

# Evaluation *in* Philanthropy

PERSPECTIVES FROM THE FIELD



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Grantmakers for Effective Organizations is a community of more than 350 grantmakers challenging the status quo in their field to help grantees achieve more. Understanding that grantmakers are successful only to the extent that their grantees achieve meaningful results, GEO promotes strategies and practices that contribute to grantee success. More information on GEO and a host of resources and links for grantmakers are available at [www.geofunders.org](http://www.geofunders.org).

1725 DeSales Street NW, Suite 404 / Washington, DC 20036  
tel: 202.898.1840 fax: 202.898.0318 web: [www.geofunders.org](http://www.geofunders.org)

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2121 Crystal Drive, Suite 700 / Arlington, VA 22202  
tel: 800.673.9036 fax: 703.879.0800 web: [www.cof.org](http://www.cof.org)

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# FOREWORD

**RESULTS. IMPACT. RETURN ON INVESTMENT.** These and similar words are now part of the lexicon in grantmaking. Among the reasons: calls for more accountability and transparency from policymakers and the public, as well as pressure from boards, the media and others to show that grantmakers are achieving their missions. In addition, the current economic environment has intensified the focus on making sure that every philanthropic dollar is used wisely and is getting results.

In this climate, grantmakers are looking for ways to generate better information and new learning about their philanthropic investments so they can adjust their strategies to get better results. A recent survey by the Council on Foundations of its members found that more than 80 percent considered assessing the impact of their philanthropy as their greatest challenge.

As part of this shift in thinking, some grantmakers are turning to evaluation as a core learning practice. Evaluation is a way to get at what works (and what would work better) as grantmakers and their partners seek to achieve progress on issues ranging from improving community health and reducing poverty to protecting the environment.

The Council and GEO envision a future where every philanthropic organization operates in a deliberate way — identifying goals up front, describing how they expect to meet them, having a clear approach to measuring progress toward their goals and having a commitment to learn from their work to increase effectiveness.

## ABOUT THIS PUBLICATION

This publication offers a brief overview of how grantmakers are looking at evaluation through an organizational learning and effectiveness lens. 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 to raise this issue more prominently among their memberships.

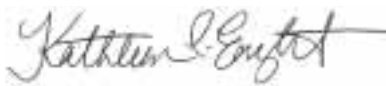
Many of these grantmakers are testing new approaches to gathering and sharing information about their work and the work of their grantees. We share the learning and evaluation stories of 19 GEO members in the pages that follow.

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This publication is intended for leaders who have an interest in making sure their grantmaking organizations are using evaluation to drive learning and improvement. GEO and the Council do not intend this to be an exhaustive survey of the field, nor is it a comprehensive how-to manual. Rather, our intent is to present a framework for thinking about and practicing evaluation, and to encourage grantmakers to explore new approaches that can reap rewards for their organizations and their grantees.

The grantmakers we consulted for this publication have no doubt that evaluation, when done right, can be a powerful tool for improving grantmaker performance. They are experimenting with new approaches, changing strategies based on evaluation results and engaging with grantees and others to make evaluation work better for everyone. In the process, they are disproving the myths and misconceptions while charting a new path for the use of evaluation in philanthropy.

GEO and the Council have learned a great deal in preparing this publication about the uses and the potential of evaluation as a tool for advancing learning and improving grantmaker and nonprofit performance. We hope it prompts you to reflect on how you can use evaluation more effectively in your work with grantees and the communities you serve.



Kathleen P. Enright  
President and CEO  
Grantmakers for Effective Organizations



Steve Gunderson  
President and CEO  
Council on Foundations

EVALUATION AND LEARNING:  
**AN OVERVIEW**

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## 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.**

Originally, the discussion of organizational learning was restricted primarily to the private sector. The focus was on how companies can improve business results through improved systems for learning. But over time, grantmakers began to develop their own definitions of learning — and their own ideas about how to make learning a driver of philanthropic success.

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.

Grantmakers must reach outside the walls of their organizations to engage others in the learning process.

For grantmakers, learning must therefore happen at three levels:

- 1. Within grantmaking organizations** — learning from experience and sharing learning with staff and board for improved results.
- 2. Across grantmaking organizations** — sharing successes, failures and challenges so our colleagues don't end up reinventing the wheel.
- 3. In partnership with grantees** — building open and honest relationships based on shared goals and a shared commitment to change.

