



Ronald McDonald Family Room®

Social Return on Investment (SROI) Report



Ronald McDonald
House Charities®
Australia

March 2020

SVA Social
Ventures
Australia

Acknowledgments

SVA would like to acknowledge the participation of the many families, volunteers, staff, medical professionals, educators and other stakeholders who took time to provide thoughtful and thorough input, contributing to the strong evidence base that is critical to this analysis.

SVA would also like to thank the Ronald McDonald House Charities team for supporting the ethics process, for helping us to gather the multitude of program and organisational information required for this project, and for assisting us to arrange site visits and interviews.

This report has been prepared by Social Ventures Australia Consulting

Social Ventures Australia (SVA) is a not for profit organisation that works with innovative partners to invest in social change. We help to create better education and employment outcomes for disadvantaged Australians by bringing the best of business to the for-purpose sector, and by working with partners to strategically invest capital and expertise.

SVA Consulting is Australia's leading not-for-profit consultancy. We focus solely on social impact and work with partners to increase their capacity to create positive change. Thanks to more than 10 years of working with not-for-profits, government and funders, we have developed a deep understanding of the sector and 'what works'. Our team are passionate about what they do and use their diverse experience to work together to solve Australia's most pressing challenges.

This report has been authored by SVA Consulting with oversight from Kateryna Andreyeva (Principal) and Simon Faivel (Director).

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Professional Disclosure

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About this Report

Helping families when they need it most

Ronald McDonald House Charities Australia (RMHC) have been helping Australian families with seriously ill children stay together since 1981.

When a child is diagnosed with a serious illness, it can have a devastating effect on families. On top of the uncertainty and fear, there's added stress for families who don't live close to the medical care their child needs.

How RMHC helps

RMHC has a wide range of programs which help families to stay together so they have the support of loved ones when they need it most.



Ronald McDonald House®

The 18 Houses provide essential care and support for families just steps away from their child's treating hospital.



Ronald McDonald Family Retreat®

The 5 Family Retreats give families with a seriously ill child, or those suffering from the death of a child, the necessary opportunity to take a break and spend some much needed time together.



Ronald McDonald Family Room®

The 19 Family Rooms provide a relaxing haven within hospitals giving families a break from the stress of many hours spent by their child's bedside.



Ronald McDonald Care Mobile®

Children living in rural and remote communities don't always have access to health care near their home or school. In partnership with Royal Far West, RMHC's 1 Care Mobile vehicle regularly visits rural areas of NSW, allowing children access health care.



Ronald McDonald Learning Program®

With a Learning Program based in each Australian State and Territory, RMHC helps students to catch-up on missed education due to serious illness.

This report

RMHC commissioned SVA Consulting to undertake an evaluation of the RMHC House, Family Room, Learning Program and Family Retreat programs to determine the socio-economic returns for all stakeholders. The analysis looked back at 18 months of the programs' operations and activities (January 2018 to June 2019).

The SROI methodology was used to identify, measure and value impact of the RMHC programs for each stakeholder, including families, sick children, hospitals and the volunteers. SROI is an internationally recognised, principles-based approach for understanding and measuring the impacts of the program or organisation. It provides a framework for accounting for a broader concept of value than is traditionally measured.

This report presents a summary of the findings from the SROI analysis of the **Ronald McDonald Family Room Program**.



Ronald McDonald Family Room

What is the Program?

The Family Room Program is designed to support the physical, emotional and practical needs of families during their child's hospital stay. As of February 2020, RMHC had 19 Family Rooms in operation across Australia. The Family Rooms are located close to the hospital wards where infants and children are being treated. All family members, including the child that is undergoing treatment, as well as friends can access the Family Rooms.

Family stress during a child's hospital stay

Families can experience a range of stressors when caring for their sick child during their hospital stay, including:

- **Fatigue and physical stress** due to the limited availability of places close to the ward to rest and take a break from the clinical environment
- **Emotional stress** associated with worry about their child's wellbeing, disruption to the family routine and home environment and reduced social support when disconnected from the wider family unit, friends and community
- **Financial stress** associated with time off work and the cost of meals and maintaining a normal family routine (e.g. doing laundry)

How is the Program delivered?

