Standard on applying Principle 3:

Value the things that matter
Foreword

This standard on Principle 3 is published by Social Value International as part of a complete set of standards and guidance documents for applying the seven principles of social value. This principle, to *value the things that matter*, is one of the most unique aspects of our framework for accounting for social value. The principle and practice of explicitly valuing social outcomes from the perspective of stakeholders is what sets us apart from many other approaches. As such, the publication of this document marks an important moment for SVI, and one that we have been working toward for a long time.

There are numerous other social impact accounting approaches and initiatives that are increasingly referencing and advocating for a form of valuation of social impacts. The work of the multi-capital coalitions (Natural Capital Coalition and the Social and Human Capital Coalition), the Impact Management Project, the Blended Value Initiative, and Reporting 3.0 are all examples of initiatives that are encouraging businesses to value (in some way) social outcomes and impacts.

Social Value International as an organisation and through our members are involved in many of these initiatives and welcome this growing acknowledgement that establishing the relative importance or ‘value’ of social outcomes is crucial for making more effective decisions. We hope that this document is a useful contribution to the many conversations happening all around the world.

This standard has four main objectives: a) to clarify the reason why valuation is important; b) to articulate a range of different methods or ‘approaches’ for valuing social outcomes; c) to identify issues to consider when carrying out a social valuation exercise and; lastly, d) to set out what is expected from practitioners when applying this principle to meet the SVI report assurance standard.

In relation to the SVI Report Assurance Standard we expect practitioners to meet the following criteria:

1. Describe the valuation approach used to derive the valuations (monetary or non-monetary).
2. Provide a rationale for the use of the selected valuation approach and justify why it is appropriate for the audience and purpose of the analysis.
3. Describe how the valuation represents the depth and duration of the outcome being valued.
4. Provide an analysis of how the valuations derived suitably reflect the preferences of the stakeholders who experience the outcome.
5. Provide an analysis of levels of risks, including levels of stakeholder involvement, biases and triangulation with other sources.
Acknowledgements

This document has been co-produced by the Methodological Sub-committee (MSC) of Social Value International (SVI). As part of the governance of SVI, the role of the MSC is to develop technical guidance and standards for applying the Social Value Principles. The committee is co-chaired between Jenni Inglis and Sara Olsen. A full member list is provided below. Special acknowledgements should go to Dr. Adam Richards who led on the drafting of this standard, and to Rebecca Cain and Ben Carpenter for collating feedback.

The process of writing this document involved several stages of consultation including the opportunity for all members of SVI to contribute. There are too many to acknowledge individually but we would like to thank everyone for their contributions.

We are aware that accounting for social value is rapidly developing, with more and more practitioners all over the world coming together to practice and improve how we do this. We present this document as a latest version and we anticipate further versions to be released as practice develops. If you would like to comment on this document and/or contribute to future versions, please contact us (hello@socialvalueint.org).

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Introduction

The Principles of Social Value (the Principles) are intended to guide organisations and individuals from all sectors on best practice in accounting and reporting social value. The Principles provide a framework for creating a complete account of social value based on all material outcomes. Consequently, the data collected is designed for supporting continuous improvement (decisions on how to optimise the value being created for stakeholders), and the approach allows stakeholders to hold the organisation to account².

These Principles are the framework underpinning the work of Social Value International (SVI) and form the basis for the SVI Report Assurance Standard and other Accreditation services.

The SVI Report Assurance Standard³ is designed to test whether a report and account of social value demonstrates a good understanding and application of the Principles. Going through the Assurance process can provide confidence in your work, and the judgements you have made. There are two main benefits of having report assurance. Firstly, it is a useful learning process, providing recommendations on how to improve your social value accounting and reporting practice. Secondly, having a report and account of social value assured can provide more confidence to the reader of the report when using the information to make decisions about how to maximise the value of your activities.

This Standard sets out the best practice requirements for applying Principle 3: Valuing the things that matter. In this Standard you will find two options for Assurance relating to this principle. The first is where quantified weightings are used to value changes to social outcomes, and the second is where financial approximations are employed to weight the preferences of changes to social outcomes. The former approach could be assured as a social value or ‘social impact’ report, and the latter as a Social Return on Investment (SROI) report.

There will be times where readers of this document will apply the principle of valuation at a lower level of rigour than that identified in this Standard. SVI recognises that applying this principle at lower levels of rigour may be appropriate for certain levels of decision making. We hope this document is useful in setting out some of the limitations or risks that should be considered.

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² For more information on why the principles are important for accountability and maximising value see Seven Principles and Accountability
This Standard should be read in conjunction with the other SVI Standards relating to the other Principles. As is discussed further, valuation is dependent on other Principles, namely Stakeholder involvement (Principle 1) in order to Understand what changes (Principle 2). Valuation also influences how you Only include what is material (Principle 4).

Further reading:

For more detail and further discussion of social valuation please read: SVI’s Discussion Document on the Valuation of Social Outcomes, and Social Value UK’s Discussion document on the Assurance of Social Valuation.

4 https://socialvalueint.org/social-value/standards-and-guidance/
Principle 3: Value the things that matter

Valuing the things that matter requires an explicit recognition of the relative value or worth of different changes or ‘outcomes’ that people experience (or are likely to experience) as a result of activities. Value is subjective in its very nature. Therefore, it is critical that Principle #3 is applied in conjunction with Principle #1 ‘Involve stakeholders’ so that we value outcomes from their perspective.

Principle 3 also relates to valuing the inputs required to deliver the activities that are being accounted for.
Section A: The case for valuing social outcomes?

What is valuation?

Valuation is the means by which we estimate the importance or worth of something, be it a product, service, or characteristic of something. When we talk about social value, we are referring to the value or worth that people place on social outcomes or ‘changes in their life’, these changes are often defined as ‘aspects of social wellbeing’.

It’s important to acknowledge that as individuals (or collectively as an organisation), we are valuing outcomes all the time, often without realising it. Whenever we make decisions, we are implicitly identifying what we consider to be the most valuable choice. We know that with every decision there will be consequences that create more value for some people and less for another group of people, maybe even negative value for others - nevertheless we have to make these decisions with trade-offs about value for different groups all the time.

