



## PUBLICATION SUMMARY

# Evaluation in Philanthropy

## Perspectives from the Field

*This publication offers a brief overview of how grantmakers are looking at evaluation as a means of improvement. It is based on a review of the current literature on evaluation and learning, outreach to grantmakers that have made these activities a priority, and the work of GEO and the Council on Foundations to raise this issue more prominently among their members.*

### EVALUATION AND LEARNING: AN OVERVIEW

What is organizational learning?

In order to see how evaluation advances organizational learning for grantmakers, it is important first to understand what organizational learning is. While different organizations will have different ideas about what learning means to them, our focus is the learning that happens inside grantmaking organizations and between grantmakers and nonprofits, leading to broader and better results. Put another way, it's the process of asking and answering questions that grantmakers and nonprofits need to understand to improve their performance as they work to address urgent issues confronting the communities they serve.

What's the connection between evaluation and learning?

Evaluation is a core learning practice. GEO defines evaluation as “systematic information gathering and research about grantmaker-supported activities that informs learning and drives improvement.”

Looking through the prism of learning offers a different view of evaluation. Rather than an accountability exercise, it becomes a powerful tool for improvement. And, rather than a function “outside” an organization, evaluation is a part of every staff and board member's job. It enhances the capacity of grantmakers and their grantees — as well as governments and communities — to understand and solve problems more effectively.

To what degree are grantmakers embracing evaluation as a core learning practice?

Despite the fact that a number of grantmakers are looking at evaluation in new ways, GEO's 2008 survey of philanthropic practice<sup>1</sup> suggests that the field is not yet tapping the full power of evaluation as a tool for learning and improvement.

The survey suggests that many grantmakers who conduct evaluations still view accountability as their primary purpose, more so than learning for performance improvement. Grantmakers also show a tendency to keep their evaluations to themselves, rather than sharing what they're learning with grantees and peer organizations.

How can evaluation lead to better strategy — and smarter grantmaking?

Evaluation is an essential precursor to effective strategy in philanthropy. It produces the data, information and understanding that enable grantmakers to develop and fine-tune their strategies.

In a 2007 report produced by FSG Social Impact Advisors, Mark Kramer and others set out to spotlight emerging approaches to evaluation in the field. They found that evaluation serves grantmakers best when it leads to more informed decision making and changes in grantmaking strategy that increase effectiveness.<sup>2</sup>

## EMERGING APPROACHES: EVALUATION IN PRACTICE

GEO's research for this publication indicates that a select group of grantmakers is redefining the role of evaluation in philanthropy. These grantmakers are reevaluating evaluation in five key ways.

**1. It's about improvement, not just proof.** Evaluation is not solely about tracking the results and the impact of past philanthropic investments. It is also about learning how to do a better job of achieving the grantmaker's goals.

Grantmakers are making the connection between evaluation and improvement in a variety of ways. Some are using evaluation and learning as the basis for wholesale changes in grantmaking strategy. Others are investing in "real-time" monitoring of funded programs to allow for adjustments and course corrections along the way.

For example:

- As part of an ambitious, multiyear community change initiative in six Detroit neighborhoods, the Skillman Foundation turned to "real-time" evaluation so it could adjust strategies as needed in response to results on the ground. Formally launched in 2006, the Detroit Works for Kids initiative is supported by a theory of change that has evolved to reflect new learning. To track progress, the Skillman Foundation is working with an external evaluator whose

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<sup>1</sup> Grantmakers for Effective Organizations, *Is Grantmaking Getting Smarter? A National Study of Philanthropic Practice*, 2008. Available at [www.geofunders.org](http://www.geofunders.org).

<sup>2</sup> Kramer, Mark, Rebecca Graves, Jason Hirschhorn & Leigh Fiske, "From Insight to Action: New Directions in Foundation Evaluation," FSG Social Impact Advisors, April 2007.

responsibilities include building capacity for learning and evaluation among all the players in the initiative, including the foundation, the community and technical assistance intermediaries.