Learning in philanthropy can happen in any number of ways — from traditional training programs and orientations for new staff to regular discussions among staff members, board members, grantees and grantmakers about how things are going and how to get better results. Viewed in this way, learning is a continuous process, a culture and a commitment to support the capacity of people to reflect on their work in ways that help them see the paths that can lead to ever-improving performance.

## WHAT'S THE CONNECTION BETWEEN EVALUATION AND LEARNING?

Evaluation is a core learning practice. It provides the content of learning as grantmakers and their grantees explore the results of their work and how to improve their performance. GEO defines evaluation as follows:

*Evaluation in philanthropy is systematic information gathering and research about grantmaker-supported activities that informs learning and drives improvement.*

Evaluation, of course, is not the only way in which organizations learn. But grantmakers must think evaluatively about their work and have access to the information, feedback and data that only evaluation can deliver.

Traditionally, grantmakers viewed evaluation as a way to prove cause and effect by connecting their investments to outcomes on the ground. Among the shortcomings of this approach: grantmaker funds rarely are the sole cause of anything, and grantmakers often confuse outputs (e.g., number of community meetings) with outcomes (e.g., reductions in neighborhood violence).

Previously, grantmakers viewed evaluation as something that only outside professionals do. It was an activity that took place in its own sphere, largely beyond the scope of the grantmaker's day-to-day operations.

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.

This moves evaluation from a discrete, one-time function (i.e., assessing whether or not a specific initiative was a success) to a process that is happening all the time. It involves many people working together to identify what's working and how to improve.

Working individually and in concert with grantees and other grantmaking organizations, grantmakers can use evaluation to generate new learning about their work.

Phil Buchanan, executive director of the Center for Effective Philanthropy, recently reflected on philanthropy's historic aversion to evaluation. "In many — most — foundation boardrooms, the only data regularly reviewed were administrative cost ratios and reports on endowment performance," he said. "So, here were foundations, large ones, operating in isolation from any data about their overall effectiveness — but often believing passionately that they were effective, and even proclaiming so. Publicly, forcefully, and unequivocally."<sup>1</sup>

Today, more grantmakers understand that they need *more* data about how they're doing, both to show if they are effective and to ensure that they become more effective.

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<sup>1</sup> Buchanan, Phil, "The Foundation Effectiveness Imperative," remarks delivered at the Center for Effective Philanthropy's five-year anniversary event, September 14, 2006. Available at [www.effectivephilanthropy.org/assets/pdfs/Data%20in%20Action/CEP%20at%205/CEP\\_CEPat5\\_FoundationEffectiveness.pdf](http://www.effectivephilanthropy.org/assets/pdfs/Data%20in%20Action/CEP%20at%205/CEP_CEPat5_FoundationEffectiveness.pdf).



## HOW ARE GRANTMAKERS' VIEWS OF EVALUATION CHANGING?

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 that we explore in the following pages.

### 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.

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 (see page 14).

### 2 It's about contribution, not attribution

Transforming complex systems with one grant or a set of grants is impossible. 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.

EXAMPLE: 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 (see page 21).

### 3 It's about learning with others, not alone

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.

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 (see page 25).

### 4 It's about going beyond the individual grant

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.

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 (see page 31).

### 5 It's about embracing failure

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.

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 (see page 36).

In this publication, we expand on these ideas and highlight examples of grantmaker actions that reflect the field's changing perspectives on evaluation.

## 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>2</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. GEO found that —

- ▷ Half of all grantmaker respondents (50 percent) reported that they have conducted formal evaluations of funded work, a proportion that was virtually unchanged from 2003 data.
- ▷ Most respondents that have conducted formal evaluations rated “learning about outcomes of funded work” (88 percent) and “learning whether original objectives were achieved” (83 percent) as “very important” reasons for doing so.
- ▷ A smaller percentage of respondents (73 percent) indicated that strengthening their future grantmaking is a “very important” reason they conduct evaluations, although this is up significantly (from 60 percent in 2003), particularly among the smallest organizations.
- ▷ Fewer than half of those that have conducted formal evaluations cited external purposes as being “very important,” such as contributing to knowledge in the field (38 percent). Overall, this proportion was essentially unchanged from 2003, except among the smallest organizations, where it increased significantly.
- ▷ Few respondents that have conducted evaluations cited grantees (31 percent) and other grantmakers (10 percent) as among the “main” intended audiences for their evaluation results; overall these shares were virtually unchanged from 2003.

