



# Benefits of Measuring Impact

2006 National Community  
Reinvestment Conference

Kelly Walsh, Banking Consultant



# Benefits of Measuring Impact

- Bank examiners
- Executive management
- External constituents
  - Customers
  - Government
  - Media
  - Advocacy groups



# Benefits of Measuring Impact

## ■ Bank examiners

- Demonstrates compliance with the spirit of the law
- Demonstrates the high quality of your investments, services, etc.
- Demonstrates your commitment to your community
- Demonstrates performance against goals



# Benefits of Measuring Impact

- Executive management

- Community development is good business

- Profitable or good leverage of resources

- Goodwill---Image in the Community

- Customer (and potential customer) Loyalty

- Positive Change in Community

- Competitive edge

- Strategic planning



# Benefits of Measuring Impact

- Community constituents
  - Public relations
  - Brand awareness
  - Competitive edge
  - Partnership opportunities
  - Providing replicable models
  - Influencing public policy




# What Can You Measure

- Beyond direct results
  - Sustainable positive change
- Changes over time
  - Growth rates, etc.
- Data that tell a story
  - What do the results mean for individuals
- Feedback
  - Skills, values, behaviors, knowledge, etc.



# How Do You Measure Impact


- Plan ahead---visualize results
  - What else would you want to know?
  - What do you wish you had asked?
- Collect data at intervals
  - Show progress over time
- Surveys or questionnaires
  - Some standardized
  - Representative samples
  - Use incentives



# What are the Measures that Make a Good Story

## ■ Internally

- How much did we do
- How much did it cost
- What are the results
  - Short term, long term
  - Did we “move the needle” on this problem
- How will things change (what’s next?)
- How can we share this information



# What are the Measures that Make a Good Story

## ■ Externally

- How much we did
- What the results are
  - Short term, long term
  - Sustainable positive change
- How this will change things (now what?)
- How this information can be useful
- What this says about us



# What Does Success Look Like

- How do you see it, measure it, find it
  - HomeOwnership Center Clients
    - Bank accounts, mortgage loan, home equity loan, investments, trusts, referrals, referrals, referrals
- How do you start out to facilitate these results
  - Build a mechanism for tracking the relationship over time



# What Indicators Demonstrate Success?

- For economic development endeavors, look beyond metrics describing loans made, units financed or jobs created
  - Growth rates
    - revenue
    - customers
    - sales
  - Expansion



# What Indicators Demonstrate Success?

- For financial literacy endeavors, look beyond metrics describing how much counseling you provided
  - Accounts opened
  - Overdrafts reduced
  - Employment opportunities changed
  - Loans made
  - Credit scores changed



# What Indicators Demonstrate Success?

- For affordable housing, look beyond metrics describing numbers of units or residents
  - Social services used
  - Employment changes
  - Community involvement
  - Voter registration



# What Indicators Demonstrate Success?

- For health and education, look beyond metrics describing number of students or patients
  - Average GPA
  - School attendance
  - Geographies served
    - Income level of those areas



# Measures of Success to Increase the Bank's Competitive Edge

- How can you use measures of success to increase the bank's competitive edge in a market?
  - Differentiating yourselves
    - Focus narrowly---"We are the only bank that..."
  - Making a meaningful impact
    - Move the needle
    - Impact public policy
  - Get the word out



# Working with Nonprofit Partners to Measure Outcomes

- What is currently measured
  - How can this data be used
- What else can be measured
- Resources needed to identify outcomes
  - Money
  - Staff
  - Expertise
  - Guidance
  - Feedback



# Working with Nonprofit Partners to Measure Outcomes

- Outcomes for families prepared for homeownership
  - Improved credit score
  - Change in savings rate
  - Improved debt-to-income ratio
  - Reduced incidents of delinquency
  - Reduced incidents of default



# Working with Nonprofit Partners to Measure Outcomes

- Outcomes for families prepared for homeownership
  - Community involvement
    - Churches
    - Schools
    - Neighborhood boards
  - Voter registration



# Working with Nonprofit Partners to Measure Outcomes

- Outcomes for families prepared for homeownership
  - Change in marital status
  - Employment opportunities
  - School performance
    - attendance
    - grades
  - Use of social services



# Working with Nonprofit Partners to Measure Outcomes

- Encourage broad use of information about outcomes
  - Annual reports
  - Newsletters
  - Brochures
  - Websites
  - Reports to funders