Other grantmaker examples include:

- Instead of focusing solely on outcome evaluations, the Retirement Research Foundation encourages applicants and grantees to use learning tools intended to produce information that the grantee and others can use as they retool current programs and design new ones.
- To create a new way to learn from funded projects, the Canada-based International Development Research Centre introduced an innovative evaluation and reporting process founded on oral interviews among two or more colleagues at three different times in the course of a funded project.
- The Evelyn and Walter Haas, Jr. Fund has made evaluation a core component of its Flexible Leadership Awards program. An important goal of the evaluation work is to identify what needs to be improved, so the fund can change its strategy and design as needed — while still keeping an eye on tracking outcomes.

**2. It's about contribution, not attribution.** Evaluation has often been viewed as a way to render definitive judgments about success and failure. In many instances, however, grantmakers and their grantees aren't necessarily able to make these sorts of judgments. Furthermore, many grants are simply too small to allow grantmakers to attribute results that nonprofits are achieving directly to their investments.

Making cause-and-effect evaluations even more difficult is the fact that grantmakers often choose to focus their grantmaking on complex problems that do not lend themselves to easy answers. In these cases, evaluation becomes a way to learn about the range of factors that affect progress on an issue, and to consider how a specific intervention may or may not contribute to change.

For example:

- The Maine Health Access Foundation launched an initiative in 2007 to improve the integration and delivery of mental/behavioral and primary health care throughout the state. To learn more about how the “integrated care” model can contribute to improved health outcomes and patient- and family-centered care, the foundation initiated a rigorous evaluation of the \$10 million initiative. The evaluation included a cross-site study of funded health providers that examined patient outcomes and a range of other data. Grantee self-assessments allowed the sites to document the extent and types of integration at each site. Rounding out the evaluation effort were site visits and consumer focus groups. “We’re not looking to say that certain things happened as a direct result of our grantmaking program. Rather, we want to look at the broader question, ‘Did the system improve?’ And if it improved, then what contributed to that?” said Becky Hayes Boober, program officer at the foundation.

Other grantmaker examples include:

- The Women’s Funding Network has developed an evaluation model that seeks to help grantmakers and grantees track how their work contributes to social change. The model,

called Making the Case, is centered on five indicators of social change, such as shifts in policy and people's behavior.

- The William Penn Foundation evaluates funded pilot programs and demonstration projects based on key factors that contribute to allowing a project to be scaled up and/or replicated successfully in a variety of settings.

**3. It's about learning with others, not alone.** Evaluation is not solely about measuring (and improving) grantmaker results. It is also about learning how to improve the work of everyone involved in helping to achieve shared goals for social change.

This means working alongside grantees to set evaluation measures that will be useful to them as they seek to learn from their ongoing work. It also means providing grantees with better and more tailored support to do evaluation right.

By embracing “participatory evaluation” and building “learning communities” that involve staff, grantees and community members, grantmakers help ensure that evaluation meets the needs of all the stakeholders in their work.

For example:

- The Health Foundation of Central Massachusetts uses “empowerment evaluation” to engage grantees, foundation staff and, for larger grants, external evaluators in the work of grant program planning, monitoring and capturing outcomes to facilitate sustainability. Guided by a series of 10 “accountability questions” developed for the foundation by professional evaluators, the partners develop plans for program implementation, monitor the implementation by making adjustments as warranted to continuously improve performance, and capture program results. The grantmaker carries out its evaluation work under the umbrella of a self-designed system called Results-Oriented Grantmaking and Grant-Implementation.

Other grantmaker examples include:

- The California Endowment convened advocates, grantmakers and evaluators to engage in a dialogue on evaluating policy and advocacy activities and created a learning community of grantees to test a new framework for monitoring the results of their advocacy work.
- The Lucile Packard Foundation for Children's Health recently embarked on a three-year effort to help build the capacity of a group of grantees to do quality evaluation. The initiative included evaluation training at different levels of the organization and targeted evaluation support for selected programs funded by the grantmaker.
- To commemorate its 60th anniversary in 2007, the Medina Foundation in Seattle provided special evaluation grants to nonprofit organizations across the greater Puget Sound area.
- The Global Fund for Children asks grantees to use a self-assessment tool to evaluate their capacity in eight key functional areas, and to learn where they might focus work in their next grant period.