The Family Room Program provides the following supports to families:

- Safe space to escape the ward, rest and recover
- Place to connect as a family and for siblings to play and have fun
- Place to prepare a meal and access complimentary snacks, tea and coffee
- Provision of shower and laundry facilities
- Provision of practical and emotional support from volunteers

Number of Family Rooms, by state



Hospital sites with Family Rooms, by state

Western Australia	Queensland	NSW / ACT	Victoria
<ul style="list-style-type: none"> Perth Children's Hospital Peel Health Campus 	<ul style="list-style-type: none"> Townsville Hospital Queensland Children's Hospital Gold Coast University Hospital Paediatrics Gold Coast University NICU 	<ul style="list-style-type: none"> Sydney Children's Hospital John Hunter Children's Hospital John Hunter Children's Hospital NICU Gosford Hospital Royal North Shore Hospital Wagga Wagga Rural Referral Hospital Nepean Hospital Centenary Hospital for Women & Children (ACT) Wollongong Hospital (opened December 2019) 	<ul style="list-style-type: none"> Monash Children's Hospital Joan Kirner Women and Children's Hospital Wodonga Hospital Northern Hospital

During the period of the analysis (January 2018 and June 2019)...



~66,440 families



stayed in one of **18** Family Rooms* across the country



and were supported by ~380 volunteers each week.

*The Family Room in Wollongong Hospital was opened in December 2019, which was outside the period of analysis

Report summary

This Social Return on Investment analysis of the Ronald McDonald Family Room found that the Program generates positive social and economic value for families, volunteers, hospitals and RMHC.

Social Return on Investment

Between January 2018 and June 2019, ~\$4.1m was invested in operating the Ronald McDonald Family Room Program, delivering an estimated ~\$19.9m in social and economic benefits. This equates to an SROI ratio of 4.9 : 1.



Insights

The analysis identified three key insights about the factors contributing to the outcomes achieved by the Ronald McDonald Family Room Program:



Impact Snapshot

The Social Return on Investment analysis of the Ronald McDonald Family Room Program uncovered a range of benefits for different stakeholders:



Families

The Family Rooms offer family members an opportunity to escape the clinical environment to connect, share personal worries with others and destress



87%
of families experienced improved emotional wellbeing

The Family Rooms help relieve some of the physical toll that child's illness has on parents/guardians



90%
of families experienced improved rest and physical wellbeing

The Family Room Program relieves some financial pressures that families face when their child is very sick



\$106
out of pocket savings per family on refreshments, food & laundry during an average hospital stay (assumed 3 days)

The Family Rooms give family members an opportunity to spend quality time together – play, read, talk or enjoy a home-made meal



66%
of families experienced an improved sense of normality and control



Hospitals

The hospitals with a Family Room draw significant benefits from the Program which contributes to reduced pressure on clinical staff and other hospital resources



80%
of hospital staff surveyed said that the Family Rooms save hospital resources



77%
of hospital staff felt the Family Rooms reduced their mental load



RMHC and its volunteers

RMHC has gained significant trust and goodwill of the Australian community which is essential to its sustainability and ability to deliver services aligned to its purpose

7th

Most trusted charity in Australia in 2019

This trust is valued at

~\$1.6m p.a.

based on the value of raised funds and donated goods for the Family Rooms

Volunteers are vital to the operations of the Family Rooms



~22,000 hours

contributed to the Family Rooms by the volunteers p.a

Methodology

Social Return on Investment (SROI)

Social Return On Investment (SROI) analysis is an internationally recognised approach that provides a framework to understand, measure and value the impact of a program or organisation. It is a form of cost-benefit analysis that examines the social, economic and environmental outcomes created by the activities of the program and the costs of creating them.