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<sup>2</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).

## HOW CAN EVALUATION LEAD TO BETTER STRATEGY — AND SMARTER GRANTMAKING?

Strategy is a key driver of effectiveness and success in grantmaking. *Strategic thinking* is specifying the kind of change an organization wants and how its actions will make change happen. But a grantmaker cannot think in this way in the absence of reliable data and information. To develop effective strategies, grantmakers must understand what's happening in the field. They need to know what's working, and what is not, as grantees strive to solve problems. And grantmakers need to reflect with others on what they're learning as they evaluate the work of their organization, partners and grantees.

Evaluation therefore 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>3</sup>

The report cites the example of the Bill & Melinda Gates Foundation's Sound Families Initiative, which set out to reduce homelessness in Washington's Puget Sound area. When evaluators showed that a lack of quality child care was a barrier to women going back to work, the grantmaker broadened the scope of the program to include an early learning initiative for families.<sup>4</sup>

For the Gates Foundation and many other grantmakers, evaluation helps develop and test strategies by connecting means and ends. It helps ensure that the organization is able to make informed judgments about the best ways to achieve the desired results.

When the consulting firm Patrizi Associates surveyed staff from 14 grantmakers about their development and use of strategy, nearly all of them reported that they attach metrics to their strategies. While some staff noted a tendency among grantmakers to focus on metrics that don't matter (e.g., inputs rather than outcomes), many said that meaningful metrics can deliver clear benefits to grantmakers and their grantees. For example, they help specify the grantmakers' ultimate goals, and they highlight inconsistencies between those goals and the strategies designed to reach them.

The connection between evaluation and strategy also was affirmed in a CEP survey of 42 grantmaker CEOs and program officers about their use of strategy. The survey found that those grantmakers that interviews revealed as the most strategic in their work "assess [impact] more frequently than [others], and their boards are often involved." These "total strategists" also were more likely to assess impact at the grantmaker level, in addition to conducting grant-level assessments.<sup>5</sup>

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<sup>3</sup> Kramer, Mark, Rebecca Graves, Jason Hirschhorn & Leigh Fiske, "From Insight to Action: New Directions in Foundation Evaluation," FSG Social Impact Advisors, April 2007.

<sup>4</sup> *Ibid.*, pg. 26.

<sup>5</sup> Bolduc, Kevin, Ellie Buteau, Greg Laughlin, Ron Ragin & Judith A. Ross, "Beyond the Rhetoric: Foundation Strategy," Center for Effective Philanthropy, October 2007.

# PERSPECTIVES ON EVALUATION

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An array of reports and research efforts document how both the perception and the practice of evaluation in philanthropy are changing. The following study samples highlight leading perspectives on evaluation.

**An ongoing process.** “Effective evaluation is not an ‘event’ that occurs at the end of a project, but is an ongoing process that helps decision makers better understand the project; how it is impacting participants, partner agencies and the community; and how it is being influenced/impacted by both internal and external factors.”

– W.K. Kellogg Foundation, *Evaluation Handbook*, 1998.

**Real-time answers to guide decisions.** “While some trustees critique today’s evaluations as ill-timed and unfocused, others see potential. They envision a new type of evaluation: It’s forward-looking and directly tied to upcoming decisions. It’s multifaceted and pragmatic in practice. It reports back in real time and allows for midcourse corrections. It feeds organizational learning and offers insights that other foundations across the field can run with for a progress-accelerating ripple effect.”

– FSG Social Impact Advisors, “What’s the Difference? How Foundation Trustees View Evaluation,” a report for the James Irvine Foundation, 2009.

