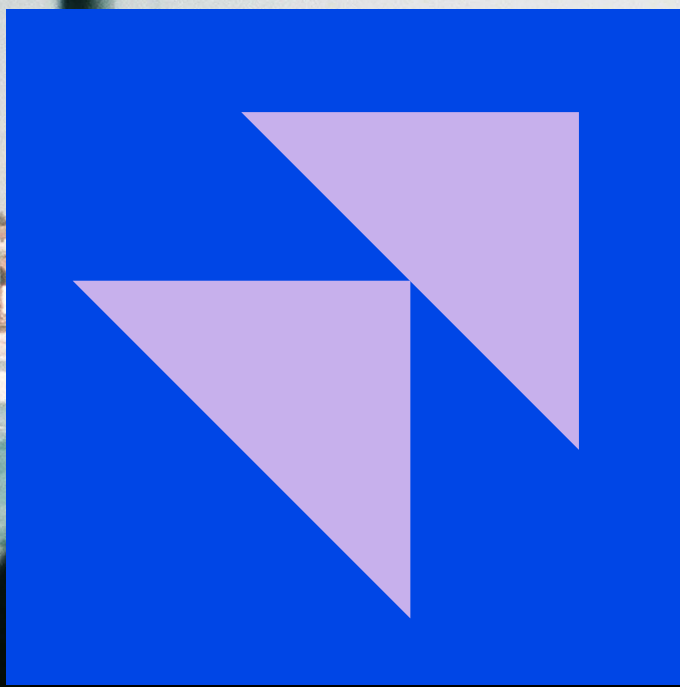
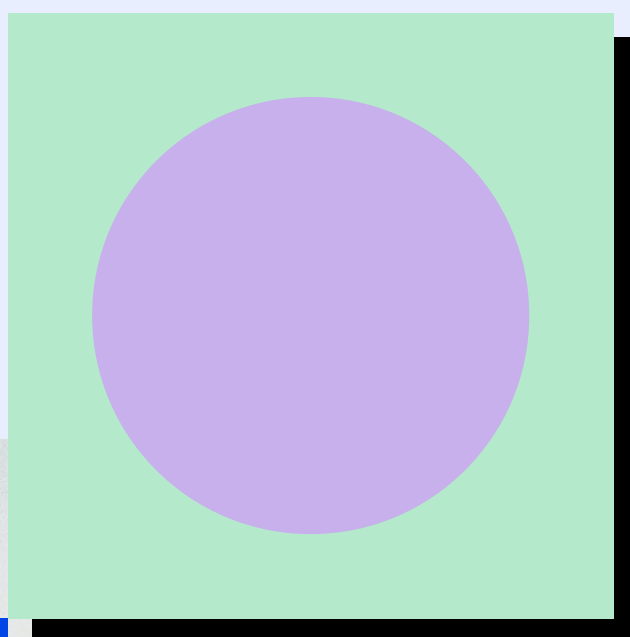


Communicating your social impact

Exploring Australians'
understanding and
expectations of social
impact reporting



mccrindle



Communicating your social impact report is produced by:

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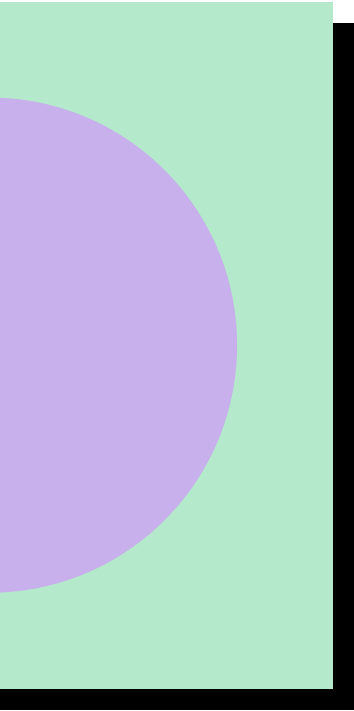
Authors: Mark McCrindle, Sophie Renton and Shannon Wherrett
Data visualisation and design: Ben Duffin and Hendrik Zuiderma
Title: Communicating your social impact report: Exploring Australians' understanding and expectations of social impact reporting

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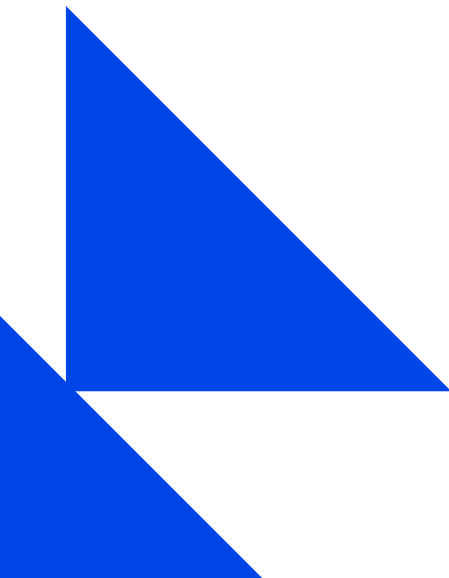
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Introduction

Contrary to some people's perceptions, Australians are largely supportive of government and more particularly the services they provide. Big programs, which engender such fierce debate in other countries such as universal healthcare, welfare support and free public education are fundamental to our social cohesion. This serves as a reminder that we are collectivist rather than individualistic. We value community, with empathy for the other, rather than exemplifying individual success above all. This is recognised in our identity as the lucky country- no one can pretend to be self-made.

Yet while there is broad support for the role of government, there is a robust expectation that it will be accountable for this public trust. Australians mirror this attitude with large corporations and charities. Their place in our lives is regarded, but this status comes with responsibility to steward it well.

This is why social impact reporting is so important. In prior times of greater institutional trust, the fulfilling of these social obligations was assumed, now it must be demonstrated. The privileges of economic scale, contracts to deliver public services, or the benefits at law of not-for-profit status have always come with community expectations, but this is increasingly being codified as a social licence to operate.

We hope this report will assist you in not only measuring your social impacts, but communicating them. We trust that by sharing your impacts you will encourage your team, inspire your stakeholders and enlighten the broader community on the difference you make. In an era of rising scepticism and declining trust we hope that you can let your light shine.



Mark McCrindle

Founder and Principal McCrindle

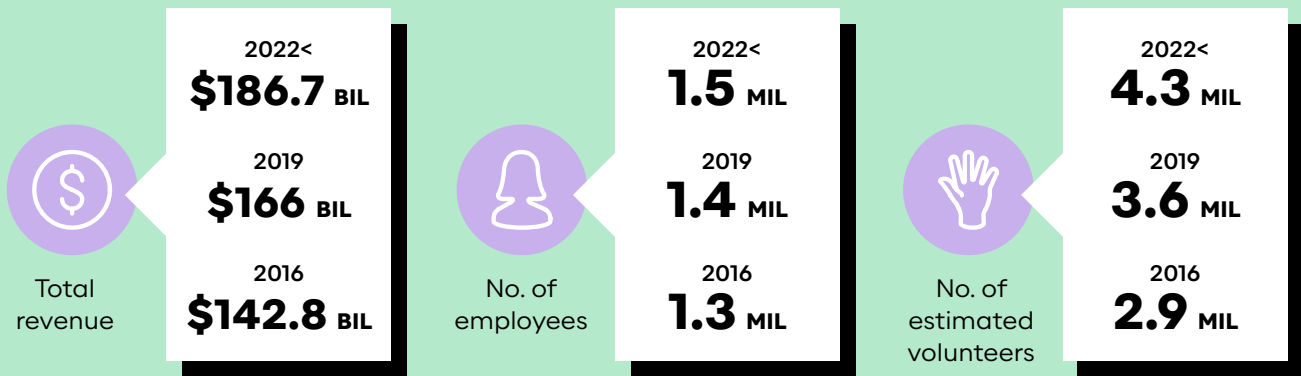


The role of charities, corporations and government in our lives is broadly supported, but this status comes with responsibility to steward it well. Once, the fulfilling of social obligations was assumed, now it must be demonstrated. In an era of rising scepticism and declining trust, social impact reporting is a way to let your light shine.