Why is valuation important?

Explicitly valuing social outcomes is important for enterprises for two main reasons; firstly, to communicate to others the value they are creating for their stakeholders and secondly; to make better decisions through understanding where the most value is being created (or not) in order to improve and create more value.

Making valuation of social outcomes explicit helps increase the efficacy, transparency and accountability of our decisions. When we use data to value social outcomes, we move from relying on gut instinct or assumptions, to accounting for social value in a way that more closely resembles that of decision-making for financial value in its ability to be understood by others and consistently managed within large, complex systems. The Principles of Social Value are the framework for making our decisions more transparent and accountable, specifically when the valuation process is informed by the people affected by activities.

Is it possible?

Some outcomes (or aspects of wellbeing) for stakeholders are economic changes, such as changes in income. In this instance it is quite common to use that specific ‘amount of money’ (or market price) to represent the value of the change to that person. When a social outcome is a more intangible aspect of wellbeing, like ‘feeling connected to others’ or ‘control of my life,’ the change is rarely captured via any market transactions or ‘price,’ and understanding its value is not as easy. However, these changes are important to people, and so we must do our best to try and capture how important they are and express their value.

Value is not the same as price. We must recognise and be comfortable with this. Value does not always need to be expressed in monetary terms, although it often helps because money is the most common social construct we have to represent value. There are other advantages of using money to
express value (or relative importance of social outcomes), namely that it puts the social outcomes on a common ‘yard-stick’ for comparison. It becomes easier to compare social outcomes between different groups of people. It also allows comparison with the financial investment into delivering the outcomes. More discussion about monetisation can be found in section C.

A note on financial accounting and other forms of social valuation

Financial accounting has developed over hundreds of years as a professional practice of valuing the financial value created by an enterprise. Within the last 60 years, financial accounting has evolved and become more sophisticated in expressing the value of intangible assets such as reputation, goodwill and intellectual property. This has evolved and become reliable through a mixture of legislation, audit, practice, and standards that create confidence in the valuation and can be the basis for decisions. There is no reason why social outcomes (changes to people’s wellbeing) cannot be brought into this practice.

Valuation of social outcomes to support decision making is happening within other public sector disciplines, such as health economics, welfare economics, and some types of cost benefit analysis. In the commercial world too there are sophisticated practices to determine the value of outcomes from products and services that help businesses establish value and therefore pricing.

In summary, the valuation principle ensures that when accounting for social value we explicitly recognise the relative importance of the changes in social outcomes that stakeholders experience (or are likely to experience). Value is inherently subjective, and therefore we must estimate this value as best we can through involving those who experience the value in the process of quantifying the relative importance.

Valuation of social outcomes is important to help understand the relative importance of different changes to people’s lives. The process, when it involves the people who experience the changes, makes enterprises more accountable for their activities and makes decision making more effective and transparent.

Valuing social outcomes will never be a perfect science, as value is inherently subjective, but as we develop good practice, shared approaches, and widespread assurance, social outcomes valuation can lead to better decision making and ultimately more value being created for stakeholders.

This Standard is intended to introduce a range of common techniques or ‘approaches’ that are available to value the changes in outcomes. It also sets out some of the key steps to valuing social outcomes, including an introduction to different approaches, and the associated risks and limitations.

Although there is the potential to value things qualitatively, in line with SVI’s Assurance requirements this Standard focuses on quantitative approaches, including those that use financial proxies to value changes people experience using the unit of money.
A step by step guide to valuing changes to outcomes

This section briefly sets out the key steps that need to be taken when valuing changes to outcomes irrespective which technique or ‘approach’ you choose. The steps to valuing changes are as follows:

1. Be clear about the **audience and purpose** of the valuation, and what type of decisions it needs to inform.
2. Determine an appropriate **level of rigour** required.
3. Select the most appropriate **valuation approach** or combination of approaches.
4. Be **clear on what you are valuing** including the depth and duration of the social outcome.
5. **Plan** your data collection exploring the limitations and risks to the exercise.
6. **Collect data** from primary sources (sample of stakeholders) or secondary sources (other valuations).
7. **Analyse the data** collected and allocate appropriate values for the changes.
   Conduct appropriate sensitivity analysis, identify other risks in the data and triangulate your findings with the views of others to provide sufficient confidence in the valuations.
8. **Seek assurance or verification** of the valuations including the results and of the approach taken. This could be done by:
   - Verifying the values with a sample of your stakeholder population, and/or;
   - Internal quality control and governance structures of your organisation, and/or;
   - Peer review academic process, and/or;
   - External independent assurance service.
9. **Report and present the results** with full transparency of the professional judgements made and any limitations or risks attached to the data.
10. **Use the valuations** to support decision making.

All these steps are important, and it is worth referencing the other Standards produced by SVI specifically on Principle 1 (Involve Stakeholders) and Principle 2 (Understand what changes). Similarly, there are good practice research techniques in relation to ethics and sampling that should be drawn upon. The rest of this section highlights some key things to consider at various stages:

**Considering the purpose of the valuation**

It is important to remember that the purpose of applying monetary or non-monetary valuations is not to select the highest possible value to present an overly positive picture of activities. It is about

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7 All valuation approaches have similar steps to take, the only significant difference is to what extent stakeholders themselves are involved in the valuation. Non-monetary approaches, as well as stated preference and choice experiments, do involve stakeholders directly (primary source), whereas cost-based, revealed preferences, wellbeing valuation and benefit transfer typically make use of existing data (secondary sources). When using secondary sources for valuation it is recommended that the values are verified by a sample of the stakeholders.
identifying reasonable representations of the value of the changes in outcomes, a process that intends to support decisions between different options for to improve goods or services, and ultimately maximise social value.

**Different audiences and decisions**

When considering the purpose of the outcome's valuation exercise, you should recognise that there may be different audiences and different types of decisions that the valuation may inform. Sometimes the valuation will be for an external audience and the decision might be about whether to reinvest in the activity or not. Sometimes the valuation won't be for external audience and may be purely for supporting internal decisions about how to adjust the activity. These are different types of decisions with different consequences; therefore they should be treated differently. Consideration should be given to whether the decisions made based on the valuation will be easy or difficult to reverse. This exposes the risks involved and helps inform the rigour required.

