanticipated) following inclusion of the Valuation Impact.

**San Francisco Bar Association  
Justice and Diversity Center - Public Benefits Services  
Social Return on Investment Analysis Impact Map  
IMMEDIATE OUTPUT VALUES**

<b>Description</b>	<b>Total Matters 2013</b>	<b>Direct Social Value</b>	<b>Basis for Valuation (see Valuation Detail Book)</b>
<b>Food Stamps</b>	<b>48</b>	<b>\$30,625</b>	<b>Schedule 73</b>
<b>SSI / SSDI</b>	<b>339</b>	<b>\$220,875</b>	<b>Schedule 75</b>
<b>Unemployment Compensation</b>	<b>1</b>	<b>\$250</b>	<b>Schedule 76</b>
<b>Other Income Maintenance Issues</b>	<b>21</b>	<b>\$10,625</b>	<b>Schedule 79</b>
<b>Removal of Legal Barriers to Benefits</b>	<b>56</b>	<b>\$14,625</b>	<b>Schedule 108</b>
<b>Government and Court Cost Savings</b>	<b>465</b>	<b>\$74,400</b>	<b>Schedule 115</b>
<b>Total Gross Direct Benefits</b>		<b>\$351,400</b>	

**San Francisco Bar Association  
Justice and Diversity Center - Public Benefits Services  
Social Return on Investment Analysis Impact Map  
LONG TERM OUTCOME VALUES**

<b>Description of Change</b>	<b>Total Matters 2013</b>	<b>Consequential Social Value Impact</b>	<b>Basis for Valuation (see Valuation Detail Book)</b>
<b>Food Stamps</b>	<b>48</b>	<b>\$453,600</b>	<b>Schedule 73</b>
<b>SSI / SSDI</b>	<b>339</b>	<b>\$2,093,454</b>	<b>Schedule 75</b>
<b>Unemployment Compensation</b>	<b>1</b>	<b>\$0</b>	<b>Schedule 76</b>
<b>Other Income Maintenance Issues</b>	<b>21</b>	<b>\$44,820</b>	<b>Schedule 79</b>
<b>Removal of Legal Barriers to Benefits</b>	<b>56</b>	<b>\$0</b>	<b>Schedule 108</b>
<b>Government and Court Cost Savings</b>	<b>465</b>	<b>\$0</b>	<b>Schedule 115</b>
<b>Total Gross Consequential Benefits</b>		<b>\$2,591,874</b>	

**San Francisco Bar Association  
Justice and Diversity Center - Public Benefits Services  
Social Return on Investment Analysis Impact Map**

**VALUATION NEGATIVE IMPACTS**

<b>Description of Change</b>	<b>Deadweight %</b>	<b>Attribution %</b>	<b>Drop-off %</b>
<b>Food Stamps</b>	0%	0%	0%
<b>SSI / SSDI</b>	0%	0%	5%
<b>Unemployment Compensation</b>	0%	0%	5%
<b>Other Income Maintenance Issues</b>	0%	0%	0%
<b>Removal of Legal Barriers to Benefits</b>	0%	0%	0%
<b>Government and Court Cost Savings</b>	0%	0%	0%

**San Francisco Bar Association  
Justice and Diversity Center - Public Benefits Services  
Social Return on Investment Analysis Impact Map**

<b>Description of Change</b>	<b>DIRECT FISCAL IMPACT</b>	<b>CONSEQUENTIAL FISCAL IMPACT</b>	<b>TOTAL FISCAL IMPACT</b>
<b>Food Stamps</b>	\$30,625	\$453,600	\$484,225
<b>Supplemental Security Income</b>	\$220,875	\$1,988,781	\$2,209,656
<b>Unemployment Compensation</b>	\$250	\$0	\$250
<b>Other Income Maintenance Issues</b>	\$10,625	\$44,820	\$55,445
<b>Removal of Legal Barriers to Benefits</b>	\$14,625	\$0	\$14,625
<b>Government and Court Cost Savings</b>	\$74,400	\$0	\$74,400
<b>TOTAL COMMUNITY BENEFITS</b>	<b>\$351,400</b>	<b>\$2,487,201</b>	<b>\$2,838,601</b>
<b>TOTAL PUBLIC BENEFITS SERVICES EXPENSES FOR 2013</b>			<b>\$660,062</b>
<b>TOTAL SOCIAL RETURN ON FUNDING INVESTMENT FOR PUBLIC BENEFITS SERVICES FOR THE 2012 - 2013 YEARLY PERIOD.</b>			<b>430%</b>

**The Social Return on Investment  
From the services provided by the San Francisco Bar Association  
Justice and Diversity Center**

**Overview**

The State of California and many other governmental funding sources nationwide are reviewing their “Performance Measurement” processes, including metrics such as Return on Investment, Output and Outcome Measures, and Efficiency Measures, in an effort to improve efficiency, effectiveness and the delivered value of their multiple of community services and funding requirements and options. This report provides these measurement results to funding sources, stakeholders, and members of the community.

This analysis follows the basic structure, definitions, and procedures encompassed in The SROI Network’s internationally defined methodology. Additional input was taken from the New Economics Foundation study “*Measuring Real Value: a DIY Guide to Social Return on Investment*”, the Nonprofit Good Practice Guide, and various financial analysis tools and methods used in the private sector.

**Scope of the Project**

The process of developing this analysis included the identification of measurable benefits provided to the community by the Justice & Diversity Center as a result of their operations.

Many of the transaction statistics for these areas have historically been tracked by the staff and management of the Justice & Diversity Center, but several areas were not. The personnel at the Justice & Diversity Center are to be commended for researching these areas and providing accurate transaction information expeditiously.

The definitions of value to community are based on a variety of published sources where available, surveys of local cost when appropriate, surveys of State residents, and realistic formula calculations. These same methodologies have been used in multiple other Legal Aid provider engagements and have been reviewed in detail by multiple organizations and outside researchers.

**Conclusion**

Based on a review of the Justice & Diversity Center transaction records, internal reports, financial statements, reports submitted to various state and federal stakeholders, and the detailed analysis of values delivered to the community of the individual services provided by the organization, this report presents fairly the Social Return on Funding Investment for the Justice & Diversity Center's Public Benefits program for the year ended December, 2013.

**October 9, 2014**

A handwritten signature in dark ink, appearing to read "A. B. B.", is positioned above the printed name.

**Principal  
Community Services Analysis LLC**