

# Money with a purpose

## Online appendix

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This report has been produced by the New Economics Foundation (NEF) as part of the Community Currencies in Action (CCIA) collaboration project.

CCIA is a transnational partnership project designing, developing and implementing community currencies across North West Europe (NWE). The partnership provides a rigorously tested package of support structures to facilitate the development of currency initiatives across NWE, promoting them as credible policy vehicles for achieving positive outcomes.

Running from May 2012 to June 2015, CCIA is part-funded through the INTERREG IWB North West Europe Programme, a financial instrument of the European Union's Cohesion Policy – Investing in Opportunities.

Find out more about CCIA on our website:  
[www.communitycurrenciesinaction.eu](http://www.communitycurrenciesinaction.eu)



## Summary

This appendix gives some more details of sources you might use to measure outcomes of your own currency project. It is designed to be read alongside the following two NEF reports:

**No small change**: This is a how-to guide for organisers looking to effectively evaluate the impact of a community currency project. The guide highlights the value of pausing to ask what your currency project is aiming to achieve and how this can be measured, offering practical advice on going about it. This appendix is a good supplement to the last chapter of that report, as here we set out how you might measure outcome indicators.

**Money with a purpose**: This report sets out learning and evaluation results from the pilots that form part of the Community Currencies in Action (CCIA) project. It reviews the evidence on the extent to which these currencies have made progress on effecting the social, economic and environmental outcomes they were set up to achieve. It also uses some international examples of best practice to share knowledge.

This appendix is structured around the same outcome themes that are used in *Money with a purpose*:

- Democratising services and organisations
- Supporting the small and medium-sized enterprise (SME) economy
- Countering inequality and social exclusion
- Addressing environmental impacts

This document is designed mainly as a guide to be read electronically, as it contains many hyperlinks to other toolkits or resources online.

## Democratising services and organisations

Many currencies are set up with the goal of making organisations more democratic and to involve people more in their running. The longer-term outcomes of these projects can be changes for individuals, such as improved health and wellbeing. These outcomes are covered in Section 4. In this section, the focus is more on how you might measure the changes a currency project can have that can affect organisations themselves.

### Bespoke tools to measure coproduction

There are a few tools that have been designed to specifically support organisations in measuring their steps towards becoming more co-productive. Generally, these are created as self-reflection tools to allow organisations to review and plan how to become more co-productive. They are not designed to make comparisons between organisations.

The New Economics Foundation (NEF), along with the [co-production practitioners' network](#), have developed a Co-production Audit Tool which has been trialled with Lambeth and Cornwall councils as part of a project on co-produced services for young people. This tool helps practitioners review their own practice in relation to six key components of coproduction, and will be made available through the [CCIA knowledge centre](#).

A [self-reflection tool](#) has also been designed by Inclusion North and Tricia Nicoll Consulting. It is primarily intended for use by local authorities, local services, and local people to review and plan how to make co-production more real in their organisations, rather than simply a box-ticking or reporting exercise.

### Designing surveys for organisations

Another method is to survey organisations to look for change on key indicators. So, for example, in the evaluation of Spice Time Credits, the evaluators (Apteligen) took four indicators that were seen as necessary conditions for creating co-production in organisations.<sup>1</sup>

Stronger connections between service users, local communities and organisations.

- Greater collaboration between organisations to design and deliver services.
- Improvements in the types of services provided.
- Better use of local resources, skills, and assets.

For an example of the questionnaire Apteligen created to attempt to measure change against these indicators, see the sample [Spice survey](#).

### Using policy trials

It is now becoming more common to use methods such as randomised control trials when beginning new policies. While some people dislike this idea, in its simplest form, it can just mean rolling a project out in stages and comparing outcomes of the group that adopted or experienced the policy first, or trying different interventions on different groups. Lambeth Council implemented a pilot which attempted to understand the effectiveness of local currency as an incentive when offered against other incentives. Details of its research will be made available through [the knowledge centre](#).

More guidance on constructing policy trials is set out in the report [Test, Learn, Adapt](#), available from the Cabinet Office.

