

FAST COMPANY



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The Social Impact 100 Index Will Make Sure You Never Donate To A Shady Nonprofit Again

By setting a rigorous set of criteria, the index makes sure that it only includes organizations that are using your money to make a real, tangible difference.

By Ariel Schwartz

If you're a philanthropist, you could be forgiven for initially thinking that Wyclef Jean's Yele nonprofit charity--intended to help rebuild Haiti post-earthquake--was a worthy cause. After all, it had a convincing celebrity backer! In the end, though, the whole thing ended up [being a sham](#), and most of Yele's money was wasted on office expenses, rent for Jean's NYC recording studio, and other unnecessary items. That's an extreme example of a common problem: it's hard for donors to know where their money will do good. Starting this month, they can turn to the [Social Impact 100 Index](#) (the S&I 100).

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Developed by the Social Impact Exchange, a national membership organization consisting of 4,000 funders, philanthropists, corporations, nonprofits, research firms, and consulting firms, the index is designed to make it easier for donors to give to organizations that have real impact. It is, according to Social Impact Exchange president Alex Rossides, both "an index and an investment platform."

Every nonprofit selected for the S&I 100 (the naming similarity to the S&P 500 is no accident) went through a rigorous selection process: first, they had to be nominated by outside experts that worked with them and could vouch that they meet extensive [eligibility criteria](#) (in operation for over three years, a national office budget of over \$1 million, a detailed plan to scale, a third party quantitative impact evaluation, and more). Then the Social Impact Exchange staff spoke with the organizations and examined their evaluation studies and growth/business plans. Next, a review

team of experts culled from the Social Impact Exchange's membership roster scored the nonprofits. Evaluation experts were then tapped to look at the nonprofits' evaluation studies. The Social Impact Exchange made the final decisions.

All nonprofits in the index can be broken down into four main categories: education, poverty, youth, and health. But within that, the nonprofits vary widely in focus. In the education category, they range from physical activity booster [Playworks](#) to the [National Writing Project](#). Detailed information about each nonprofit is available, including business plans, annual reports, audited financials, major funders, and evaluation studies. A big "Donate Now" button on each description page takes funders directly to the nonprofit's donation site--The Social Impact Exchange doesn't take a cut of the money.

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Finding 100 nonprofits that meet the criteria wasn't easy. "A very small number of nonprofits have third party quantitative outcome studies, and when you combine that with those that have a growth plan, it is a select group," says Rossides. But, he adds, "We are continuously reaching out to larger circles of nominators. As we expand our outreach to nominators, it could be that we continue to add [nonprofits]. Organizations currently on the roster don't automatically get to stay, either; the Social Impact Exchange plans to do an annual review that could in a worst-case scenario lead to a nonprofit being eliminated from the S&I 100.

The index is part of the Social Impact Exchange's larger mission to create a capital marketplace that can consistently fund evidence-based social impact solutions. Says Rossides: "We have terrific interventions, great social entrepreneurs, evidence of programs that work but we haven't done as much as we'd like in terms of spreading, scaling, and replicating solutions. It's an inherent process in the for-profit sector but not something we've done especially well in the social sector."

Ultimately, he hopes that the index will catch on "as a hugely valuable resource but also something that people naturally go to."