**Considering the levels of rigour required**

While much of the guidance on valuation techniques assumes a need for a high level of rigour, for some audiences and purposes lower levels of rigour may be 'good enough'. This should be set by the previous steps of clarifying the audience and purpose of the valuation results.

Part of this step is considering what level of verification and assurance is required to give sufficient confidence in your valuation. The decision to seek verification and assurance may also be triggered at a later stage in the process; for example, if when analysing the results there is a narrow value-range, this may raise the need for assurance.

**Be clear on what you are valuing**

Principle 1 requires a consultation with stakeholders to ensure their views are the starting point in defining WHAT gets measured and valued (IMPORTANCE). Is the outcome clear in defining the amount of change (DEPTH) and how long it lasts (DURATION)? Take care at this stage: the whole valuation exercise could be pointless if you are not measuring the change that matters to your stakeholders or you are not clear on the amount and duration of the outcome being valued.

**Selecting the most appropriate approach**

Selecting the right approach for your valuation should be informed by the preceding points on audience, purpose, level of decisions and consequences, etc. It will also be determined by the resources you have and the complexity of some approaches. You will need to consider practically what is best for your situation and what data can be collected from the stakeholders you are working with.

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Section B: Summary of different valuation approaches

This section examines some of the most common approaches or ‘techniques’ being used to value social outcomes. The ‘approaches’ in this Standard can be divided into two main categories; those based in monetary terms and those that are non-monetary.

**Taxonomy of valuation approaches in this standard:**

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This chapter references some specific exercises that fall within the above categories (such as choice based experiments the Value Game⁹ and Auction Game) and combinations of approaches such as the Hybrid Stated Preference / Wellbeing Valuation. The chapter also explores how to use secondary valuation sources or a combination of monetary and non-monetary to create appropriate values (Benefit Transfer and Anchoring).

Further information on other approaches can be found in SVI’s Discussion Document on the Valuation of Social Outcomes¹⁰.

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⁹ [https://socialvalueint.org/social-value-resources/value-game/](https://socialvalueint.org/social-value-resources/value-game/)

Non-monetary valuation approaches

Non-monetary valuation approaches are suitable for social impact or social value reports. Since they do not represent the value in monetary terms, they are not suitable for an SROI calculation. However, these approaches should not be discarded, as they can help add validation to a monetary valuation or can be combined with a monetary valuation (See ‘Anchoring’ page 15).

The most common method for non-monetary valuation is ‘weighting.’ There are two options to use:

1. Equal weighting
2. Unequal weighting

**Equal weighting**

Equal weighting is possibly the most straight-forward option to valuing changes. It asks stakeholders to rank in order of importance the changes they have experienced. So, if they have experienced three outcomes, they are asked to put these in order from one to three, where one is the least important.

**Unequal weighting**

Unequal weighting requires stakeholders to state how important each outcome is in relation to one another. This can be done in several ways.

1. Building upon equal weightings, if stakeholders have ranked the outcomes, it is possible to then ask, “how much more important is each outcome in comparison to the lowest ranked outcome?” For example, this **open weighting approach** can lead to results such as stakeholders reporting ‘outcome B’ being three times more important than ‘outcome A’.

2. Alternatively, we can employ a **bounded weighting approach** that asks stakeholders to rate each outcome on a scale of one to ten, where ten is most important.

3. Or, we can use an **average weighted approach** where stakeholders are provided with a defined number of units (or ‘tokens’) that can be distributed amongst the changes. For example, a stakeholder can be given 10 tokens and then asked to assign the 10 tokens between the outcomes. The stakeholder might allocate 2 tokens to ‘outcome A’ and 8 tokens to ‘outcome B’. This reveals that outcome B is most valuable to the stakeholder and approximately 4 times as important. (See insert example.)

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11 This Standard does not examine all non-monetary valuation approaches. A discussion of more approaches can be found in SVI’s Discussion Document on the Valuation of Social Outcomes [https://socialvalueint.org/wp-content/uploads/2018/06/Valuation-of-Social-Outcomes.pdf](https://socialvalueint.org/wp-content/uploads/2018/06/Valuation-of-Social-Outcomes.pdf), for example quality-adjusted and disability-adjusted life years, which are used to measure the effect of changes to the health and wellbeing of people resulting for healthcare interventions.
Monetary valuation approaches

This section explores the following approaches to applying the language of money to weight outcomes.

1. Cost-based
2. Revealed Preference
3. Stated Preference
4. Wellbeing Valuation

Using a monetary valuation approach is needed to produce an SROI calculation. This section provides an overview of these main approaches and different techniques within each. It is recommended that further research should be carried out on each before you undertake a valuation exercise.

Cost-based approaches

These approaches consider the market trade-offs (or costs avoided) associated with maintaining a change in an outcome. This is often appropriate for changes for organisations rather than individuals. An example of this would be an organisation experiencing an increase in capacity owing to the work of a volunteer. The organisation might value the change by looking at the cost of replacing volunteers’ time with paid staff doing the same role (replacement costs).

Opportunity costs is an alternative approach that can provide an appropriate value for the time contributed by individuals. Using the same example but addressing the value to the volunteer (rather than the value to the organisation), we could consider what they could have earned through employment or being paid an hourly rate if they had not decided to donate their time volunteering.

Another approach involves estimating the potential cost savings to an organisation. This is often used within the public sector to express the value to an organisation of reduced demand for their services. Another similar approach is looking at the costs of damage to property or businesses that may be avoided owing to the existence of an ecosystem service (damage costs avoided). Within this approach it is often unrealistic to state an actual cost-saving, although there is potential for the re-allocation of resources. For example, a service that reduces criminal re-offending rates does not create immediate savings to criminal justice departments, as the costs associated with maintaining the service are already allocated. However, it does provide the potential for resources to be re-allocated to meet other demands or address other priorities in the system.

Revealed Preference

These approaches examine the way in which people reveal their preferences for goods or services through market production and consumption, and the prices that are therefore given to these goods (explicitly or implicitly). In order to value changes to outcomes for people, we can compare these to goods or services that could provide a similar change (substitute prices). An example of this is
counselling services - this is something you can buy in a marketplace and can be used to represent the value of changes to outcomes such as improved mental health.