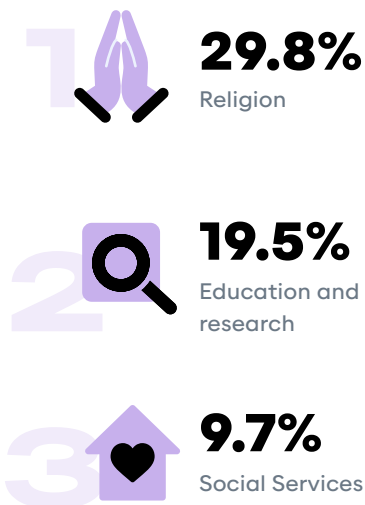
Snapshot of the charities/not-for-profit sector

45,446

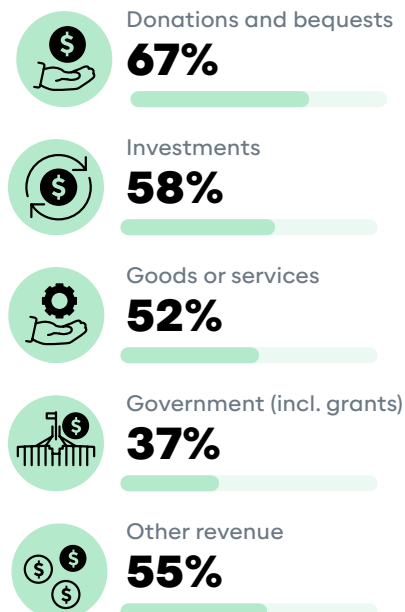
Number of charities*



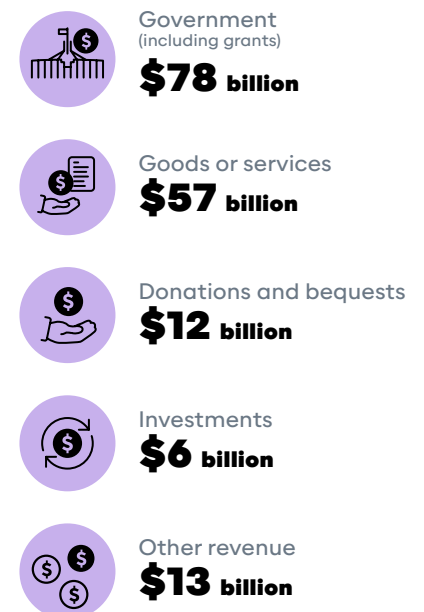
Top 3 sectors NFPs are in



Revenue






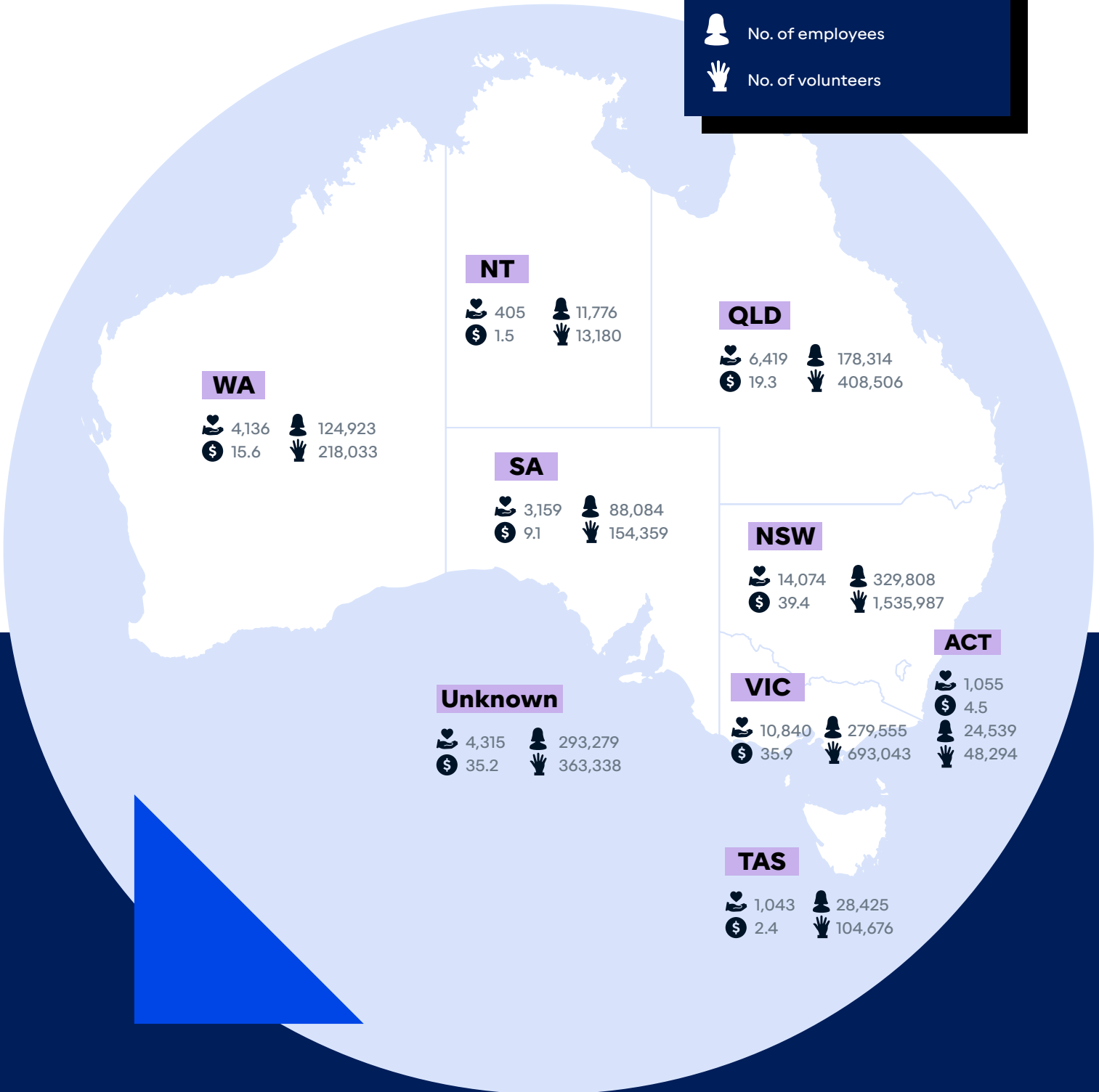
NFPs are funded by



State breakdown*

LEGEND

-  No. of charities
-  Total revenue (\$billion)
-  No. of employees
-  No. of volunteers



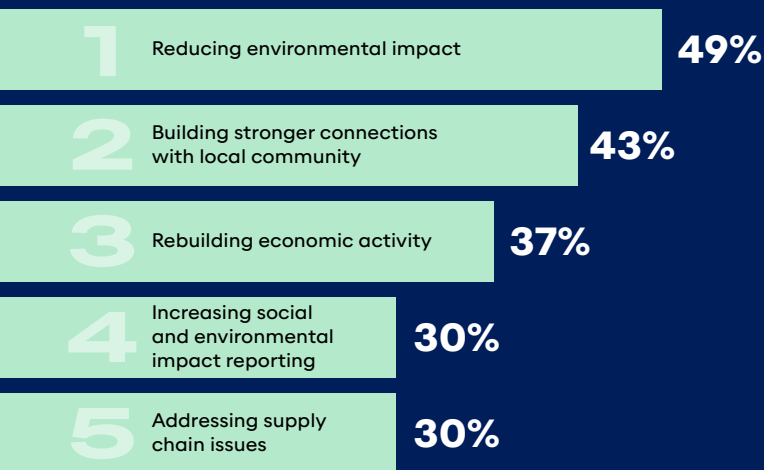
*excludes information from charities that have information withheld from ACNC Charity Register

†McCrimble projections

Source: Australian Charities Report 2013-2018, Australian Charities Report - 7th edition.

Australian attitudes towards social impact reporting

Top five issues for organisations to focus on in the year ahead according to Australians



Social impact reporting is the process of communicating not just the activities undertaken by the organisation but the outcomes and changes that have occurred because of it.

Social impact reporting builds trust



87%

of Australians agree that social impact reporting **builds their trust** with an organisation



86%

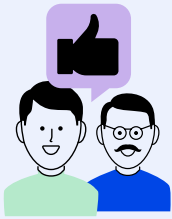
of Australians agree they are **more likely to engage** with an organisation that clearly communicates its social impact



84%

of Australians agree they are **more likely to tell others** about an organisation that clearly communicates its social impact

Younger Australians driving the rise of social impact reporting



Gen Ys (93%) are more likely than Baby Boomers (80%) **to engage** with an organisation that clearly communicates its social impact



Gen Ys (90%) are more likely than Baby Boomers (77%) **to tell others** about an organisation that clearly communicates its social impact

2.6x



47% 18%

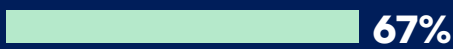
Gen Z are 2.6 times as likely as Baby Boomers to know of and be at least somewhat **familiar with the term social impact reporting** (47% Gen Z cf. 18% Baby Boomers).

Top three areas Australians are looking for organisations to report on

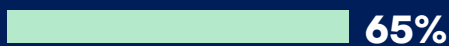
Extremely/very important



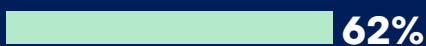
Environmental impact



Staff morale and wellbeing



Social impact



Most engaging forms of social impact reporting

Extremely/very engaging



Short video summary



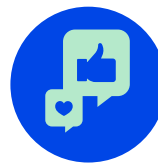
Infographic



Interactive web report

Most engaging platforms for hearing about an organisation's social impact

Extremely/very engaging



Social media



Website



Email

Bite-sized, regular updates are best for sharing about organisational impacts



Two in five Australians (41%) want to hear about the impacts of the organisations they are engaged with at least monthly.



Australians are most likely to want to spend between two and five minutes engaging with an organisation's content to understand its social impact (39%).

|| We anticipate that within a decade, just like financial reporting, social impact reporting will be viewed as essential, if not mandatory.



The Australian social landscape

Moving into the third year of the COVID-19 pandemic the context in which organisations find themselves operating continues to change. The social landscape of Australia has fundamentally shifted. As researchers, we have observed many changes in Australians' lives throughout the past two years. As the normal way of life has been disrupted through lockdowns and restrictions, it has provided many Australians with time to reflect, and in response many have chosen to reprioritise aspects of their life, so they are more in line with what they value.