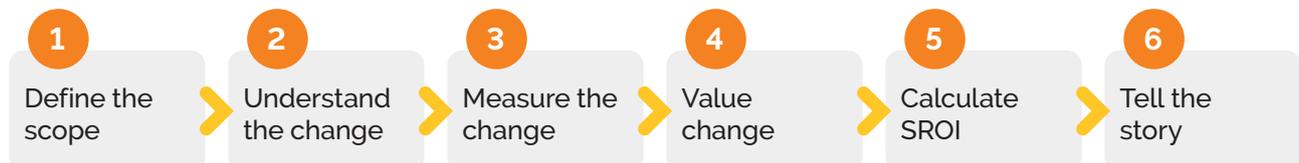
Social Value Principles

Social value is the value that people place on the changes they experience in their lives. The Principles of Social Value provide the basic building blocks for anyone who wants to make decisions that take this wider definition of value into account.

Principles	Definition
1 Involve stakeholders	Stakeholders should inform what gets measured and how this is measured and valued.
2 Understand what changes	Articulate how change is created and evaluate this through evidence gathered, recognising positive and negative changes as well as those that are intended and unintended.
3 Value the things that matter	Use financial proxies so the value of the outcomes can be recognised.
4 Only include what is material	Determine what information and evidence must be included in the accounts to give a true and fair picture, such that stakeholders can draw reasonable conclusions about impact.
5 Do not overclaim	Organisations should only claim the value that they are responsible for creating.
6 Be transparent	Demonstrate the basis on which the analysis may be considered accurate and honest and show that it will be reported to and discussed with stakeholders.
7 Verify the results	Ensure appropriate independent verification of the analysis.

Approach

To carry out this SROI analysis we undertook six phases of work that are based on those developed by Social Value International. Experienced and accredited SROI practitioners oversaw the analysis.