Where an activity causes a change in production (for example, loss of fishery output from damaging coral reefs, or increased income following a training course), effect on production or change in productivity can be used to value the change.

The travel cost method and hedonic pricing are approaches that also sit within the category of revealed preference techniques. Using the travel cost method, the value of a change can be revealed by analysing data on the time and costs that an individual contributes to experiencing a change. For example, if someone improves their physical fitness, the value of this could be derived by analysing how much time and money they put into achieving this change. Hedonic pricing is when values are derived based on analysis of the different prices in a marketplace that can be linked to a particular attribute or change in outcome. A good example of this is where people will pay more to live in an area of low crime or to have access to favoured school. The differences in price can reveal what people pay for changes i.e. feeling safe or giving your child a better education.

**Stated Preference**

These approaches ask people to “state their preference” for a good, service, often using questionnaires. For example, contingent valuation surveys ask respondents directly for the equivalent value through their willingness to pay (WTP) for a positive good or service, or their willingness to accept (WTA) a compensating value for its loss or a negative change to outcomes. As the name suggests, contingent valuations are contingent on specific characteristics. For example, this could include the WTP for a specific increase in personal health or an improved local ecosystem, or conversely the WTA a reduction in health or damage to an ecosystem.

Choice experiments are another form of stated preference, although rather than ask directly for a WTP/WTA, values are inferred by asking respondents to choose between several scenarios that combine different levels of attributes, and/or different types of services provided (landscape, species biodiversity etc.), as well as an associated financial value for each combination. Choice experiments can also be quantitative in the form of contingent ranking or rating, and paired comparisons.

The Value Game is a recently developed type of stated preference approach, which asks respondents to value changes to outcomes by comparing them to goods or services that they would like to purchase, which have a known market value. These techniques can be especially useful in determining non-use values (such as changes in confidence, or the existence of a species). The approach is most alike a choice experiment, which would always display a financial value to participants. However, those taking part in the value game are not necessarily shown corresponding values of the good or services. Rather, their key characteristics are provided to provide a clear understanding of what a change is being compared to. Values are subsequently identified through

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12 Read SVUK’s guide to Value Game with Peter Scholten: [https://socialvalueint.org/social-value-resources/value-game/](https://socialvalueint.org/social-value-resources/value-game/)
secondary research or can be further verified with stakeholders by highlighting the prices of the identified goods/services.

Similarly, auction games ask participants to place bids, either through silent or group-based auctions to identify WTP or WTA for outcomes, or different characteristics of things.

Wellbeing Valuation
This approach uses statistical analysis of large and existing questionnaire datasets to value the effect on wellbeing from changes in life circumstances and life satisfaction. This is done by calculating the increase in income that would be necessary for an equivalent increase in wellbeing. For example, an increase in income of $2,000 increases life-satisfaction by 1 point, and a change in mental health increases life-satisfaction by 2 points, there is a corresponding value of $4,000.\(^{13}\)

A combination of the well-being valuation and stated preference approaches can also be used (hybrid stated preference / well-being valuation), whereby stakeholders are asked to state the amount of compensation they would be willing to accept for a particular loss, in order to maintain their current level of wellbeing.

Combining sources of data for valuation

For any valuation approach, there are options for sources of data: primary or secondary. For all of the above techniques it is possible to collect data from your stakeholders; or transfer the value to them from secondary (existing) research. Unless the scope of your analysis is for a national population, secondary data about average value for a large population, is less desirable then primary data from stakeholders.

Even with cost-based data (for example the value of reduced demand on a state system) data on cost, directly from a representative of the local system, is likely to be more influential and stronger adherence to the principle of involving stakeholders, then secondary data for national average costs.

Benefit (Value) Transfer
This approach is not strictly a valuation approach, instead being an economic technique that involves transferring value estimates based on revealed preference, stated preference or wellbeing valuations, from existing studies and making any appropriate adjustments. Nevertheless, this is an important technique to discuss and is increasingly used as it is relatively inexpensive and quick to implement, although it must be carefully and transparently applied to avoid significant errors with decision makers needing confidence in the ability to reliably transfer values from one situation to another. Initially referred to as benefit transfer, it is increasingly referred to as value transfer as the values transferred can be costs or benefits. There are several accepted means of conducting benefit (value) transfer, including unit value transfers, whereby fairly homogenous divisible units such as hours of travel saved are transferred from a similar previous study. Alternatively, benefits function transfer is used when a function from one study, such as WTP is used to estimate the WTP for a different context where there is less homogeneity between previous studies.

When adjusting other valuations, it is advised to consider inflation (to adjust for the date of the original valuation), currency (if transferring between currencies), and local economic context through purchase power parity.

Combining non-monetary and monetary approaches – ‘Anchoring’
If you choose to use a monetary approach and create ‘financial proxies’ regardless of the approach employed, you should always ensure that the results reflect the relative importance of the outcomes to your stakeholders. A good way to do this is to combine monetary and non-monetary approaches.

Here is an example of combining approaches that we call ‘anchoring’. It requires one of the changes to be monetised and then this can act as an anchor to calculate the monetary values to the other changes based on non-monetary evidence you have. This explicitly requires the use of unequal weightings (a scale of one to ten for example). Using the previous example above in scenario B, the outcomes were increased benefits, improved health, and reduced loneliness. So, if we were to value improved welfare payments using the actual average amount of benefits received by the stakeholder group at $2,000, which was valued at 8 out of 10 by the stakeholders, we know that improved health
was 4 times less valuable, meaning it could be valued at $500. Reduced loneliness was valued at 9 out 10, therefore using monetary gives a value of $2,250 (based on the calculation of $2,000 \times (9/8))

**A detailed analysis of the different approaches to valuation – covering the skill required to use them, their advantages and disadvantages etc – is set out in the tables that start on page 26.**
Section C: Risk management

Valuation of changes to social outcomes will never be an exact science, and as with all issues relating to choosing between options, there are risks. This is true for social accounting, as it is for financial accounting. It is therefore important that those making decisions are aware of the risks, and the potential implications of selecting incorrect, or sub-optimal choices. This information should guide their risk-appetite and influence the level of rigour that is required to inform their choices, and ensure valuation is fit-for-purpose.