**Advancing understanding.** “[I]t may not be possible in many cases to know definitively whether current strategies will yield eventual impact, nor to develop an exact equation of impact relative to resources invested. But foundation leaders should still do their best to develop as much information as possible to help them understand as fully as possible whether or not they are achieving their objectives. They should also work to ensure that they have, in each of their areas of programmatic focus, a well-defined strategy, or theory of change, linking activities to desired outcomes.”

– Phil Buchanan, Kevin Bolduc & Judy Huang, “Turning the Table on Assessment: The Grantee Perception Report,” in *A Funder’s Guide to Organizational Assessment*, Fieldstone Alliance, St. Paul, Minnesota, 2005.

**Turning to indirect measures.** “Because it is so difficult and costly for foundations to directly measure the social benefit of the myriad grants they make, foundations are beginning to experiment with indirect indicators. These may not provide definitive proof of social impact, but serve as useful guidance to management in seeking to improve performance.”

– Center for Effective Philanthropy, “Indicators of Effectiveness: Understanding and Improving Foundation Performance,” 2002.

**Timely information vs. perfect knowledge.**

“When a program is coming to an end and a decision has to get made about it, the decision is going to get made whether or not you have perfect knowledge. If you are saying: ‘No, don’t decide now. Wait until I have perfect knowledge,’ the train is going to pass. The reality is that it’s better to have some information in a timely fashion than to have perfect information too late to get used.”

– Michael Quinn Patton, former president of the American Evaluation Association, in an interview with the International Development Research Centre.

# KEY TERMS IN EVALUATION

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**Baseline study** – An analysis describing the situation prior to an intervention, against which progress can be assessed and comparisons made. A baseline study, for example, might assess conditions in a specific neighborhood (e.g., poverty level or truancy) before the launch of a grantmaker-funded initiative aimed at improving those conditions.

**Cluster evaluation** – An evaluation that looks across a group of projects or grants to identify patterns, as well as factors that might contribute to variations in outcomes and results across the sample.

**Dashboard** – An easy-to-read tool that allows board members and staff to review key information about the performance of the grantmaker and its grantees. Sometimes called a “balanced scorecard,” the dashboard flags key data that board and staff decide they want to track over time.

**Emergent learning** – Learning that happens in the course of an initiative or project, when goals and outcomes are not easily defined. Using “emergent” or “developmental” evaluation methods, a grantmaker can generate feedback and learning as work unfolds. New learning, in turn, can be used to refine or change strategies over time.

**Formative evaluation** – An evaluation that is carried out while a program is under way to provide timely, continuous feedback as work progresses. Sometimes called “real-time evaluation” or “developmental evaluation.”

**Indicator** – A quantitative or qualitative variable that provides a simple and reliable means to measure results or to demonstrate changes connected to a specific intervention.

**Inputs** – The various components of a specific intervention, as measured in financial, human and material resources.

**Knowledge management** – The processes and strategies a grantmaker employs to create a culture of knowledge sharing among staff, grantees and colleague organizations, including everything from databases and intranets to Web sites and grantee and staff convenings.

**Learning community** – A group of grantmakers, grantees and/or other constituents who come together over time to share evaluation results and other learning and to identify pathways to better results. Sometimes called a “community of learners.”

**Logic model** – A conceptual picture or “roadmap” of how a program or intervention is intended to work, with program activities and strategies linked to specific outcomes and desired results.

**Organizational learning** – The process of asking and answering questions that grantmakers and nonprofits need to understand to improve their performance and achieve better results.

**Outcomes** – The broader changes or benefits resulting from a program, as measured against its goals (e.g., an X percent reduction in emergency room visits). Compare with “outputs,” below.

**Outputs** – The direct products of a program, usually measured in terms of actual work that was done (e.g., meetings held, reports published). Compare with “outcomes,” above.

**Participatory evaluation** – A form of evaluation that engages a range of stakeholders in the process of designing the evaluation and tracking results, based on the goal of ensuring that the evaluation is useful and relevant to all involved.

**Social return on investment (SROI)** – A measure that sets out to capture the economic value of social benefits created by an initiative.

**Summative evaluation** – An evaluation that assesses the overall impact of a project after the fact, often for an external audience such as a grantmaker or group of grantmakers.

**Theory of change** – A systematic assessment of what needs to happen in order for a desired outcome to occur, including an organization’s hypothesis about how and why change happens, as well as the potential role of an organization’s work in contributing to its vision of progress.