For almost four in five Australians (79%) the experience of COVID-19 has clarified the relationships into which they want to invest their time¹. Three in five Australians who don't currently live in a regional area (60%) have considered moving to a regional area, due to affordability, and the simplicity of life². In a time when people have been increasingly isolated, with almost three in five (58%) experiencing increased feelings of loneliness due to the pandemic¹, Australians have a renewed desire for community.

We are seeing a return to simplicity and community with many Australians valuing a strong local community and local businesses more than they did three years ago². Local businesses and community groups are also seen as an integral part of rebuilding community across Australia³.

As the social landscape of Australia has been changing, so too has the business and not-for-profit landscape. Although the proportion of Australians' giving to not-for-profit organisations remains steady at 81% (cf. 81% 2021)⁴, individuals are increasingly holding organisations to account for their social and environmental impact. In this context it is important for leaders to not just recognise that the terrain is changing but to understand why, so that they can respond appropriately.



The renewed desire for community and the rise in social impact reporting are connected. The last two years have highlighted how interdependent our society is. Social impact reporting is a demonstration of an organisation's accountability to the community and a measure of its actions on society.

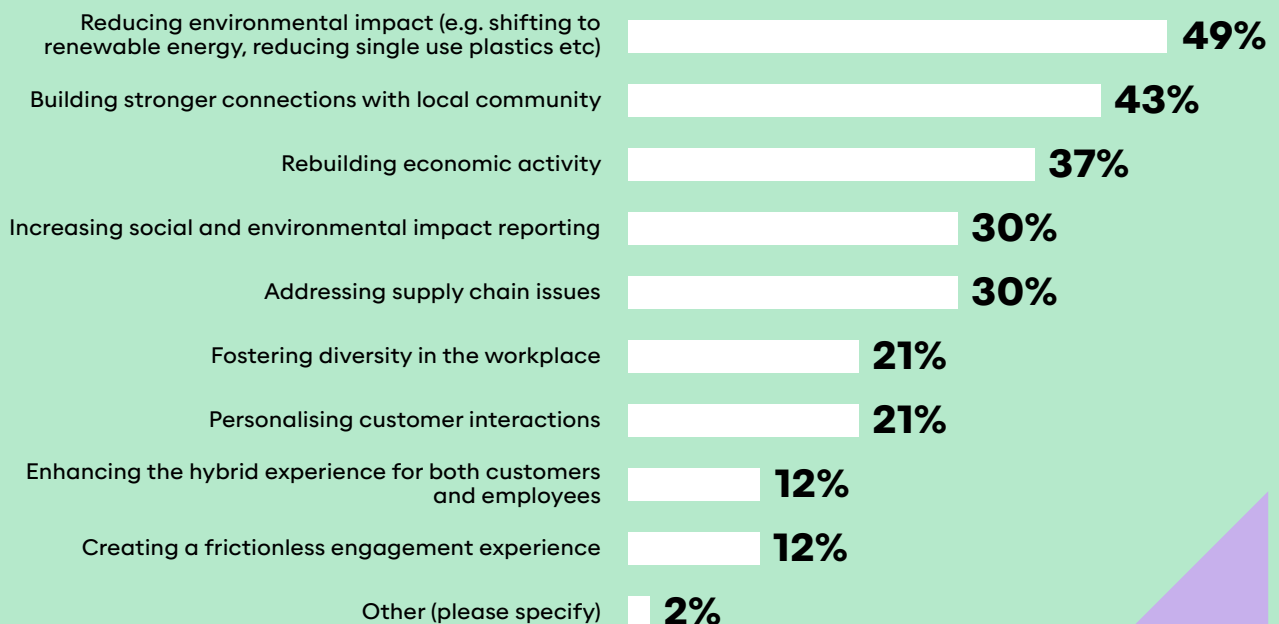
Why social impact reporting?



Across the business sector the importance of reporting on social impacts is growing. Not-for-profits are not exempt from this with more than nine in ten Australians (91%) expecting charities/not-for-profits to provide the same reporting metrics as other

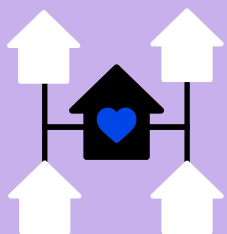
Australian businesses. In fact, increasing social and environmental impact reporting is one of the top five focuses for organisations this coming year according to Australians.

WHAT DO YOU BELIEVE THE KEY FOCUSES FOR ORGANISATIONS SHOULD BE FOR THIS COMING YEAR?





Social impact reporting is the process of communicating not just the activities undertaken by the organisation but the outcomes and changes that have occurred because of it. It encourages organisations to be accountable to their impact on stakeholders, individuals, and local and global communities. In a time where communities have been challenged, positively, more than nine in ten Australians (92%) agree that organisations play a vital role in building community connections.



92%

of Australians agree that organisations play a vital role in rebuilding community connections.

Social impact reporting builds trust

Social impact reporting is important as it affects individuals' decisions about engaging with and supporting an organisation. For almost nine in ten Australians, social impact reporting builds their trust with an organisation (87%). They are also more likely to engage with an organisation that clearly communicates its social impact (86%). More than four in five (84%) say they are more likely to tell others about an organisation that clearly communicates its social impact.



87%

of Australians agree that social impact reporting **builds their trust** with an organisation



86%

of Australians agree they are **more likely to engage** with an organisation that clearly communicates its social impact



84%

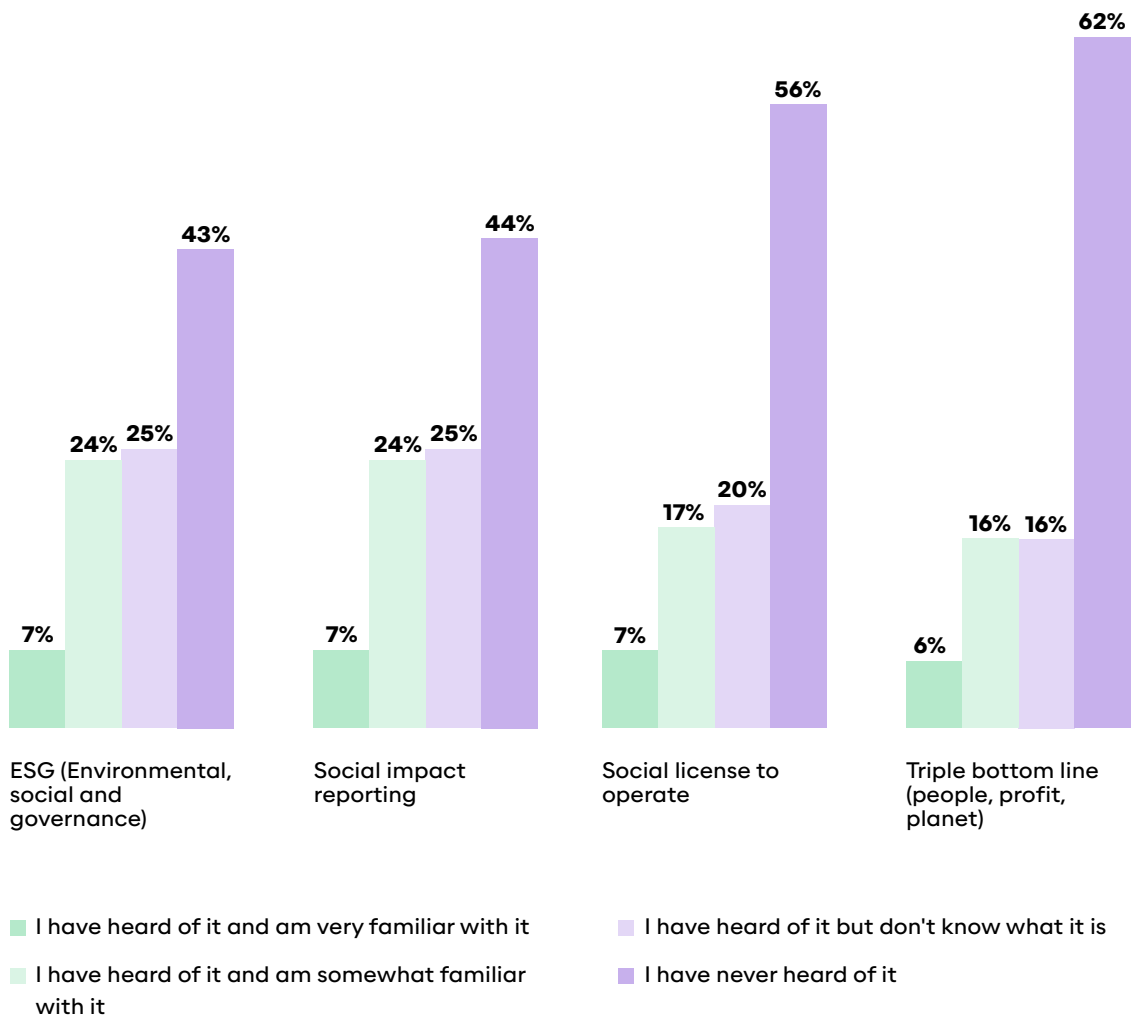
of Australians agree they are **more likely to tell others** about an organisation that clearly communicates its social impact

Australians have little knowledge of social impact reporting terms

When it comes to impact reporting, Australians are most likely to have heard of and be at least somewhat familiar with *ESG (Environmental, social and governance)* (32%), and *social impact reporting* (31%). Almost a quarter have heard of and are at least somewhat familiar with the term *social license to operate* (24%), while 22% have heard of and are at

least somewhat familiar with the term *triple bottom line (which refers to people, profit and planet)*. The majority of Australians, however, have never heard of these terms and if they have they don't know what they are. This is, even more the case for older generations than the younger generations.