**4. It's about going beyond the individual grant.** When grantmakers think about evaluation, they often think about evaluating individual grants. They want information about whether a specific grantee or a cluster of grants is delivering its intended results. While this information can be very useful, it rarely offers broader insights on how the grantmaker is doing as a whole. Are its overall strategies sound? What return is the grantmaker getting on its full portfolio of investments? How can it do a better job of achieving its mission?

Foundation-level evaluation poses a number of challenges for grantmakers, but it can be enormously helpful in clarifying the mission, goals and objectives of the organization and in improving operations and overall strategies to better align them with the mission.

For example:

- In assessing its overall impact, the Endowment for Health in New Hampshire looks at its contributions in four key areas related to the capacity of its nonprofit and community partners to succeed. These areas are advancing leadership, enhancing knowledge, fostering collaboration and networking, and strategically funding critical services. The Endowment for Health concentrates on these areas for evaluation because it recognized that the foundation is not responsible for ensuring the provision of health services. Rather, its role is to support the other players in the state's health care system that do. "We believe in a lot of qualitative evaluation, and we are up front about acknowledging that the grants we make represent just one set of inputs among many," said Mary Vallier-Kaplan, chief operating officer and vice president of the endowment.

Other grantmaker examples include:

- The Stupski Foundation recently completed an assessment of its past programs that involved reams of research, deep reflection and consultation with more than 100 leaders from education and other sectors. As a result of the assessment, Stupski has changed its overall grantmaking strategies and approach.
- The California Wellness Foundation regularly goes beyond the individual grant in its evaluation activities, conducting large-scale evaluations and surveys and convening grantees for an annual conference on evaluation and organizational learning.
- The David and Lucile Packard Foundation has an evaluation services team of two staff members who work to spread good monitoring, evaluation and learning practices throughout the organization.

**5. It's about embracing failure.** Philanthropy can provide the R&D capital that nonprofits need to test new strategies for addressing social problems — strategies that, if successful, could be scaled up and applied by others. But every new strategy or approach can't be a success, no matter how well it is vetted by grantmakers and their partners.

The failure of a grantmaking strategy or initiative can produce learning that will lead to better results in the future. Using evaluation methods, a grantmaker can put a failed project to good use by capturing lessons about what happened, why the project fell short of expectations, and how the grantmaker and its partners can achieve better results in the future.

For example:

- When a \$20 million William and Flora Hewlett Foundation initiative fell disappointingly short of expectations, the grantmaker commissioned two independent researchers to take a critical look at its assumptions and methodologies and identify lessons learned in a publicly released report. The authors identified a number of lessons that the Hewlett Foundation and others can apply as they launch future initiatives of similar scope. Among the key areas of improvement: achieving more clarity about goals and strategies at the outset; developing healthy, trustful relationships among all stakeholders; and ensuring continuous review throughout the course of the project.

Other grantmaker examples include:

- The James Irvine Foundation commissioned an independent evaluation that revealed a range of problems associated with an eight-year initiative to strengthen after-school programs in five California cities. Based on the findings, the grantmaker was able to fine-tune its strategy in the initiative's second phase.
- When it became clear that it wasn't getting the results it wanted, the California HealthCare Foundation shut down an ambitious initiative aimed at allowing the sharing of medical and administrative data among health care institutions in Santa Barbara County. An independent assessment of the initiative sought to explain its failure and to identify how to help ensure the success of similar efforts at the regional or national level.

## CONCLUSION

GEO and the Council hope the content of this publication provides the impetus to make evaluation a cornerstone of your organization's efforts to achieve ever-improving results. You can:

- Review your organization's evaluation practices in light of the ideas and perspectives outlined in these pages.
- Hold board and staff discussions about how to strengthen your evaluation work so that it advances learning for your organization, your grantees, your partner grantmakers and others.
- Connect evaluation and grantmaker strategy by using data and information about your ongoing work to test and refine your strategy and to spur staff and board discussions about how to attain better results.
- Talk to grantees to get their perspectives on how to leverage the power of evaluation as a core learning practice.
- Convene other grantmakers to share perspectives and ideas (and challenges, too).

GEO and the Council will continue to track how grantmakers are using evaluation as a tool for smarter grantmaking and better results. We welcome your stories about your organization's evaluation practices, and we encourage you to visit [www.geofunders.org](http://www.geofunders.org) to stay on top of what's happening in the field.