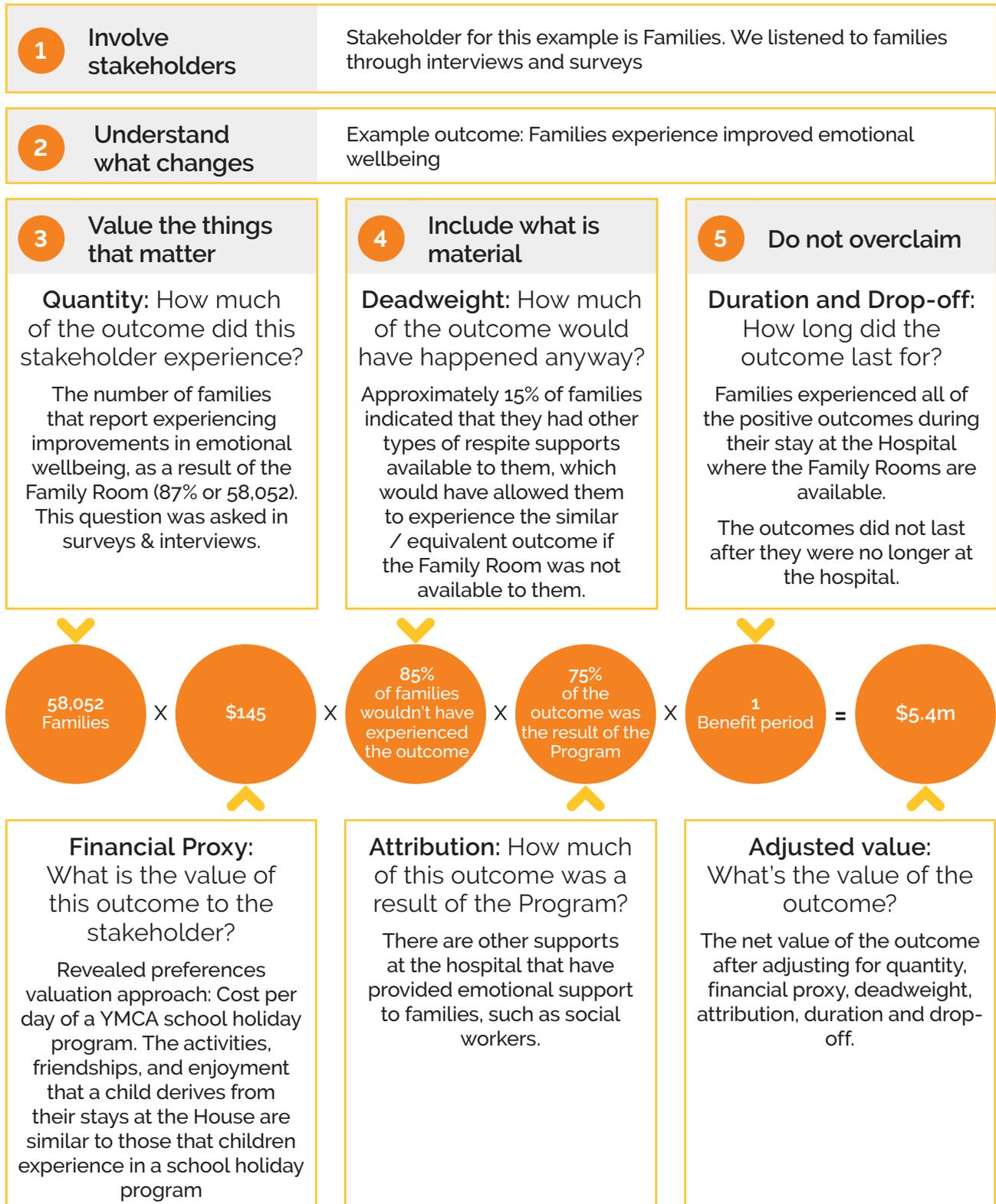


How to interpret

The outcome of the SROI analysis is a story about the value of change created, relative to the investment. The SROI ratio is a shorthand for all of the value for all of the stakeholders. For example, a ratio of 3 : 1 indicates that an investment of \$1 delivers \$3 of social value.

Methodology

This is a worked example of how the first five Social Value principles were applied to one outcome identified through the Family Room SROI analysis.



Notes:

1. For simplicity, we have not shown the calculation of the present value for this outcome. These adjustments were made in the underlying calculations, where relevant.
2. All numbers and calculations have been rounded to the nearest whole number.



Project Approach

Project scope

RMHC commissioned SVA Consulting to understand, estimate and value the impact of the Ronald McDonald Family Room Program from January 2018 to June 2019.

This analysis includes all activities and investments made into the Program during the period of the analysis.

In the period between January 2018 to June 2019, 18 Family Rooms were in operation. The Family Room located in the Wollongong Hospital opened in December 2019 and therefore has been excluded from this analysis.

Ethics

This project received ethics approval from the Sydney Children's Hospitals Network Human Research Ethics Committee, with site-specific approval provided by the human research ethics committees at the hospitals where site visits were conducted, including: Monash Children's Hospital (Victoria), Sydney Children's Hospital (NSW) and Perth Children's Hospital (WA).

Data collection

Interviews

- 23 stakeholders interviewed including families, hospital staff, Ronald McDonald staff, and volunteers.
- 3 observational visits to Family Rooms - Perth Children's Hospital, Monash Children's Hospital and Sydney Children's Hospital.