The Brixton Pound also identified a control group by surveying a group of people who had some interest in signing up to the Brixton Pound but did not go on to do so. For more information, see the [Brixton Pound Evaluation Example](#) on the website.

## Supporting the SME economy

Many currencies have the specific aim of supporting small and medium-sized enterprises (SMEs). In reality, the long-term objectives of many of these projects concern profound changes to the economy, such as creating more jobs or better livelihoods, developing more resilience, and evolving more sustainable business practices. These macroeconomic effects can be hard to measure and especially difficult to attribute to specific interventions, so, in the short term, currency projects are likely to want to survey businesses themselves.

### Designing surveys for businesses

A few tips that other currency projects have learnt about surveying businesses:

- Respondents don't have much time. You need to keep questionnaires short.
- If you want a high response rate, make sure you budget time for this in order to collect replies.
- Some businesses prefer to complete a survey online, but many prefer to go through the questions face-to-face.

Unlike some of the other outcome areas, businesses are not a primary beneficiary of many social projects, so there are less-specific data collection tools available. Most of the data collection tools that have been designed are for individuals or organisations. With this in mind, we have collated a range of questions you may find useful. The “question bank” can be downloaded from the [CCIA knowledge centre](#).

This document covers some questions that you may find useful if small businesses are one of your key stakeholders, although we hope that many will be applicable for a wide range of currency schemes. It includes questions that have been tried and tested by partners and observers for CCIA as well as those developed by NEF, which will be helpful in new situations. Other questions that are part of business surveys used by international organisations such as the World Bank are also included. Although such questions map less clearly onto the outcomes that most currency projects are aiming for, you may wish to use them for comparative purposes.

You may also want to ask users of your currency the extent to which they have changed their behaviour in terms of where they shop.

### **Bespoke self-assessment tools for businesses**

There are also some tools that have been developed for businesses to measure ways in which they are behaving more sustainably or adding social value.

The Economy for the Common Good balance sheet has been developed for businesses to 'measure their contribution to the common good of a democratic society' through self-assessment. The project is geared towards businesses who very much define themselves as working towards an alternative economy, which may not resonate with all business involved in a currency project.

It is based on a matrix made up of 17 indicators under 5 separate 'constitutional values': human dignity, cooperation and solidarity, sustainability, justice, and democracy. Indicators cover subjects varying from how businesses manage their supply chains through to the quality of the workplace for employees. Companies can rate themselves and then choose to get an external audit or peer review to validate the responses. Around 1,000 businesses have already completed the matrix. There is a membership fee to join.

### **Local Multiplier 3 (LM3)**

The concept of LM3 was developed by NEF as a way to measure the extent to which a business contributes to the local economy. It was developed from the economic idea of velocity of money, i.e., the number of times a unit of currency is re-spent within a given time period. It can be used by individual businesses or applied to entire contracts to understand the local economic impact of procurement. In theory, the idea is simple: you trace spending in the local economy through three rounds of spending (hence the name Local Multiplier 3). In practice, it can be challenging to collect data from businesses that they may prefer to keep confidential – the exact amount they spend on different suppliers, for example.

Some of the questions quoted in this document come from the NEF publication The Money Trail.

More recently, Adam Wilkinson developed an easy-to-use online tool for measuring LM3 which can be downloaded [here](#).

## Countering inequality and social exclusion

This section covers a large range of outcomes. At one end of the spectrum, some projects are motivated by a desire to question systemic issues, such as money creation and inequality. At the other end of the spectrum are specific inequalities within communities, such as health inequalities, inequalities in access to services, etc.

For a currency project, many of the indicators of change towards this outcome will be changes in the people who use your currency project. As such, this section focuses on how you might measure these changes.

### Designing surveys for individuals

As other currency projects have learnt from surveying individuals, you will need to be sensitive to how your participants will choose to fill in surveys. Some people will be able to complete the questionnaire on their own online; others may need someone to go through all the questionnaires with them.

- Completing questionnaires and getting a high response rate takes time and commitment, particularly from front-line staff or volunteers of your project. You need to make sure they have bought into the process and are involved in how you design your project.
- Be aware of data protection issues and ensure that your users are clear what the purpose of asking them to complete a survey is, as well as what you will do with their data. You may prefer to make your surveys anonymous.