EMERGING APPROACHES:  
**EVALUATION IN PRACTICE**

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# 1

## IT'S ABOUT IMPROVEMENT, NOT JUST PROOF

Traditionally, grantmakers have viewed evaluation through the lens of accountability. Are our grantees truly achieving what we are funding them to achieve? What results are we getting in return for our philanthropic investments?

Measuring results is important. Grantmakers need to show how they are advancing their missions and making a difference on the issues they are dedicated to addressing.

However, evaluation is not solely about tracking the impact of grants already made. It is also about gathering data to learn how to work even more effectively.

The W.K. Kellogg Foundation embraces this more expansive view of evaluation in its *Evaluation Handbook*. The handbook states,

*We ... believe that evaluation should not be conducted simply to prove that a project worked, but also to improve the way it works. Therefore, we do not view evaluation only as an accountability measuring stick imposed on projects, but rather as a management and learning tool for projects, for the foundation, and for practitioners in the field who can benefit from the experiences of other projects.<sup>6</sup>*

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.

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<sup>6</sup> W.K. Kellogg Foundation, *Evaluation Handbook*, 1998. Available at [www.wkkf.org/Pubs/Tools/Evaluation/Pub770.pdf](http://www.wkkf.org/Pubs/Tools/Evaluation/Pub770.pdf).

**GRANTMAKER:** Skillman Foundation, Detroit, Mich.

**THE BIG IDEA:** Building grantee capacity for evaluation to foster “real-time learning” about how an initiative is faring — and what adjustments to make to achieve better results.

**MORE INFO:** [www.skillman.org](http://www.skillman.org)

« Our goal is to promote real-time learning within the foundation and encourage candid exchange and problem solving about the many challenges inherent in mounting an ambitious community change effort. »

As it prepared to launch the first phase of an ambitious, multiyear community change initiative in six Detroit neighborhoods, the Skillman Foundation was determined to create processes that would allow it to keep close tabs on how things were going. The foundation wanted to make sure that it and its nonprofit and community partners would be able to learn “in real time” as the Detroit Works for Kids project unfolded so they could adjust their strategies in response to initial results.

“Our goal is to promote real-time learning within the foundation and encourage candid exchange and problem solving about the many challenges inherent in mounting an ambitious community change effort,” explained the Skillman Foundation’s Marie Colombo in an article co-authored by independent consultant Prudence Brown and Della M. Hughes of the Center for Youth and Communities at Brandeis University.<sup>7</sup>

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 achieve the goal of real-time learning, the grantmaker created a “learning team” that uses a program logic model and other learning mechanisms to foster candid discussions within the foundation and between the foundation and its grantees.

In developing an evaluation framework for the project, the grantmaker identified a number of indicators that it intended to track as it embarked on the “readiness phase” of Detroit Works for Kids. Each set of indicators was tied to a specific strategy.

For example, under the strategy “Build organizational capacity and leadership among residents, stakeholders and youth,” Skillman listed the following as an “illustrative readiness phase indicator”:

Clear change agenda directly connected to long-term goals; owned by residents, key neighborhood organizations and other stakeholders; and adopted by outside organizations working in the neighborhoods.

To track progress, the Skillman Foundation is working with an external evaluator whose responsibilities include building capacity for learning and evaluation among all the players in the initiative, including the foundation, the community and technical assistance intermediaries.

As the neighborhoods decided how to move forward, according to Colombo, the foundation and its evaluator worked to build the neighborhoods’ “self-evaluation capacity.” Each of the six neighborhoods engaged in its own planning process and received support for evaluation and other activities through “learning grants” and technical assistance. As a result, the neighborhoods, like the foundation itself, could be guided by clear goals and strategies and would be able to measure progress toward intended outcomes.

<sup>7</sup>Brown, Prudence & Della M. Hughes, “Foundation Readiness for Community Transformation: Learning in Real Time,” *Foundation Review*, Vol. 1:1, winter 2009.