TO WHAT EXTENT HAVE YOU HEARD OF THE FOLLOWING?



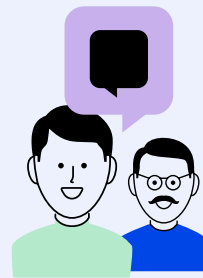
Younger Australians driving the rise of social impact reporting

The desire for and awareness of social impact reporting is stronger among younger Australians. More than nine in ten Gen Ys (93%) are more likely to engage with an organisation that clearly communicates its social impact compared to 80% of Baby Boomers. Social proofing is also more likely to occur, with younger Australians more likely to tell others about an organisation that clearly communicates its social impact (90% Gen Y cf. 86% Gen Z, 85% Gen X, 77% Baby Boomers).

Consistent with their desire for social impact reporting, younger Australians are more likely to be aware of the terms used to describe it. Gen Z are 2.6 times as likely as Baby Boomers to know of and be at least somewhat familiar with the term social impact reporting (47% Gen Z cf. 18% Baby Boomers). The greatest awareness gap is around the term triple bottom line, where Gen Z are 4.8 times as likely to know of and be at least somewhat familiar with this term than Baby Boomers (43% Gen Z cf. 9% Baby Boomers).



"Social impact reporting identifies that we live in a socially connected world, where every action can create ripples of change for the betterment or detriment of our local and global communities."



Gen Ys (90%) are more likely than Baby Boomers (77%) to tell others about an organisation that clearly communicates its social impact.

GENERATIONAL AWARENESS OF IMPACT REPORTING TERMS



Gen Z



Gen Y



Gen X



Baby Boomers

Have heard of it and are at least somewhat familiar with it

Social impact reporting	47%	38%	33%	18%
Triple bottom line (people, profit, planet)	43%	29%	19%	9%
Social license to operate	43%	32%	18%	12%
ESG (Environmental, social and governance)	49%	39%	29%	20%

An underwater scene featuring a vibrant coral reef in the foreground and various colorful fish swimming in the clear blue water above. The scene is bright and lively, with sunlight filtering through the water.

Opportunity to educate Australians on social impact reporting

With Australians looking for organisations to increase their social and environmental impact reporting over the year ahead, it is helpful to understand what insights and measures Australians are looking for.

The challenge for organisations, however, is that while there is a strong desire for social impact reporting, many Australians are not sure what should be measured and reported on. When Australians were presented with an opportunity to contribute their own ideas to what organisations should report on to demonstrate their social impact, three in ten Australians (30%) said they aren't sure. Those that do have a clear idea of their preferences are most likely to want organisations to report on specific ways in which they have impacted communities and stakeholders, with clear metrics to demonstrate change over time (14%). Just over one in ten Australians (12%) see the value in organisations reporting on environmental impact and how they are reducing their environmental footprint. Another 5% would like to see how organisations are engaging with their community, and 4% would like to see organisations report on their daily activities in how they're achieving their goals and mission.

Australians are looking for organisations to report on their environmental impact

When presented with a list, the areas Australians believe it is most important for organisations to report on are environmental impact (67% extremely/very important), staff morale and wellbeing (65%) and social impact (62%). This is above finances (59%) and progress towards the vision (59%).

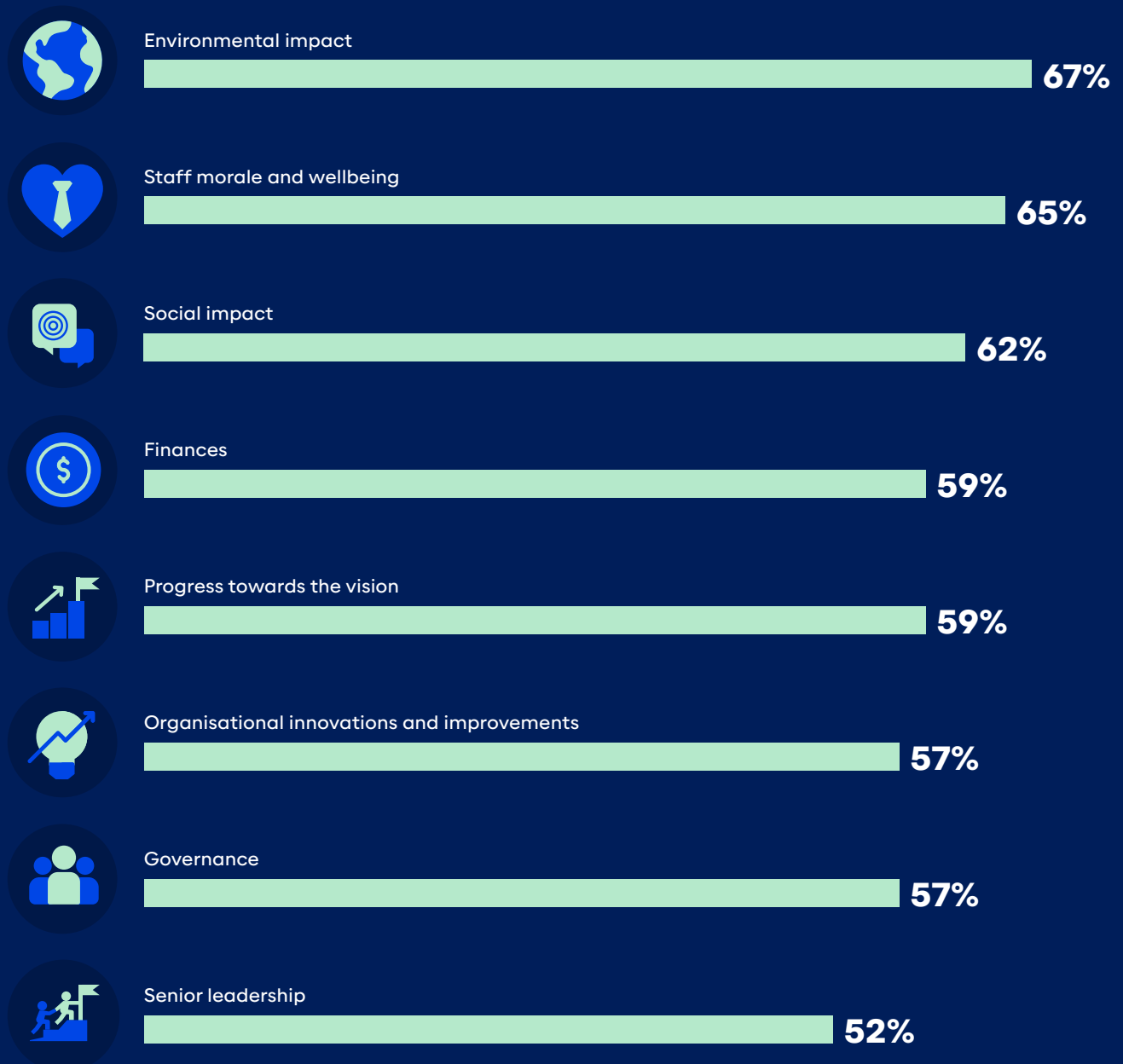
While still more than half, Australians are less likely to believe it is extremely or very important for organisations to report on organisational innovations and improvements (57%), governance (57%) and senior leadership (52%).



Social impact reporting is a relatively new practice, and its measures are often bespoke to the organisation's vision and mission. On a broad scale, however, Australians are looking for reporting to give insight into how an organisation's actions are impacting the lives of individuals, communities, and the environment.

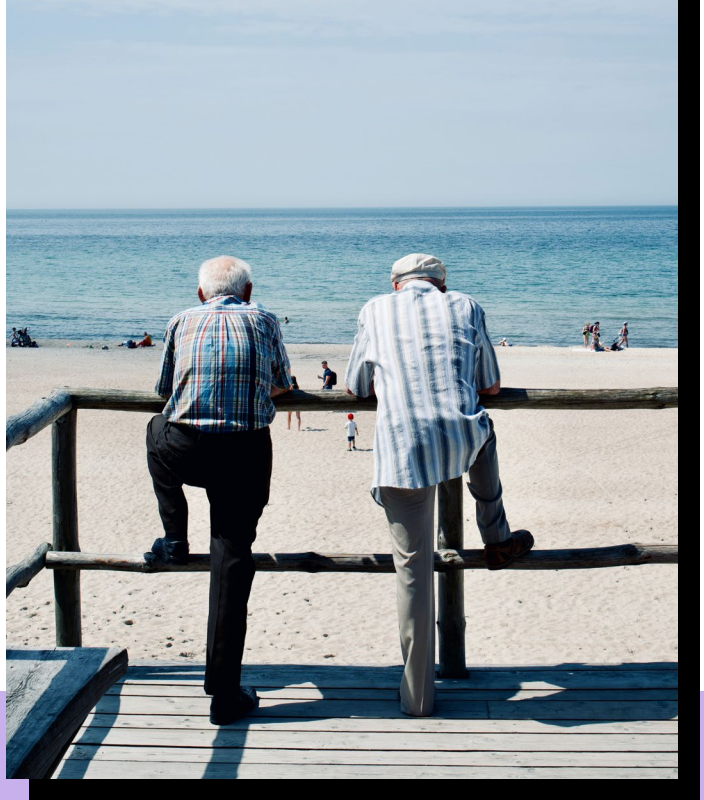
HOW IMPORTANT IS IT FOR AN ORGANISATION TO REPORT ON THE FOLLOWING ELEMENTS?

