

2 Glossary

Attribution	An assessment of how much of the outcome was caused by the contribution of other organisations or people.
Cost allocation	The allocation of costs or expenditure to activities related to a given programme, product or business.
Deadweight	A measure of the amount of outcome that would have happened even if the activity had not taken place.
Discounting	The process by which future financial costs and benefits are recalculated to present-day values.
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.
Distance travelled	The progress that a beneficiary makes towards an outcome (also called 'intermediate 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.
Financial value	The financial surplus generated by an organisation in the course of its activities.
Financial model	A set of relationships between financial variables that allow the effect of changes to variables to be tested.
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.
Impact Map	A table that captures how an activity makes a difference: that is, how it uses its resources to provide activities that then lead to particular outcomes for different stakeholders.
Income	An organisation's financial income from sales, donations, contracts or grants.

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.
Payback period	Time in months or years for the value of the impact to exceed the investment.
Proxy	An approximation of value where an exact measure is impossible to obtain.
Scope	The activities, timescale, boundaries and type of SROI analysis.
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.