Valuation is often used to communicate the impact of activities to stakeholders such as the general public, and the risk of using valuation approaches inappropriately to over-claim can harm not only the reputation of the organisation communicating the results, but also of the practice of valuation more generally.

Levels of rigour or “Evidence risk”

There are many alternative approaches for valuing changes to outcomes, and these can often be applied with varying degrees of rigour. Rigour is often defined as the quality of being extremely thorough and careful. In this context we use the word rigour to relate to whether the information is ‘good enough’ to suit the type of decision being made.

In general, SVI test rigour and whether an account is ‘good enough’ by considering three factors of the data; relevance, completeness, and accuracy. The first two ensure that the outcomes being measured are those that should be included – making sure that all relevant positive and negative outcomes are included and no material outcomes are omitted (for information on materiality also see SVI’s Standard on applying principle 4: Only include what is material\(^{14}\)). The third aspect, accuracy, relates to the valuation of changes (which includes in the valuation the SCALE, DEPTH, AMOUNT and DURATION). This Standard intends to ensure that the relative importance attached to changes appropriately reflects the perspective of those affected.

Stakeholder Involvement Risk

We have seen that there are numerous different methods to value changes experienced by people. Crucial to meeting the SVI Report Assurance Standard is ensuring that stakeholders have been sufficiently involved in informing the valuation results. Value is inherently subjective and so in order to represent value as accurately as we can, there needs to be confidence that the perspective of a representative sample of stakeholders has been considered.

In relation to Stakeholder Involvement there are a number of frequently asked questions such as “How much data do we need?”, “How many people should we involve?”. Much of this is discussed in

\(^{14}\) https://socialvalueint.org/social-value/standards-and-guidance/standard-on-applying-principle-4-only-include-what-is-material/
the SVI Standard for principle 1 “Involve stakeholders.” Much of this is also answered through good research practice. The more representative you can be in your sampling the more likely your results reflect the whole population. The biases in data collection and limitations to your research should always be disclosed in the reporting of the results.

**Accuracy of different techniques**

Valuation is subjective and absolute truth in valuing changes to outcomes will never be achieved. Our aim is to arrive at a valuation that you feel confident enough to use in the decision you are trying to make. It is the responsibility of the decision maker(s) to dictate the levels of accuracy required to inform a particular choice or decision. The risks of inaccuracy are discussed later, but essentially the risk is that we use a value that doesn’t sufficiently represent the value to your stakeholder group which leads a wrong, or sub-optimal decision, thereby impacting on resources, costs, and possibly people’s lives.

To maximise the social (and sometimes financial) value of activities, it is important to understand the relative worth of different changes in people’s lives from the perspective of those with direct experience. Therefore, if approaches are used that are reliant on secondary evidence, and do not directly involve those people or organisations (even for verification), you increase the risk that the values used are not reflecting the values that your specific stakeholders place on the change and may lead to sub-optimal decisions.

Some approaches are considered more reliable than others and this is often reflected in the amount of resources required to execute each approach. The diagram on page 25 provides an approximate visual representation of the range of rigour that each approach offers. For example, consider an organisation making resource allocation decisions that affect a small number of people. If it is using a valuation approach based on triangulation of third-party researched values (with corrections, to account for differences in the affected population, temporal, and currency considerations), or a small sample of stakeholder-defined values, the latter may be more adequate to inform their decisions as they are more likely to represent the values held by this particular stakeholder group.

Alternatively, an organisation making resource allocation decisions affecting large numbers of people may need to consider doing large-scale studies involving primary research, using sophisticated techniques, such as contingent valuation surveys, along with sensitivity analyses. If the decision between one valuation approach and another is finely balanced and large numbers of people are involved it makes sense to choose the more rigorous approach.

In many instances, organisations are likely to sit somewhere between these two positions, and the answers to the questions on key factors - audience, purpose etc. will be central to the choice of valuation method. The diagram on page 25 shows the range of levels of rigour that each valuation

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approach can achieve, details of the limitations for approaches with restricted capacity, and potential issues to consider when providing higher levels of rigour.

**Inaccuracy of valuation**

Assuming you achieve completeness and accuracy in the identification of outcomes and causality, there remains the risk of inaccuracy if valuations do not accurately reflect the perspective of those with experience of the changes. This means that valuations may under or over-value changes, leading to sub-optimal decisions. This is more likely if stakeholders are not directly involved in the valuation of change to social outcomes. The reliance on secondary evidence alone creates the risk that valuations identified elsewhere do not accurately represent those stakeholders affected by activities. The same risk applies to situations where stakeholders are involved in the process, whereby regardless of sample size, if the group involved are not sufficiently representative, or the approach has not been effectively conducted, there is the potential for inaccuracy.

**Mixing valuation approaches**

If different types of valuation approaches are used in the same analysis there is a risk that they may not correspond to the relative preferences of the stakeholders. Equally, if we aggregate these different approaches, we risk under or over-claiming the value of our activities.

For example, if we have information on the relative preference that stakeholders place on different changes using open weights (i.e. scale of 1 to 10), using different approaches to monetisation is much less likely to respect the evidence supplied by stakeholders as the variety of techniques will likely yield values that are inconsistent with your stakeholder’s perspective. The ability to use any approach to monetisation to identify a suitable anchor-value helps to remove this risk – with all other values calculated in reference to the anchor.
Section D: Meeting the SVI Report Assurance Standard

In relation to the SVI Report Assurance Standard we expect practitioners to meet the following criteria:

1. Describe the valuation approach used to derive the valuations (monetary or non-monetary)
2. Provide a rationale for the use of the selected valuation approach and justify why it is appropriate for the audience and purpose of the analysis.
3. Describe how the valuation represents the depth and duration of the outcome being valued
4. Provide an analysis of how the valuations derived suitably reflect the preferences of the stakeholders who experience the outcome
5. Provide an analysis of levels of risks including levels of stakeholder involvement, biases and triangulation with other sources
Conclusions

We are all making value judgements on a daily basis. Whenever we make any decision or choose between different options, we have made an implicit choice of one option being more valuable than another. Which route shall I take to work today? When you decide this, you have valued a range of issues – the financial cost, the time it will take you, the potential health benefits etc. The purpose of valuation in practice is to bring some data to this decision rather than relying on our gut or instinctive perception of value. This makes our decisions more informed, more transparent and, when done with appropriate stakeholder involvement, more accountable to our stakeholders.