Surveys

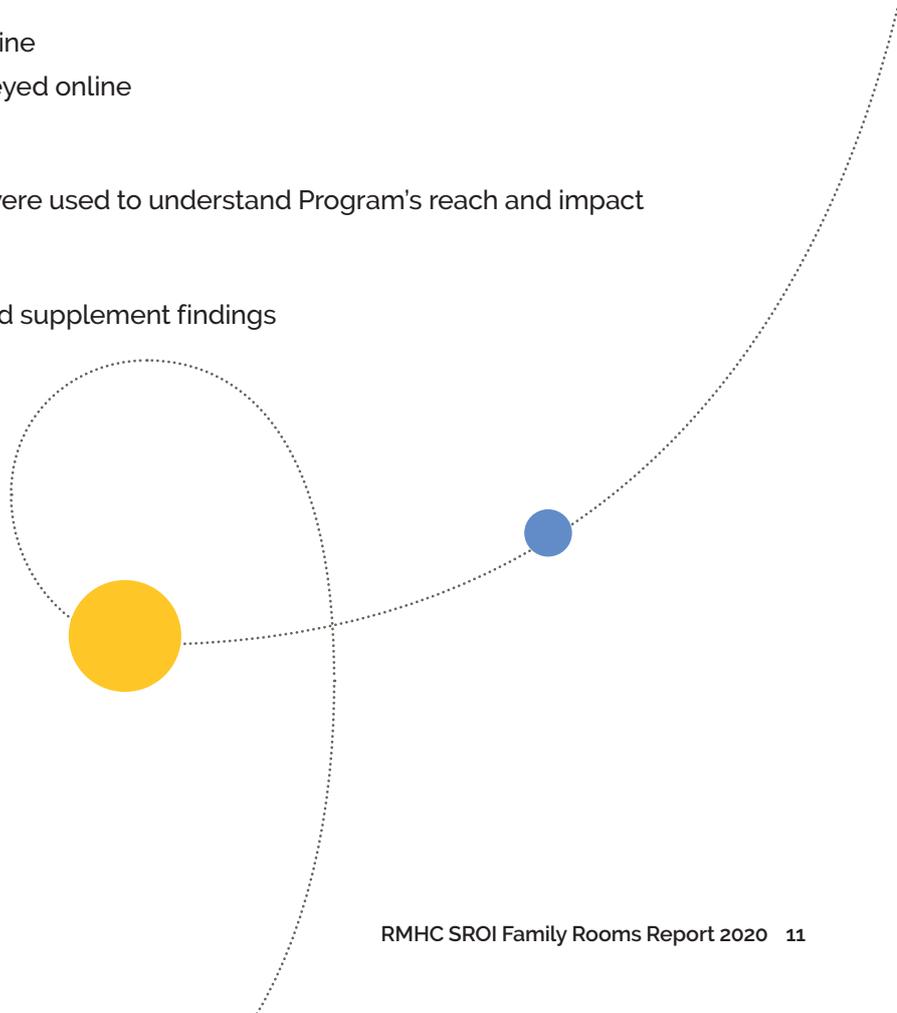
- 190 families surveyed online
- 150 Family Room volunteers surveyed online
- 27 hospital healthcare professionals surveyed online

Organisational data

- Internal RMHC data and documentation were used to understand Program's reach and impact

External research

- External research was used to validate and supplement findings



Outcomes for families

The key outcomes for families who utilised the Family Room Program included practical benefits such as saving money, as well as more holistic impacts like improved wellbeing.



\$5.4m

Improved emotional wellbeing

Families who used the Family Room Program experienced improvements in their emotional wellbeing, creating over \$5.4m in social value.

The Family Rooms provide a comfortable home-like place close to the hospital wards for families to connect and spend time together and a place for siblings to play and have fun. This family-centred care approach improves the quality and experience of care for sick children and their families. In addition, volunteers are always on hand to provide an empathetic ear, so families feel listened to, supported and less isolated.

By providing a place to connect, feel supported and rest, families experience improved emotional wellbeing and are better able to support the clinical journey of their sick child, as well as engage positively with hospital staff. Without the Family Rooms, families would be likely to experience greater levels of stress which would impact their capacity to care for their child.

"It was fantastic to have a place to escape to when everything got really overwhelming - a place for family time where my newborn baby and two-year-old could play or read a book while I got to have a shower and collect myself. This made me feel safe and having a break allowed me to be a better mum." – Parent



\$2.9m

Improved rest and physical wellbeing

Almost all families (90%) who used the Family Room Program experienced improved rest and physical wellbeing. This equates to over \$2.9m in social value.