Extremely/very important





















Reporting on governance and finances is more important to older Australians

Baby Boomers are the only generation to include finances and governance in their top three inclusions for reporting. Unsurprisingly, younger Australians are more likely than older Australians to see it as extremely or very important for an organisation to report on its social impact (69% Gen Y cf. 65% Gen Z, 67% Gen X, 49% Baby Boomers).



TOP THREE INCLUSIONS IN ORGANISATIONAL REPORTING BY GENERATION

	 Gen Z	 Gen Y	 Gen X	 Baby Boomers
1	 Environmental impact (69%)	 Environmental impact (71%)	 Environmental impact (71%)	 Finances (60%)
2	 Social impact (65%)	 Social impact (69%)	 Staff morale and wellbeing (68%)	 Environmental impact (59%)
3	 Staff morale and wellbeing (65%)	 Staff morale and wellbeing (68%)	 Social impact (67%)	 Staff morale and wellbeing (58%)
	 Progress towards the vision (65%)			 Governance (58%)



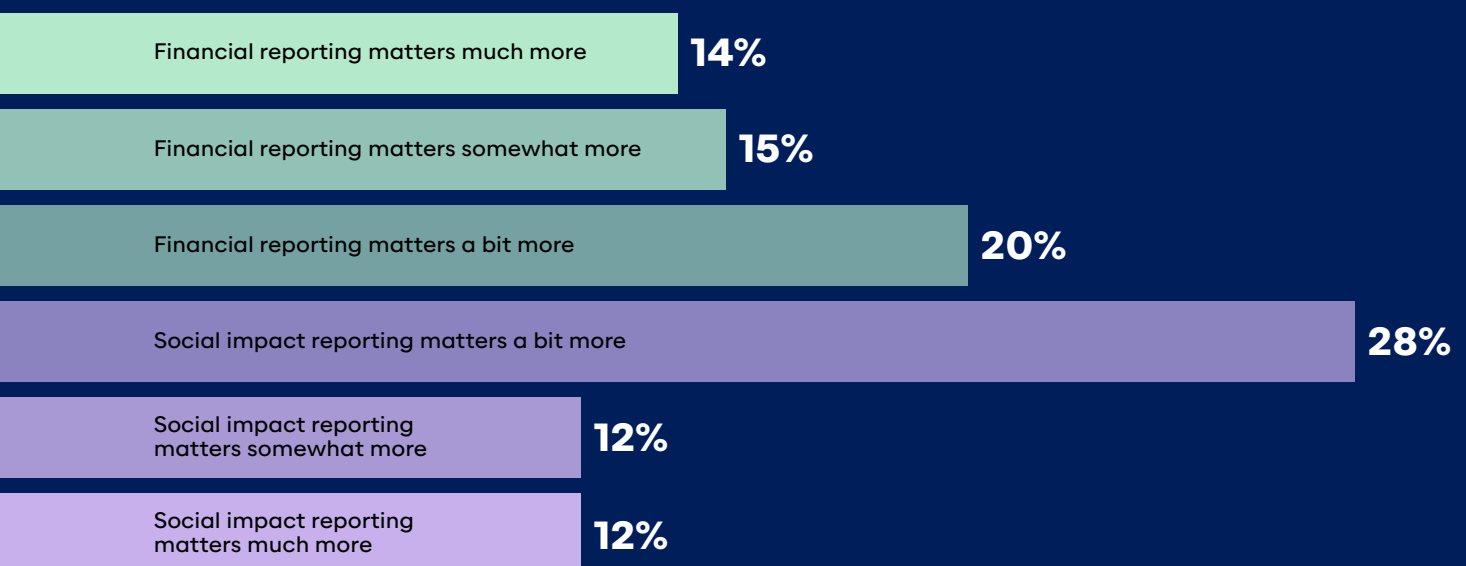
In a business and organisational culture where annual financial reporting is essential and, in many cases, mandatory, it is remarkable that half of Australians say that social impact reporting matters more.

When thinking about whether financial reporting or social impact reporting matters more to them, Australians are evenly split with 49% saying financial reporting matters more and 51% saying social impact

reporting matters more. In reality, it is the combination of both financial and social reporting that tells the story of an organisation's impact.

IN THINKING ABOUT AN ORGANISATION'S REPORTING, WHICH OF THE FOLLOWING MATTERS MORE TO YOU?

Financial reporting or Social impact reporting



Digital engagement opportunities

When it comes to social impact reporting, it is not just what is reported, but how it is reported that matters. In a time when it has never been easier to access information, the challenge for organisations is to simplify and communicate their message in a way that drives engagement.

Video summaries are most engaging

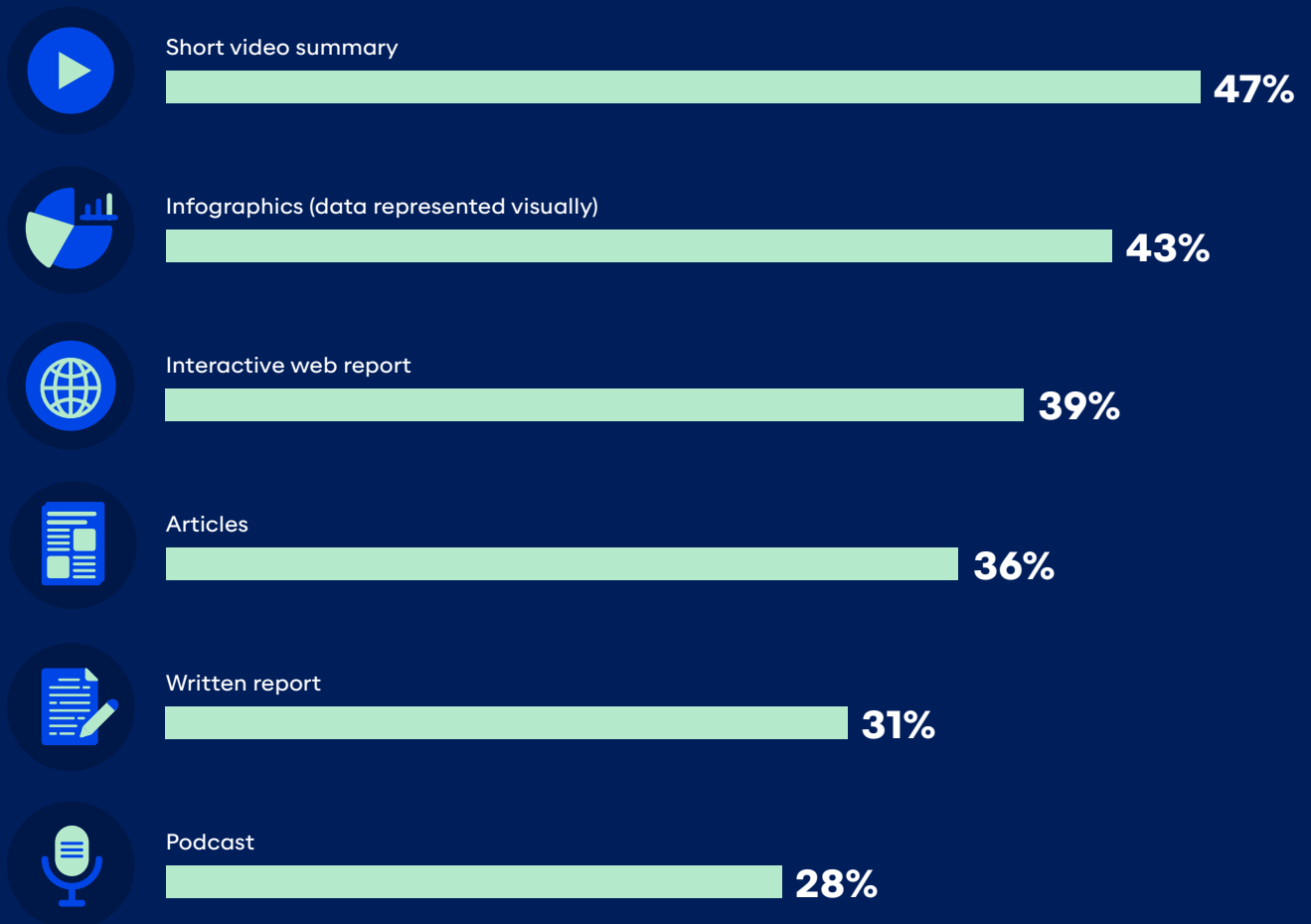
Australians see the most engaging forms of social impact reporting as short video summaries (47%), followed by infographics (43%) and interactive web reports (39%). These formats are preferred over articles (36%), written reports (31%) and podcasts (28%).