This Standard has provided an introduction to the different approaches or ‘techniques’ to value changes to social outcomes and the important things to consider before, during, and after you have valued these changes. To value something is to indicate the relative worth or importance. However, value by its very nature is subjective and so it is important to recognise that establishing absolute truth or accuracy in valuing changes to social outcomes will never be achieved. Our aim is to arrive at a valuation that you feel confident enough to use in the decision you are trying to make.

Valuation can use monetary and non-monetary approaches, and both provide a consistent unit of measurement. By valuing different changes to outcomes in a consistent way, we are able to compare them and identify those that are most valuable – and when this is done from the perspective of the stakeholders experiencing the changes, we are able to make better decisions about how to allocate resources to increase the value of activities. If we use financial proxies to represent the value of different outcomes, we can also compare them to the value of the inputs required to create them, when these are also valued monetarily.

There is no single best option to value. Deciding which approach to use should be informed by factors including the audience and purpose of your analysis and the likely consequences of the decision being taken. When we value what matters in conjunction with the other Principles of Social Value, we have the information needed to make resource allocation decisions to increase the value of our activities.

Finally, when using valuation it is best practice to be open and transparent about the approach taken, the professional judgements that have been made and the risks in using the valuation.
Appendices

Appendix A: A case study comparing different non-monetary approaches

The tables below illustrate the means to value outcomes using non-monetary approaches – and highlight the advantages of each for decision making.

In the first example, a stakeholder group receiving advice about the welfare payments they are entitled to was asked to identify which of the three well-defined outcomes they feel is most important to them, which comes second, and finally which is least important.

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Equal weights (ranking) where 1 is least important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved welfare payments</td>
<td>2</td>
</tr>
<tr>
<td>Improved health</td>
<td>1</td>
</tr>
<tr>
<td>Reduced loneliness</td>
<td>3</td>
</tr>
</tbody>
</table>

Their responses tell us the order of importance of the different changes to outcomes for this stakeholder group. We now have more information than before about which change these stakeholder value. We could now decide to focus our efforts on reducing loneliness, and give less attention to the other changes. However, the equal weights (ranking) method has risks for decision-making, as the other two lower ranking changes to outcomes could still be important to our stakeholders. Using this method means we still do not understand the relative important of the different changes.

To increase our confidence when making decisions, we can use unequal weightings to help us understand how much more important the changes are in relation to one another. In the two scenarios below, a group of stakeholders were first asked to value changes using an equal weights approach and also a bounded unequal weighting approach, where they assign a value to each change in outcome on a scale of one to ten, where ten is most valuable.

<table>
<thead>
<tr>
<th>Scenario A</th>
<th>Outcome</th>
<th>Equal weights (ranking) where 1 is least important</th>
<th>Unequal weights – on a scale of 1 to 10, where 10 is most important</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Improved welfare payments</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Improved health</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Reduced loneliness</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td><strong>Scenario B</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td><strong>Equal weights (ranking) where 1 is least important</strong></td>
<td><strong>Unequal weights – on a scale of 1 to 10, where 10 is most important</strong></td>
<td></td>
</tr>
<tr>
<td>Improved welfare payments</td>
<td>2</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Improved health</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Reduced loneliness</td>
<td>3</td>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

The difference between the two scenarios demonstrates how important it is to know the factor of difference between the values in order to be confident in our decisions. Scenario A shows that all three changes were valued relatively close to one another, whereas scenario B illustrates a wider value range between the outcomes.

In scenario A, we are unlikely to decide to prioritise reducing loneliness at the expense of the other changes, as they are all relatively closely valued by the stakeholders. In scenario B, results show that improving health is considerably less valuable than the other two changes. Therefore, we can be confident in making decisions to focus activities on both improving welfare payments and reducing loneliness.

When it comes to designing options for service improvements, understanding the relative importance that our stakeholders give to different changes is more useful than understanding their absolute value.
Appendix B: A case study comparing different monetary approaches

As an example of using monetised weights to value changes to outcomes consider the following illustration. Parents who have received support from a mentoring programme designed to improve their overall resilience identified the following well-defined outcomes:

Increased confidence in their role as a parent
Improved family relationships
Increased mental health

Using the example of increased confidence in their role as a parent, the table below illustrates the potential options to value this outcome.

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Cost based</th>
<th>Revealed preference</th>
<th>Wellbeing valuation</th>
<th>Stated preference</th>
<th>Benefits (value) transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased confidence in role as a parent</td>
<td>The opportunity cost of participating – using the hourly living wage rate multiplied by the number of hours spent being supported</td>
<td>The cost of attending a parent-skills course</td>
<td>The HACT Value Bank(^{16}) has a value for changes to confidence</td>
<td>Ask parents their willingness to pay, or alternatively play the Value Game</td>
<td>If an existing piece of research has valued the same outcome, this value could be used – with appropriate adjustments</td>
</tr>
</tbody>
</table>

There are many examples of monetising outcomes using each of the above approaches and they can be found in the Global Value Exchange\(^{17}\).

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\(^{16}\) [https://www.hact.org.uk/social-value-bank](https://www.hact.org.uk/social-value-bank)
\(^{17}\) [http://www.globalvaluexchange.org/](http://www.globalvaluexchange.org/)
Low rigour (accuracy)

- **Ranking**: Limitation for higher levels of rigour; Values do not indicate the value range between outcomes.
- **Rating**: Limitation for higher levels of rigour; Large sample-sizes may create significant resource demands.
- **Cost based approaches**: Limitation for higher levels of rigour; Potential to over (or under) claim value as not based on direct stakeholder engagement to value non-market outcomes.
- **Revealed preference**: Potential issue for high levels of rigour; Need to be confident that values represent those stakeholders being affected.
- **Wellbeing valuations**: Limitation for higher levels of rigour; Values do not necessarily represent stakeholders being affected, and potentially high-cost to identify bespoke valuations if not publicly available.
- **Stated preference**: Potential issue for high levels of rigour; Large sample-sizes may create significant resource demands.
- **Choice Experiments**: Potential issue for high levels of rigour; Large sample-sizes may create significant resource demands.
- **Benefit (Value) Transfer**: Limitation for higher levels of rigour; Potential to over (or under) claim value as not based on direct stakeholder engagement.