The Family Rooms provide a safe space close to the ward for families to escape the clinical environment. Families can take the opportunity to sleep in a quiet room, have a shower, or just sit in the lounge/dining area and have a snack. Volunteers provide additional practical support by making a cup of tea or doing the laundry for families.

By providing a place to rest and recharge, as well as access to practical support, families experience improved rest and physical wellbeing. This enables them to better care for their sick child and engage positively with hospital staff. Without this in-hospital support, families would be likely to experience greater levels of physical fatigue, which would impact their capacity to care for their child.

"Sometimes people come in who are absolutely exhausted. We had a mother come in last week who hadn't slept, eaten or showered in over 48 hours. We gave her a meal, she had a shower and we washed her clothes. The look of appreciation on her face was one of pure relief and gratitude." – RMHC Family Room Volunteer



\$2.1m

Sense of normality and control

Most families (66%) who used the Family Room Program experienced an improved sense of normality and control, generating \$2.1m in social value.

The Family Rooms are designed to feel welcoming, so that families feel comfortable and at home and children and siblings have a space to play and have fun. Families are also able to use the kitchen to prepare food that the family enjoys. This unique hospital space creates an enabling environment for families to connect and engage in activities that reflect their routine family life. Through this, families experience a greater sense of normality and control over their lives.

We heard from families that there are few other options like the Family Room in or close to the hospital. Families told us that without the Family Room, they would be less likely to take time out from the ward and less able to connect as a family.

"When my daughter feels like she needs a break from the hospital ward, she just goes to the Family Room and lays on the lounge or plays and we get to hang out like we would at home, so things feel normal... Spending time with the volunteers is also like getting 'grandma attention' and for a while, she just gets to be a normal kid." – Parent



\$5.7m

Families save money

80% of families who used the Family Room Program saved money, amounting to \$5.7m in savings for families over the 18 month period.

The Family Rooms provide families with a kitchen to prepare home meals, complimentary snacks, and a place rest and complete practical activities of daily living (e.g. take a shower or do laundry). For families with children who have longer hospital stays, and families who have to change their normal work routines, these costs can add up over time, creating significant financial stress. Previous research on the Family Room Program estimated that families were able to save an average of \$37 per day(a). Without the support of the Family Room, families would be likely to experience greater financial stress during their child's hospital admission.

"I am on a carer's pension, so I don't have the money to go and buy meals from the hospital cafe when we are there as a family - especially when we are there on a longer admission and the food costs really add up. The Family Room always offers us fruit, tea and coffee, and we often make our own meals. This has helped us save a lot of money and stress over time." – Parent

a) Giuntoli, G. Ronald McDonald Family Rooms: Understanding their outcomes for families with hospitalised children, Social Policy Research Centre, UNSW 201

Outcomes for hospital staff and volunteers



\$1.8m

Hospital staff: Reduced mental load

The social value of the reduced mental load of hospital staff through improved productivity and decreased need to support families who access the Family Rooms is estimated at \$1.8m over the 18 month period.

Through this evaluation, it has been shown that access to the Family Room helps to improve family's physical and emotional wellbeing. When families experience improved wellbeing and a greater sense of control over their lives, they are better able to engage positively with hospital staff. In addition, the Family Room provides families with a much-needed place to take a break from the clinical environment. By providing families a space to take time out from the ward, this creates more time and space for hospital staff to focus on executing their clinical responsibilities. Through these outcomes, hospital staff experience a reduction in mental load. Without the Family Room, families would be likely to experience greater levels of stress which would place an increased burden on hospital staff.

It is important to note that reduction in the staff mental load is likely to be only one aspect of value created for the hospitals by the Family Room Program. We collected anecdotal evidence that the Family Rooms contribute to hospital resources being saved. Due to the nature of this project, we were unable to sufficiently validate these findings, so we have elected not to include them as part of our analysis. Further research on the benefits to hospitals is recommended.