With any reporting it is important to understand the preferences of different generations and cater to them where possible. Interactive web reports and podcasts are more likely to be engaging to younger Australians. For older Australians, however, their top two most engaging forms of social impact reporting are short video summaries and articles. It is therefore important to have a diversified approach to engage all stakeholders.













HOW ENGAGING WOULD YOU FIND THE FOLLOWING FORMS OF SOCIAL IMPACT REPORTING?

Extremely/very engaging



GENERATIONAL ENGAGEMENT WITH FORMS OF IMPACT REPORTING

Extremely/very engaging

	 Gen Z	 Gen Y	 Gen X	 Baby Boomers
 Short video summary	50%	55%	52%	32%
 Infographics	53%	48%	52%	30%
 Interactive web report	53%	46%	42%	26%
 Articles	38%	32%	41%	32%
 Written report	29%	28%	36%	30%
 Podcast	36%	37%	28%	19%





Embrace social media as an engagement platform

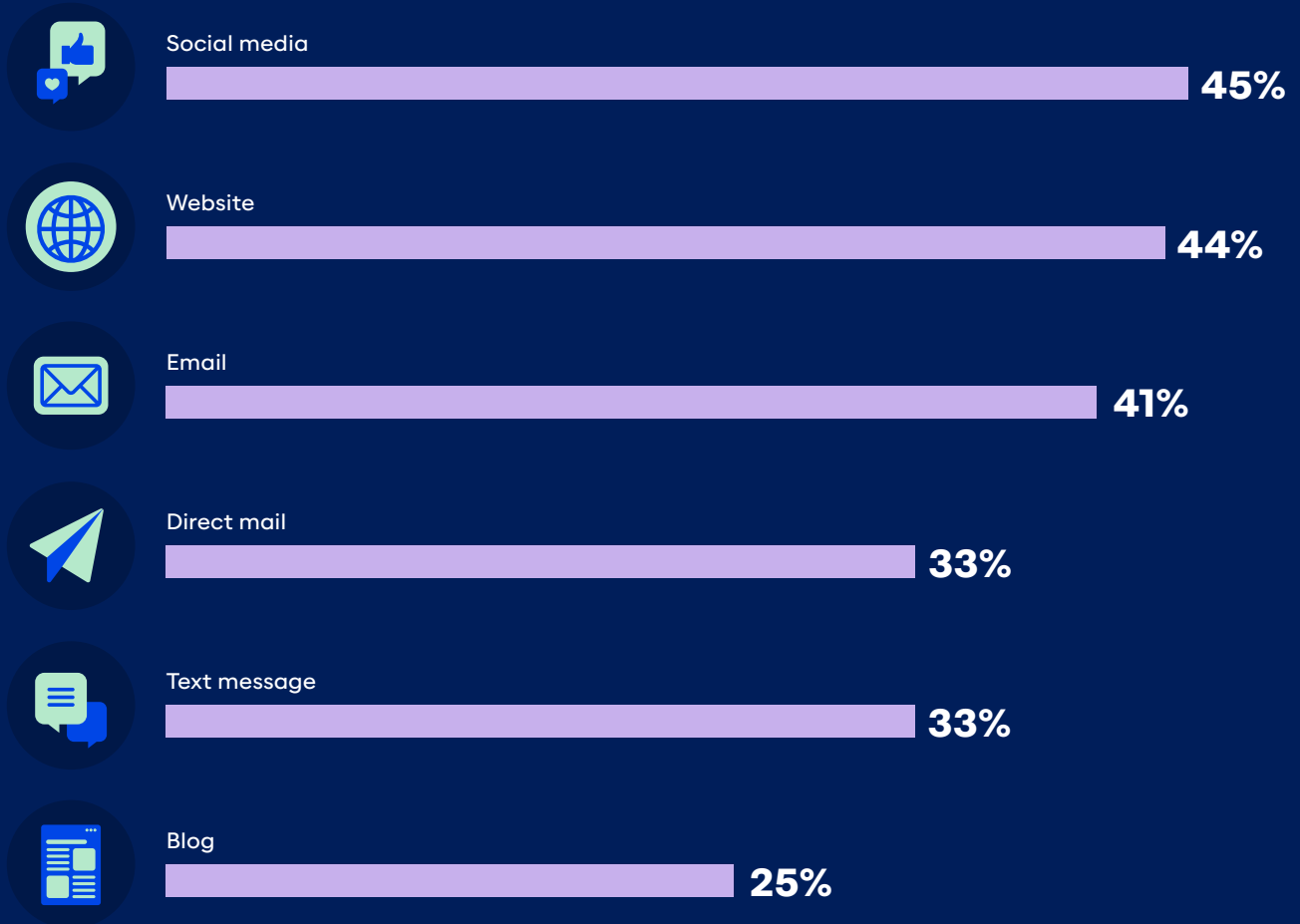
The most engaging platforms for hearing about an organisation’s social impact are social media (45%), websites (44%) and email (41%). A third of Australians consider direct mail (33%) or text messages (33%) as extremely or very engaging. The least engaging platform for hearing about an organisation’s social impact is a blog (25%).

In line with their digitally and socially integrated lifestyle, younger Australians are more likely to find hearing about an organisation’s impact on social media (63% Gen Z cf. 58% Gen Y, 49% Gen X, 21% Baby Boomers) or through text message (43% Gen Z cf. 36% Gen Y, 34% Gen X, 23% Baby Boomers) extremely or very engaging. Baby Boomers, however, are the only generation to have direct mail in their top three most engaging platforms to hear about an organisation’s social impact.

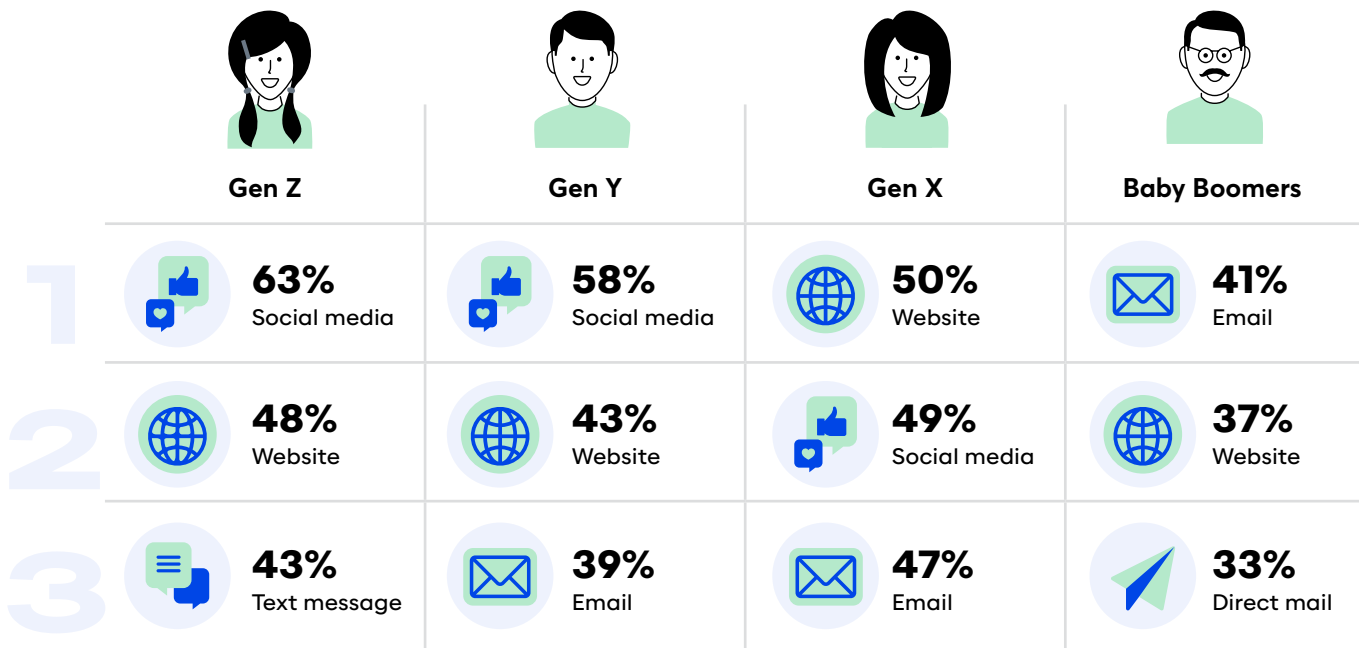


HOW ENGAGING WOULD YOU FIND THE FOLLOWING PLATFORMS FOR HEARING ABOUT AN ORGANISATION'S SOCIAL IMPACT?

Extremely/very engaging



TOP THREE PLATFORMS FOR SOCIAL IMPACT REPORTING



Bite-sized, regular updates are best for sharing about organisational impacts

Rather than the traditional annual multipage report, Australians are looking for bite-sized, regular updates about an organisation's impacts.

Two in five Australians (41%) want to hear about the impacts of the organisations they are engaged with at least monthly, while just over three in ten (31%) want to hear about an organisation's impact quarterly. Australians are most likely to want to spend between two and five minutes engaging with an organisation's content to understand its social impact (39%). A third (33%) are willing to invest 16-30 minutes of their time to understand an organisation's impact.