High rigour (accuracy)

- **Cost based approaches**: Limitation for high levels of rigour; Potential to over (or under) claim value as not based on direct stakeholder engagement to value non-market outcomes.
- **Revealed preference**: Potential issue for high levels of rigour; Need to be confident that values represent those stakeholders being affected.
- **Wellbeing valuations**: Limitation for high levels of rigour; Values do not necessarily represent stakeholders being affected, and potentially high-cost to identify bespoke valuations if not publicly available.
- **Stated preference**: Potential issue for high levels of rigour; Large sample-sizes may create significant resource demands.
- **Choice Experiments**: Potential issue for high levels of rigour; Large sample-sizes may create significant resource demands.
- **Benefit (Value) Transfer**: Limitation for high levels of rigour; Potential to over (or under) claim value as not based on direct stakeholder engagement.
Appendix C: Approaches to quantify the value of outcomes

The table below summarises the different approaches to quantify the value of changes to outcomes.

<table>
<thead>
<tr>
<th>Category</th>
<th>Technique</th>
<th>Description</th>
<th>Data required</th>
<th>Skills required</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equal weights</td>
<td>Ranking</td>
<td>Asks stakeholders to place outcomes in order of preference.</td>
<td>Stakeholder</td>
<td>No specialist skills</td>
<td>A straight-forward approach that asks stakeholders to place outcomes in a simple order of preference</td>
<td>Does not provide an indication of how much more important outcomes are in relation to one another (value range). Risk that decisions are taken not to focus on outcomes ranked lower than others when they are closely valued to others. Unable to compare results to the costs of producing them</td>
</tr>
<tr>
<td>Unequal weights</td>
<td>Open weights</td>
<td>Asks stakeholders to compare how much more valuable outcomes are in comparison</td>
<td>Stakeholder</td>
<td>No specialist skills</td>
<td>Provides an indication of the value range between different outcomes.</td>
<td>Stakeholders may find it challenging to consider how much more important outcomes are in</td>
</tr>
<tr>
<td>Method</td>
<td>Description</td>
<td>Stakeholder preferences</td>
<td>Specialist skills</td>
<td>Advantage</td>
<td>Limitation</td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>------------------------------------------------------------------------------</td>
<td>--------------------------</td>
<td>-------------------</td>
<td>-------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Bounded weights</td>
<td>Asks stakeholders to identify how important each outcome is on a scale.</td>
<td>Stakeholder preferences</td>
<td>No specialist skills</td>
<td>Provides an indication of the value range between different outcomes.</td>
<td>Stakeholders may find it difficult to identify different values for different changes.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Unable to compare results to the costs of producing them.</td>
<td></td>
</tr>
<tr>
<td>Averaged weights</td>
<td>Asks stakeholders to distribute a defined number of units amongst their relevant outcomes</td>
<td>Stakeholder preferences</td>
<td>No specialist skills</td>
<td>Provides an indication of the value range between different outcomes.</td>
<td>Can restrict the potential for stakeholders to indicate the value range of different outcomes if the number of units to distribute is too small.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Unable to compare results to the costs of producing them.</td>
<td></td>
</tr>
</tbody>
</table>
## Appendix D: Approaches to monetising the value of outcomes

The table below summarises the different approaches to monetising the value of changes to outcomes.

<table>
<thead>
<tr>
<th>Category</th>
<th>Technique</th>
<th>Description</th>
<th>Data required</th>
<th>Skills required</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost-based</td>
<td>Replacement costs</td>
<td>The costs required to replace the goods or services being valued.</td>
<td>The cost (market price) of replacing the services provided.</td>
<td>No specialist skills</td>
<td>Provides surrogate measures of value for regulatory services (which are difficult to value by other means).</td>
<td>Can over- or under-estimate values.</td>
</tr>
<tr>
<td>approaches</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>A readily transparent and defensible method when based on market data.</td>
<td>Does not consider social preferences for services, or behaviour, in the absence of the services.</td>
</tr>
<tr>
<td></td>
<td>Opportunity costs</td>
<td>The value of money foregone by stakeholders who contribute to activities.</td>
<td>The market value of the contribution made.</td>
<td>No specialist skills</td>
<td>Provides surrogate measures of value for the time contributed by individuals.</td>
<td>The replacement service probably only represents a proportion of the full range of services provided by the service or natural resource.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>A readily transparent and defensible</td>
<td></td>
</tr>
</tbody>
</table>


### Revealed preference approaches

| **Damage costs avoided** | The costs incurred to property, infrastructure and production when ecosystem services that protect economically valuable assets are lost, in terms of expenditures saved. | Data on costs incurred to property, infrastructure or production as a result of loss of ecosystem services (e.g. insurance claims made as a result of flooding after removal of natural flood defences). Damages under different scenarios including “with” and “without” regulatory service. | Engineering and biophysical processes | Provides surrogate measures of value for regulatory services that are difficult to value by other means (e.g. storm, flood and erosion control). Relevant for ecosystem values where social outcomes are society wide. | The approach is largely limited to services related to properties, assets, and economic and environmental activities. Can over- or under-estimate values. |