"Having the Family Room is not only beneficial for families – it can help the hospital and staff a great deal too. Most importantly, when families get time out, this puts them in a better frame of mind to care for their child and engage with staff. This helps to take the pressure off the team so they can focus on their clinical work... If we didn't have the Family Room, the hospital would have to invest in something similar, so it saves valuable hospital resources too." – Hospital staff



\$0.1m

Volunteers: Increased sense of purpose

Almost all (95%) of volunteers experienced a greater sense of purpose from giving back, generating \$109k in social value.

Volunteers play an essential role in the Family Room Program by providing families with practical support and an empathetic ear when they most need it. Families often express sincere gratitude to Family Room volunteers for the support they receive. Volunteers feel a great sense of satisfaction and pride in being able to support families and see the difference they can help make in a family's life during a difficult time. In this way, volunteers experience an increased sense of purpose from giving back. Without the volunteers, the Family Room Program would not be able to support such a high number of families across Australia each year.

"Having been a parent with a sick child, I know what difference it makes for parents to be able to take a break from the ward, so I decided to volunteer at the Family Room as a way of giving back. You just never know how much difference you can make to a person's day. It feels good to know that I am helping people and contributing to a really great organisation... I'm just so proud to be part of RMHC." – Volunteer



Outcomes for RMHC



\$2.4m

RMHC has the trust and goodwill of Australians

RMHC is consistently ranked one of the most trusted charities in Australia. The Family Room Program contributes trust that is valued at \$2.4m for RMHC, based on the funding and in-kind support the Program is able to attract.

RMHC was ranked the 7th most trusted charity in Australia in 2019(b), by virtue of the value of the work that RMHC does, and the quality with which it delivers its services. Trust is a fundamental attribute of running an effective charity. For RMHC, it means that the organisation can efficiently and successfully fundraise, develop long-term mutually beneficial partnerships with hospitals and governments and attract high quality, committed volunteers. These all contribute to the sustainability of RMHC and its ability to deliver services aligned to its purpose.

b) Reputation Institute (2019), Charity Rep Trak 2019 rankings accessed here.

Calculating the SROI ratio

In the period between January 2018 and June 2019, Ronald McDonald Family Room Program received cash and pro-bono support to the value of:



Inputs to the Family Room Program include:

- \$2.4m cash investment from RMHC National Office and Chapter fundraising
- \$1.7m in-kind contribution from corporate partnerships, local business donations and volunteer time

This generated a range of outcomes for key of stakeholders including:



Families

- Improved rest and physical wellbeing
- Improved emotional wellbeing
- Maintain normality and sense of control
- Save money



Hospital Staff

- Reduced mental load



Volunteers

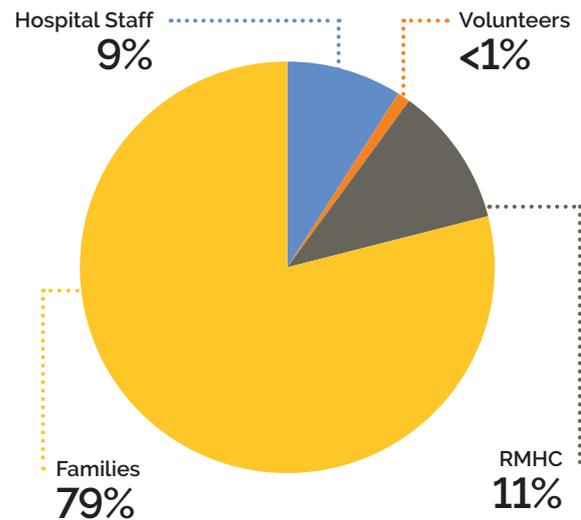
- Sense of purpose from giving back



RMHC

- RMHC has the trust and goodwill of Australians

Outcomes per stakeholder as a % of total value





Resulting in the following SROI ratio



Based on the investment and operations in the 18 months between January 2018 and June 2019, the Ronald McDonald Family Room generated an SROI ratio of 4.9 : 1



That is, for every \$1 invested in the Ronald McDonald Family Room, \$4.90 of social and economic value is created.