For more information on all these points, please see the section 'Project evaluation: from theory to evidence of change' in the [evaluation guidebook](#).

There are a large range of already customised questionnaires which you can easily use or take questions from. Broadly speaking, there are three areas that projects may wish to question:

- Individual wellbeing
- Community wellbeing
- General feedback and demographic data

### Individual wellbeing

This includes questions about overall life satisfaction, as well as mental and physical health.

There are many different well-developed scales for asking individuals about their overall wellbeing. For the purposes of most currency schemes, you will probably want to keep the questions quite short and we recommend the approach set out in the NEF publication [Measuring Wellbeing: A short handbook for voluntary originations and community groups](#).<sup>2</sup> This compiles a short list of wellbeing questions.

The Office for National Statistics (ONS) has recently published a 'National Well-being Wheel of Measures' as part of the ONS Measuring National Well-being Programme. There are 41 measures of national wellbeing split across 10 domains. Some of these will not be appropriate for individual community currency projects because the core focus of a project (e.g. voter turnout) is not often measured at a 'macro' level (e.g. greenhouse gas emissions). Others may be useful for community currencies to use as indicators, while projects may find it easier to obtain funding if they can achieve progress towards these outcomes (e.g. volunteering, belonging to a neighbourhood).

There are a range of resources available on the ONS website:

- National Wellbeing Wheel of Measures, which includes the latest data for all measures
- National Wellbeing Interactive Wheel of Measures – an interactive tool which includes the latest data for all measures (as available at August 2013) and a previous period for comparison.
- Measuring National Wellbeing Domains and Measures, September – an Excel file with time series data and information about sources for the measures.

### Community wellbeing

This maps on to concepts such as social trust, social capital, cohesion, and active citizenship. There is some overlap with the outcome around democratising organisations. There is a large amount of literature on how you might wish to measure community wellbeing.

A popular question is to measure social trust and this is included in the [NEF guidance on measuring wellbeing](#). It is a scale question which asks the extent to which people trust one another in a neighbourhood.

If you want to go a bit beyond just asking one question on social trust, then several other options are outlined in the [NEF national accounts of wellbeing](#). Social wellbeing is sometimes defined as being made up of two main components<sup>3</sup>:

- **Supportive relationships.** The extent and quality of interactions in close relationships with family, friends, and others who provide support.
- **Trust and belonging.** Trusting other people, being treated fairly and respectfully by them, and feeling a sense of belonging with and support from people where you live.

You can also ask individuals questions that capture the extent to which they feel able to participate in civil institutions, etc. Li and Pickles (2005) suggest measuring social capital from the British Household Panel Survey with three sets of questions<sup>4</sup>:

- **Neighbourhood attachment** refers to the degree to which people attach to their neighbourhood.
- **Social network** seeks to measure the extent of people's interactions with others and the extent to which they feel they have supportive networks *beyond* their immediate family.
- **Civic participation** measures the level of 'formal' social capital from the underlying scores for involvement in voluntary associations. (Note: many existing studies use this as the sole measure of social capital.)

Questions major household surveys for individuals can be easily downloaded from [Variable and Question Bank](#).

There is also a scale, known as the 'Buckner Neighbourhood Cohesion Scale', which uses a 19-item index to measure belonging and cohesion.<sup>5</sup>

### General feedback and demographic data

If you are surveying your users you may find it useful to include some questions about what they think of your community currency scheme. Completing a survey is also a chance to ask more open-ended questions about what people would like to see your project do in the future as well as give you feedback on what is working well.

If you are receiving public or grant funding, funders will probably want to know that the people who use your project are representative of those who live in your local area, so you may also want to include equal opportunities monitoring data such as gender, disability, ethnicity, etc.

## Addressing environmental impacts

This covers a wide range of different outcomes, some of which are easier to measure than others. In the short term, you may wish to capture the extent to which your project has contributed to people gaining awareness of environmental activities, but in the longer term, you could try to actually capture the extent to which this translates into reduced environmental impacts, such as travelling less or producing less waste.