<p>| <strong>Revealed preference approaches</strong> | Market prices of substitute goods/services. The price of a good or service that best reflects what we want to value. | Market price of goods or services. The costs involved to process and bring the product or service to market (e.g. processed timber, or a training course). | No specialist skills | A readily transparent and defensible method based on market data. It reflects an individual’s willingness to pay (WTP) through actual behaviour. | Only applicable where a market exists for the goods or services and this data is readily available. Risk of undervaluation as people will often value things more |</p>
<table>
<thead>
<tr>
<th>Effect on production</th>
<th>Changes in the output of a marketed good or service to a measurable change in goods.</th>
<th>Data on changes in the output of a product. Data on cause and effect relationship (e.g. loss of fisheries due to loss of seagrass or coral habitat, or increases in employment or income relating to training).</th>
<th>Knowledge of the production function of the good.</th>
<th>If data is available, it is a relatively straightforward technique to apply. N</th>
<th>Necessary to recognize and understand the relationship between marketed goods or services and the output of the product.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel costs</td>
<td>The amount of time and money people spend visiting a habitat or facility for recreation or leisure, per visit.</td>
<td>The amount of time and money that people spend visiting habitat or facilities for recreation or leisure purposes. (e.g. the number of hours and cost of fuel to attend a nature reserve). The motivations for travel.</td>
<td>Questionnaire design, interviewing and econometric analysis.</td>
<td>Based on actual behaviour (what people do) rather than a hypothetically stated WTP. The results are relatively easy to interpret and explain.</td>
<td>Approach is limited to direct use of recreational benefits. Difficulties in apportioning costs when trips are to multiple places or are for more than one purpose. Considering travel costs alone ignores</td>
</tr>
<tr>
<td>Hedonic pricing</td>
<td>The difference in property prices or wage rates that can be ascribed to the different qualities of a property or position.</td>
<td>Usually data relating to differences in property prices or wage rates that can be ascribed to the different qualities (e.g. a landscape view of a property, access to better school results).</td>
<td>Econometric analysis</td>
<td>Readily transparent and defensible method since based on market data and WTP/WTA. Property markets are generally very responsive so are good indicators of values.</td>
<td>Approach is largely limited to benefits related to property. The property market is affected by a number of factors, so the effect needs to be isolated or it may be overvalued.</td>
</tr>
</tbody>
</table>

<p>| Wellbeing approaches | Wellbeing valuation (WV) | Wellbeing valuations assess the relationship between life circumstances (e.g. employment status, health status, levels of volunteering, safety of local area) and associated levels of self-reported wellbeing, and what level of income | Large statistical datasets (e.g. the British Household Panel Survey). | Econometric / statistical analysis | Some datasets are publicly available. Additional datasets can be created. | Data needed may not be publicly available for either the outcome or for a specific stakeholder group, in which case costs will be higher. |</p>
<table>
<thead>
<tr>
<th>Stated preference approaches</th>
<th>Hybrid stated preference / wellbeing valuation</th>
<th>Stated value that people place on the wellbeing associated with a good or service (e.g. access to a library service); demographic and biographical information on survey respondents obtained through questionnaires.</th>
<th>Questionnaire design, interviewing and econometric / statistical analysis</th>
<th>Avoids the need for WTP scenarios which rely on hypothetic entrance fees. Produces values per visit similar to WTP valuations.</th>
<th>Data needed for wellbeing valuation may not be publicly available in which case costs will be higher.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stated preference</td>
<td>Respondents asked directly for their willingness to accept (WTA) compensation for a loss such that their level of wellbeing does not change.</td>
<td>Large statistical datasets (e.g. the British Household Panel Survey).</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contingent valuation (CV)</td>
<td>Infer values of outcomes by asking people directly their WTP for positive outcomes, or their WTA compensation for their loss.</td>
<td>Stated value that people place on a good or service (e.g. existence of a species, increased confidence); demographic and biographical</td>
<td>Questionnaire design, interviewing and econometric analysis.</td>
<td>Captures both use and non-use values. Extremely flexible - it can be used to estimate the value of virtually anything.</td>
</tr>
<tr>
<td>Questionnaire design and interviewing.</td>
<td>Choice experiments (CE), or Multi-Choice Experiments (MCE)</td>
<td>Participants asked to place value on outcomes by comparing preferences, or by comparing goods or services or preferences to outcomes. Demographic and</td>
<td>Questionnaire design and interviewing.</td>
<td>The results are extremely flexible and useful for defining outcomes and recognizing subgroups of stakeholders. Order of</td>
<td>Obtained through survey questionnaires.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
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<td>---</td>
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</tr>
<tr>
<td></td>
<td>Present a series of alternative resource or use options, each defined by various attributes set at different levels (including price) and asks respondents to select which option (i.e. sets of attributes at different levels) they prefer (e.g. numbers of species present and percentage of coral cover).</td>
<td>As for CV above, although CE contrasts several different scenarios. An appropriate set of “levels” are required for the different parameters (e.g. ranging from 0% coral cover to 100%).</td>
<td>Questionnaire design and interviewing and econometric analysis.</td>
<td>The results are subject to numerous different biases from respondents. Can be mentally challenging for respondents to truly weigh up the alternative choices given to them in the time available.</td>
<td>Gives a much more accurate result than benefit transfers.</td>
</tr>
<tr>
<td></td>
<td>Participates asked to place value on outcomes by comparing preferences, or by comparing goods or services or preferences to outcomes. Demographic and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Method</td>
<td>Description</td>
<td>Valuation Methodology</td>
<td>Preferences Need to Align With Market Costs Where More Than One Outcome Is Being Valued For Service Design Purposes.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auction game (as a form of CE)</td>
<td>Involves participants bidding to determine their maximum WTP for an outcome, good, or service.</td>
<td>Questionnaire design and interviewing. Captures both use and non-use values. Extremely flexible - it can be used to estimate the economic value of virtually anything. Gives a much more accurate result than benefit transfers if conducted appropriately.</td>
<td>The results are subject to numerous different biases from respondents.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit (value) transfer</td>
<td>Benefit transfer Involves transferring value estimates from existing studies to the study site in question, making adjustments where appropriate.</td>
<td>Valuations from similar studies elsewhere. Data on key variables from different studies (e.g. GDP per person). Econometric analysis, possibly meta-analysis Relatively low-cost when there is a similarity between that which is being valued.</td>
<td>The results may not be relevant to the stakeholder group for which the value is being transferred.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Existing valuation studies may be more robust and numerous for some services than for others.</td>
<td></td>
</tr>
</tbody>
</table>
About

Social Value International is the global network focused on social impact and social value. Our members share a common goal: to change the way society accounts for value. We work with our members to embed core principles for social value measurement and analysis, to refine and share practice, and to build a powerful movement of like-minded people to influence policy.

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