- (1) To calculate the net present value (NPV) the costs and benefits paid or received in different time periods need to be summed. In order that these costs and benefits are comparable a process called discounting is used. This value calculated after discount rate of 1.7% (average RBA cash rate).
- (2) Sensitivity testing was conducted on a range of possible scenarios, finding that the SROI ratio remained significantly above 1:1, indicating that the social value created is likely to be greater than the investment. In addition, no single variable or assumption has a dominant effect on the SROI ratio.
- (3) For a detailed analysis (SROI Impact Map in Microsoft Excel) which includes a full list of assumptions and sources, along with more detailed calculations, or a copy of results for other RMHC programs, please contact RMHC directly.

Insights

The Family Room Program provides critical support to families during their hospital stay – helping to improve physical, emotional and financial wellbeing of families. In addition, the Program generates significant value for hospitals and has become an important part of the health care system.

1

The Family Room Program benefits a significant number of families, offering unique and essential in-hospital support

The Family Room Program supports a significant number of families each year – 66,440 families visited the Family Rooms over the 18 month evaluation period (or approximately 44,000 families per annum). The Family Rooms offer unique and valued services and amenities that are not otherwise available – including a place for families to rest, shower, do laundry, prepare meals and access complimentary snacks; as well as a place for families to connect and siblings to play and have fun. With the support offered by volunteers, families are also able to switch from the role of carer to being the recipient of care and support.

Many families stated that there is no other place in the hospital that offers these services, and without the Family Room, their experience at the hospital would have been a lot more stressful.

“Before we had a Family Room in the hospital, it was a lot more stressful. There was nowhere we could go to get a break from the ward or have a rest. There was nowhere to do our washing. We’d have to go somewhere else to have a shower. And I’d always feel worried if I had to go too far from the ward... When we had family to visit, there was nowhere for us to sit – and going to the hospital café wasn’t very relaxing. Now we have a Family Room, this place is like a relaxing haven and you don’t feel so alone - you feel like you can face it all because someone is there for you and has your back.” – Parent

2

The home-like design and support given to families by volunteers in the Family Rooms are key drivers of the wellbeing value created for families

The Family Rooms are designed to look and feel homely and welcoming for families and children. Evidence from surveys and interviews suggests that this family-focused design is a key driver of improved wellbeing for families. Families described how the look and feel of the furniture in the Family Rooms felt like a home environment which helped them to relax and feel like they were able to take a break from the ward environment. Other design features such as the proximity of the Family Rooms to the ward also helped to buffer family’s feelings of stress and guilt when away from the ward. These design features, in addition to the unique services and amenities, as well as volunteer support all contributed to family’s improved physical and emotional wellbeing.

“The Family Room is like a sanctuary. It’s a welcoming environment and after a long day, it’s a place that we can go that’s homely and relaxing. All the volunteers knew us and were really friendly – it was always really special walking in there and the volunteers would come to you with open arms... Its also a safe and child-friendly place, so my other kids loved going there too!” – Parent




3

The Family Room Program generates value for hospitals and has become an important part of the health system

Interviews and surveys with hospital staff highlight the value the Family Room Program generates for hospitals and hospital staff through the following:

- Reduced mental load on hospital staff
- Reduced time burden on staff
- Improved relationships between hospital staff and families
- Savings on hospital resources; and
- Improved clinical outcomes for hospitalised children

This evaluation only assessed the financial value of reduced mental load for hospital staff due to the difficulties in measuring the other outcomes. The total value generated by the Family Room Program for hospitals and hospital staff is likely to be significant and further research is recommended to quantify the total social and economic value the Program delivers to the hospital system.

"A lot of research has shown that a child's mental health and emotional wellbeing can really impact their recovery – so if parents are more relaxed, this can help to improve a child's clinical outcomes. Whereas if parents have had no sleep and are financially stressed over how they will pay for everything, then that can impact the child's clinical journey. It can also place a lot of stress on staff who then need to take more time to support families in addition to doing their core role." – Hospital staff

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Keeping families close™