### Behaviour change: using surveys for individuals

Many currency projects aspire to change the behaviour of individuals, whether this is shopping more locally or adopting more environmentally friendly behaviours.

There are several well-established tools for measuring individual footprints which could form useful guidance for devising survey questions for your users or which you could even ask users to complete as they stand.

- The [WWF footprint calculator](#)
- The [Bioregional One Planet Challenge](#)
- The [Global Footprint Network Footprint Calculator](#)

There are also survey questions which attempt to measure environmental values, rather than directly measure behaviour (although we would expect the two to be linked). For example, in the British Household Panel Survey, one of the questions asks respondents the extent to which they agree or disagree with the following statements. You could ask questions like this before and after a project intervention:

- It takes too much time and effort to do things that are environmentally friendly.
- Scientists will find a solution to global warming without people having to make big changes to their lifestyle.
- The environment is a low priority for me compared with a lot of other things in my life.
- I am environmentally friendly in most things I do.

### Measuring the environmental impact of organisations or businesses

If you are trying to establish the impact your organisation has on the environment, there are several types of impacts you may wish to consider:

- **Direct impacts** are directly caused by the organisation itself, such as the land taken up by the building.

- **Indirect impacts**, also known as secondary, tertiary, and chain impacts, are usually linked to the organisation, but take place offsite as part of the supply chain.
- **Enabled impacts** relate to the impact of the organisation's users, be they businesses or individual customers.

Many currencies will not be operating at a large enough scale to make these sorts of calculations worthwhile, but for an example of how a large organisation undertook reporting its environmental impacts you can look at the section on the environment from [The Crown Estates](#) and the associated [methodological appendix](#). The Carbon Trust has its [own standard for businesses to report on their carbon emissions](#).

Currency projects may wish to design bespoke tools. For example, they may look at reduced environmental impact from collaborations such as sharing office and meeting spaces. They could also attempt to look at how their currency project has reduced the distances people travel to the shops or to work using baseline data from the [National Travel Survey](#).

## Endnotes

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<sup>1</sup> Apteligen Consultants. (2014). *An Evaluation of Spice Time Credits*. Retrieved from [http://www.justaddspice.org/app/uploads/2015/01/Spice-Evaluation\\_Apteligen-Report-MAIN-REPORT1.pdf](http://www.justaddspice.org/app/uploads/2015/01/Spice-Evaluation_Apteligen-Report-MAIN-REPORT1.pdf)

<sup>2</sup> Michaelson, J., & Sorcha Mahony, S. (2012). *Measuring Well Being: A short handbook for voluntary organisations and community groups*. London: NEF. Retrieved from [http://b.3cdn.net/nefoundation/8d92cf44e70b3d16e6\\_rgm6bpd3i.pdf](http://b.3cdn.net/nefoundation/8d92cf44e70b3d16e6_rgm6bpd3i.pdf)

<sup>3</sup> Michaelson, J., Abdallah, S., Steuer, N., Thompson, S., & Marks, N. (2009). *National Accounts of Well-being: bringing real wealth onto the balance sheet*. London: NEF. Retrieved from <http://www.nationalaccountsofwellbeing.org/public-data/files/national-accounts-of-well-being-report.pdf>

<sup>4</sup> Li, Y. & Pickles, A. (2005). Social capital and social trust in Britain. *European Sociological Review*, 21, 109–123. Retrieved from <https://www.escholar.manchester.ac.uk/api/datastream?publicationPid=uk-ac-man-scw:1b4490&datastreamId=POST-PEER-REVIEW-PUBLISHERS.PDF>

<sup>5</sup> Buckner, J.C. (1988). The development of an instrument to measure neighborhood cohesion. *American Journal of Community Psychology*, 16, 771–791. Retrieved from [http://www.researchgate.net/profile/John\\_Buckner/publication/226837738\\_The\\_development\\_of\\_an\\_instrument\\_to\\_measure\\_neighborhood\\_cohesion/links/00b4951e1ab3d1e28a000000.pdf](http://www.researchgate.net/profile/John_Buckner/publication/226837738_The_development_of_an_instrument_to_measure_neighborhood_cohesion/links/00b4951e1ab3d1e28a000000.pdf)