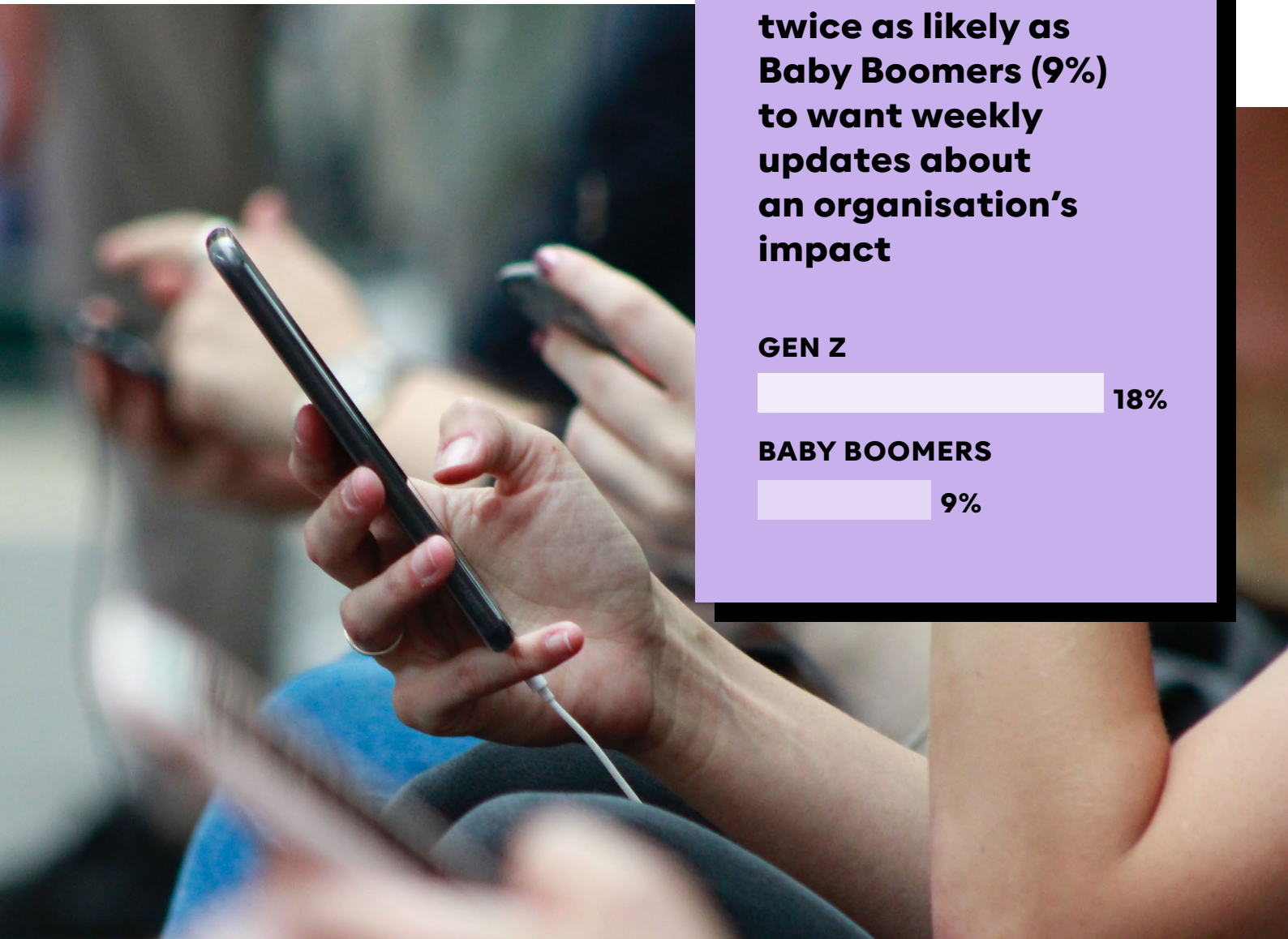


Gen Z (18%) are twice as likely as Baby Boomers (9%) to want weekly updates about an organisation's impact

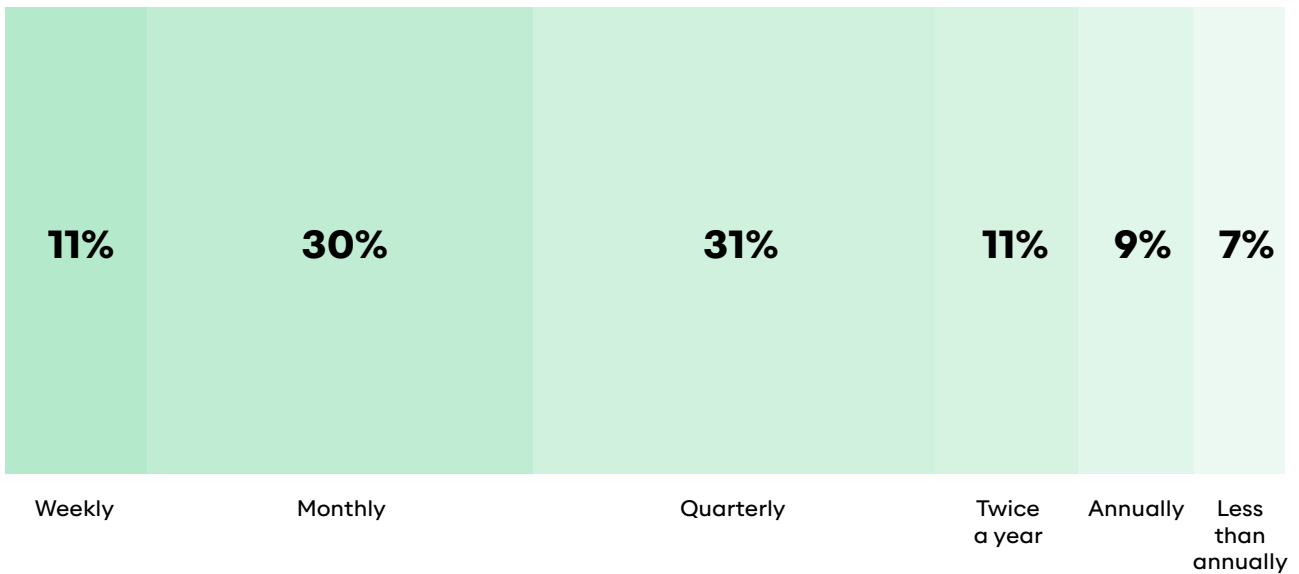
GEN Z



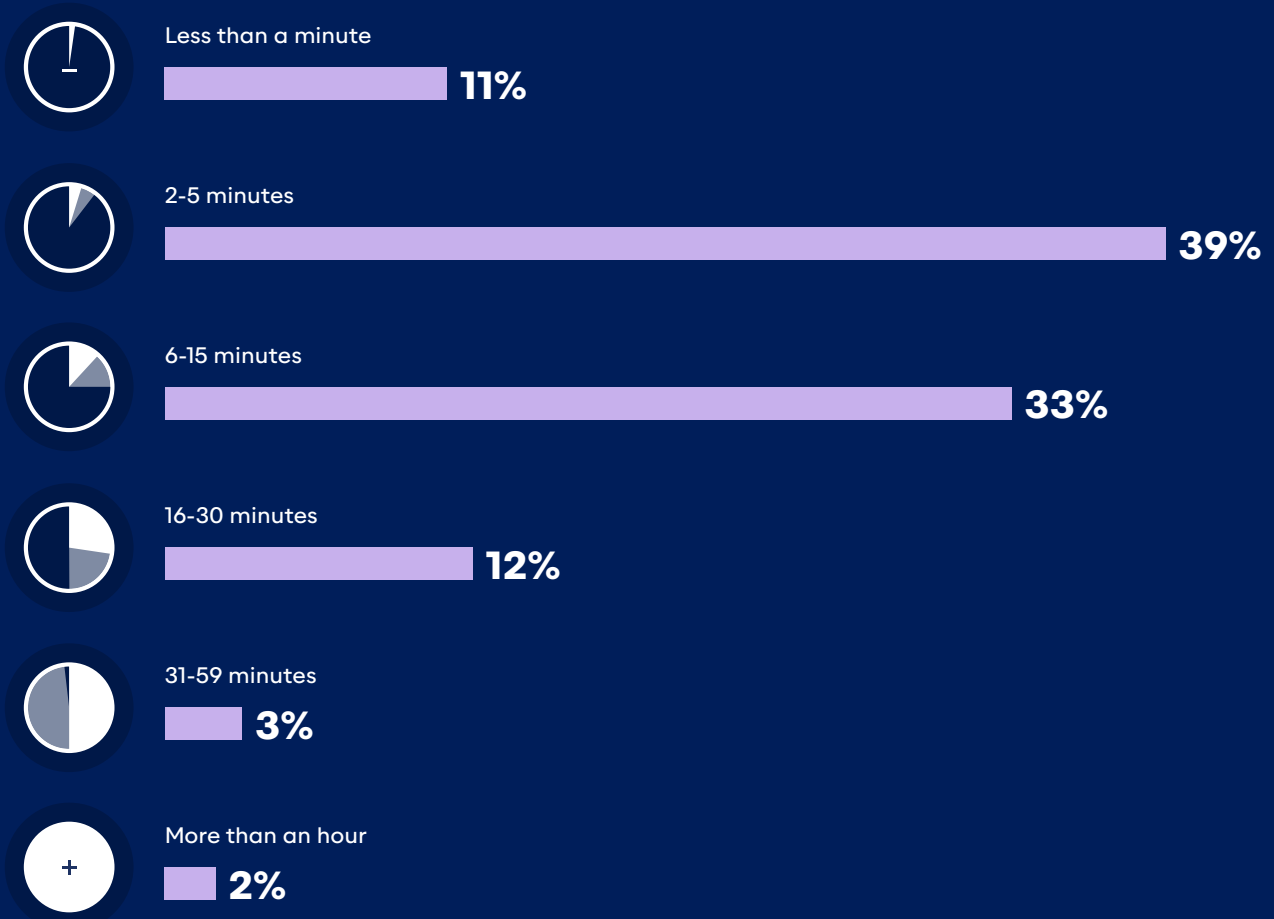
BABY BOOMERS



THINKING ABOUT AN ORGANISATION YOU ARE ENGAGED WITH, HOW OFTEN DO YOU WANT TO HEAR UPDATES ABOUT THE ORGANISATION'S IMPACT?



