

How to... demonstrate impact

What is impact?

Impact is essentially the difference that we make in our community. It is about telling stories about the change that comes about because of what we do. Impact is often thought of as talking about our outputs – the things that we are doing. And of course, this is important because it enables us to look at trends, costs and allocation of resources to different activities.

But impact is less about outputs and more about outcomes. Outcomes are the difference made by our outputs. They are not necessarily things that can be counted or easily measured. For example:

Output A community hub has been held in your community for a year, with 25 people attending for refreshments and advice from local support agencies.

Outcome Older and vulnerable people have a safe meeting place in the village where they can meet with others, helping to tackle feelings of loneliness. They also feel more confident in knowing where to access help and support from professionals.

Impact should be embedded in our mission and vision plans and communicated to those who give to the church – both individual givers and also grant funders as appropriate. Impact tells the story of how we are seeing our vision as a church come to life.

Why do we need to demonstrate impact?

There are a number of really good reasons to be able to demonstrate our impact as churches:

- When we talk about giving, it is much more motivating to people to be able to see the difference made by what is given.
- It can help determine the effectiveness of our vision and mission plans.
- It can help motivate and inspire us as we identify what God has been doing in our community.
- It can help evaluate activities we are currently undertaking, and measure if any of them are no longer working.
- It can help identify other areas that we might want to explore to serve our community.
- It can be used to apply for grant funding if we are looking to fund areas of mission or ministry, or undertake a specific project.

What about Matthew 6:1-4?

Talking about reporting on impact may sound like showing off or telling people all about how amazing we are. And that would fly in the face of Jesus' words in Matthew 6:1-4. But the purpose of impact reporting for the church is about being able to demonstrate what God is doing through us, and the way in which God uses his people to transform lives and communities. Impact reporting can help us to see where God is at work and encourage us to want to join in with this work.

How can we measure impact?

There are a number of really helpful questions that enable us to communicate our impact effectively:

1. What is the purpose and who will be reading it?

This is an important starting point and ensures that the style and substance of the impact communication is fit for purpose. For example, if you are communicating impact to the church community we may want to talk about God and the ways in which the church is serving both God and community. If we are communicating with the wider community, we may choose to use similar but more accessible language that connects with those who may not have faith but value their church. If we are communicating with funders, we may need to choose different language in order to comply with funding requirements and conditions.

2. When to create an impact report?

Again, this depends on the purpose of the impact report. For communication with church and community it can be really helpful to connect this in with the APCM and annual report (we will come back to this a bit later). The reason for this is that in preparation for the annual report a lot of the background work will already have been done, and you can include material from the impact report as part of the APCM. For funders, there may be a different timetable depending on conditions of funding.

3. What to include?

To answer this question, think about what the recipients will want to know, and then use language, images, photos, stories and, if appropriate, data that will demonstrate this and engage them. Some ideas might include:

- Your long term vision – what is the overall vision for the church in your community?
- What specific issues are you addressing in your community? It may be a general issue facing the community as a whole, or something specific that applies to a smaller group.
- What are you doing to address the issues that you have identified? This is a good opportunity to talk about some of your outputs (activities)
- What impact has been achieved as a result of your outputs? This is about your outcomes. What difference has been seen as a result of what you are doing?
- What has gone wrong? This is a great way of keeping us grounded. Rather than just talking about what has gone well, it can be helpful to talk about the things that haven't quite worked out as we might have hoped. It can help us to build trust with those who give financially to the church as it shows that we are honest. But it also allows us to think about what we have learned as a result and what we are doing to address what we have learned.
- Use appropriate data – this might include financial data that helps to explain either cost effectiveness or social benefit. But it could also include national and local data that helps to demonstrate the issues that we have mentioned above.
- Flip the question on its head! Can you talk about what would have happened if you had not identified a need and acted upon it? What would happen if you asked the question "What difference would it make to our community if the church was no longer there?"
- Talk about the future. What are you planning on doing in the coming year? How do your plans link in with what you are already doing? What difference would giving make to your plans for the future?
- How can you bring your report to life? What elements can we include to make the impact report engaging for those reading it. Are there stories that we can tell? Photos that we can use? Videos that we can show?

4. Producing and communicating your report

There are lots of helpful tools available to help you to produce a good impact report. Some of these are listed at the end of this document. The key is to ensure that if someone is going to read it, they will be engaged by what you have produced.

Communicating it will depend on the purpose of the report. For local use, communicate it as widely as you can. Use your APCM, put it on your website, send it to people on your mailing list. The more people you can reach, the better it is!

Isn't our annual report enough?

Annual reports are not just about compliance as charitable organizations. They are an opportunity to really demonstrate what the church is doing and the impact that it has. For an annual report to demonstrate impact, it needs to go further than just describe what the church is doing. To see this in practice, refer back to the example of output vs outcome in the introduction to this guide.

To do this effectively, for each area of ministry or activity, you would need to think about the outcome of what is being done reflecting on some of the suggestions given in the section "what to include". To keep the report manageable and concise, you might like to consider grouping activities together e.g. community engagement, worship, children and young people rather than a section on each activity.

So, essentially it is up to you to decide the best way to communicate impact to your community. You can choose to work with your existing annual report and make a few changes if needed to ensure that it includes information about outcomes as well as outputs. Or, you can choose to keep the reports separate. You will know what will be most effective where you are.

Some helpful tools

1. If you are struggling to name the impact that your outputs have, you could engage with a theory of change template. Theory of change is a practical tool that helps us to think through what we do, looking at a number of different questions:
 - What is the problem/issue that you have identified in your community?
 - Who are the target groups or individuals that are affected by the issue?
 - What general activities could be carried out to address the issue?
 - What are the specific outputs associated to the activities you have identified?
 - What outcomes (effect) could be seen as a result of the outputs you have identified?
 - How does this link in with your overall impact in terms of your vision/strategy as a church?

There are lots of theory of change templates available online, so find one that works for you.

2. We have produced a single A4 downloadable resource bathandwells.org.uk/sharing-our-impact-posters-for-churches, that can be used as a summary of outputs that can demonstrate the way in which giving has enabled the church to work in its community
3. Impactasaurus. This is an online impact reporting tool that is currently available for free. If you would like to explore further, you can access it via impactasaurus.org
4. For other examples of impact reports, just search online and have a look at what others have done. There are lots of great examples available to look at and hopefully inspire you in your own creations