HOW LONG DO YOU WANT TO SPEND ENGAGING WITH AN ORGANISATION'S CONTENT TO UNDERSTAND ITS SOCIAL IMPACT?



Six tips for social impact reporting

1 Define your vision and objectives

To effectively report on your organisation's impact, you need to first define your vision and objectives. Create clear measurable goals that will help you achieve your vision.

2 Design your program with impact measurement in mind

The easiest way to measure your organisation's impact is when the program, service, product or process has been designed with impact measurement in mind. This allows you to identify the key milestones where change or positive impact may occur and helps you identify the best metrics to record.

3 Collect your evidence

Now that you have clarified your vision and designed your program to identify the data required to measure your impact, it is time to collect your evidence. This could be through surveys, interviews, or the analysis of big data to understand change over time. The evidence that you collect will be unique to your organisation and purpose.

4 Analyse your data

It is not just information but insight that is needed. Data alone does not tell the story of impact, it must be analysed and explored to gain the insight. You can analyse your data through several different lenses to help you understand the experiences and impacts on different stakeholders.

5 Bring your data to life through story telling

The adage *a picture is a worth a thousand words* is still true today. Taking complex information and translating that into imagery and stories so that people can understand quickly and easily drives engagement in today's world.

6 Share your story

There is nothing worse than discovering incredible insights that sit on a shelf. The story of your organisation's impact needs to be shared with the world. Not only because your organisation is working to have a positive impact on society, but the sharing of your story of impact builds trust and grows engagement with your organisation, and has flow on effects to inspire others towards growing and reporting their positive impacts.

How we can help

The world as we know it is changing. Current demographic, consumer and attitudinal trends all point to a world that is different from the one we have known before. While innovation and change occur on a societal scale, within your industry there will still be smaller waves of innovation. It has been said that the only thing constant in life is change. As leaders, therefore, it is imperative that you equip yourself with insight and understanding to respond to that change.

We love partnering with great organisations to help you stop guessing and get clarity on your context. If, while you have been reading this report, you have been thinking, 'I love the idea of social impact reporting, but I don't know where to start', we would love to assist. Whether that is helping you define your vision and objectives, identifying the key metrics to measure, helping you gather the evidence, analysing it or bringing it to life, we would love to partner with you so that you can have the confidence to take your next step.

mccrindle

Why McCrindle?

For more than a decade, McCrindle has been trusted to provide a clearer picture for business and not-for-profit leaders. Whether that is through advisory, insights or data storytelling, all of the tools, methods and processes we have developed are used to explore and interpret the unknown and bring clarity to complexity.

Let's discover the future together

Getting started on your journey with social impact reporting is easy. Simply head to mccrindle.com.au to find out more about us and get in touch via info@mccrindle.com.au

When you're ready, please call us on **1800 873 637**. We are always excited to discuss new ideas with great people, so get in touch and let's get started!



The success of a leader is measured not by what they achieve in their tenure, but by what they set in motion.

Research methodology

Communicating your *social impact report* is based on quantitative research, as well as scoping research and data analytics.

A nationally representative online survey of Australians aged 18+ was conducted to gain insights that form much of this report. The survey was in field from the 6th to the 10th of January 2022 and collected 1,003 completed responses. Throughout this report, respondents are referred to as 'Australians'.

Future predictions utilise existing data that has been extrapolated using internal projections.

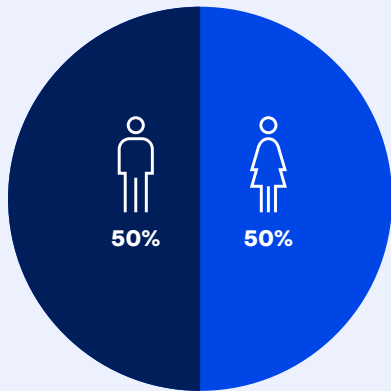
Graphs and rounding

Data labels on the graphs in this report have been rounded and may, therefore, sum to 99% or 101%. Any calculations where two data points have been added are based on raw data (not the rounded data labels on the graph) which have then been rounded once combined.

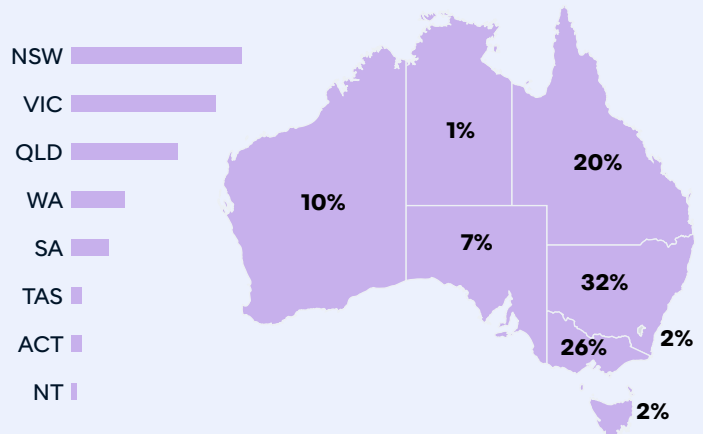


Demographics

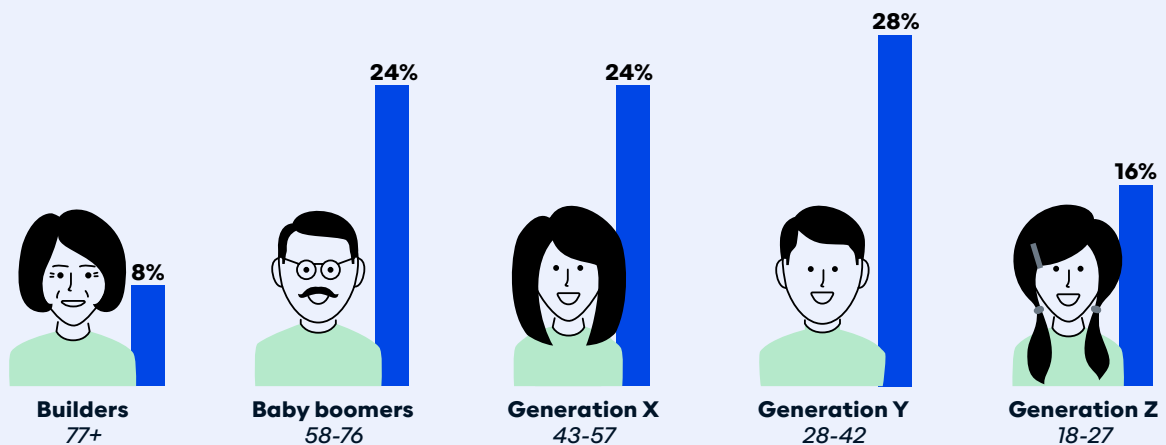
Are you male or female?



Where do you usually live?



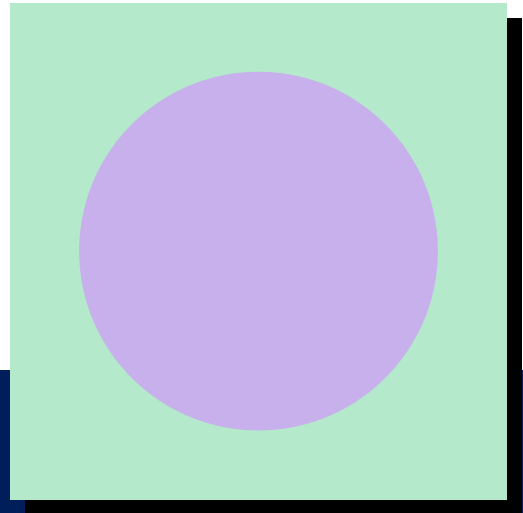
What age will you be in 2022



References

- 1 Mainstreet Insights, The Australian spirit during COVID-19, August 2020
- 2 McCrindle, Australia towards 2031, August 2021
- 3 McCrindle, Australia's changing spiritual climate, October 2021
- 4 McCrindle, Australian Communities: Understanding Australian givers to maximise the impact of not-for profit organisations, February 2021

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