**GRANTMAKER:** Retirement Research Foundation, Chicago, Ill.

**THE BIG IDEA:** Placing less emphasis on outcomes and more on lessons that emerge from putting a project into action.

**MORE INFO:** [www.rrf.org](http://www.rrf.org)

« The goal of evaluation is not only to assess whether a grant ‘makes a difference.’ The grantmaker also is interested in what its grantees are learning about how to modify their approaches and strategies for greater impact. »

The Chicago-based Retirement Research Foundation, which makes grants to “meet the ever-changing needs of the elderly in America,” views evaluation as a learning tool for grantees and foundation staff. The goal of evaluation, according to the foundation’s Web site, is not only to assess “whether a grant ‘makes a difference’ for seniors”; the grantmaker also is interested in what its grantees are learning about how to modify their approaches and strategies for greater impact.

This is why the foundation views outcome evaluations as just one approach to evaluation — and an approach that’s not right for many, if not the majority of, grants. The foundation explains its reasons for looking beyond outcomes-only evaluation on its Web site:

One reason ... is that many projects submitted for our consideration are for services that we already know work! Another is that doing outcome evaluation is expensive, time consuming and requires the involvement of experts with a track record documenting knowledge of and experience with evaluation research and statistics.

So, rather than looking exclusively at outcomes, the Retirement Research Foundation encourages applicants and grantees to consider two other learning tools: implementation evaluations and process evaluations. Both are intended to produce information that the grantee and others can use as they retool current programs and design new ones.

**Implementation evaluations** ask about the practical lessons that emerge from putting a new project into action. “Rarely does a project go off without a hitch,” says the grantmaker. “Lessons learned in implementation help grantees identify where their approach may need modifying and what critical next steps are needed.”

**Process evaluations** look at exactly what the grantee did in the course of operating a program — by describing characteristics of clients and staff, the nature of services offered, methods of delivery and patterns of service use.

The grantmaker outlines three goals for its process evaluations: (1) to describe how grantees use the funds provided; (2) to give others wishing to replicate the work a guide to follow; and/or (3) to enable the grantee and the grantmaker to describe what the intervention consisted of in reality, not just as designed, in the event that the outcomes of a model program are to be studied.

The Retirement Research Foundation asks applicants to consider what type of evaluation would be best for their projects. Applicants must also spell out the methodologies and criteria they will use in evaluating funded projects.

The foundation doesn’t expect applicants and grantees to figure out for themselves how to evaluate their work, however. Their Web site features detailed information about evaluation approaches and resources. In addition, the foundation’s senior program officer, Nancy R. Zweibel, who directs its evaluation activities, regularly offers herself as a resource to applicants and grantees as they weigh how best to learn from their work.

**GRANTMAKER:**

**International Development Research Centre,  
Ottawa, Ontario, Canada**

**THE BIG IDEA:**

Implementing a new oral reporting model for grants that engages multiple staff members and that emphasizes shared learning over ritualized paperwork.

**MORE INFO:**

[www.idrc.ca/evaluation](http://www.idrc.ca/evaluation)

« The new process has helped IDRC strengthen the culture of reflection that increases our knowledge and accountability. »»

The International Development Research Centre was created by the Canadian Parliament in 1970 to help developing countries use science and technology to build healthier, more equitable and more prosperous societies. Over the years, IDRC leaders and program staff became frustrated with the quality and usefulness of their project completion reports.

IDRC acknowledged that the typical report “leaned mainly toward the ‘auditing’ function; its chief purpose was accountability.” Reports also tended to sit on shelves. They were “seldom seen by anyone other than the manager who approved them,” according to IDRC.

To create a new way to learn from funded projects, the IDRC introduced an innovative process called the “rolling project completion report,” or rPCR. Instead of relying solely on individual program officers to write the reports, rPCRs are built on oral interviews among two or more colleagues. And, rather than having a single report prepared at the end of a project, the interviews are conducted at three different times: one after the initial design of the project, one at its midpoint and a third at the end. The program officer and other staff members participate in the reflective conversations, thereby ensuring that knowledge generated is shared more broadly within the organization.

IDRC added an Annual Learning Forum to its calendar in 2005. Staff “set aside their everyday routines and assumptions” to discuss and reflect on how they

can work more effectively. Discussions are based on information generated from the rPCR process and other evaluation data. The core activity is guided small-group discussions in which staff members engage with colleagues and experts to reflect on what they are learning and to push themselves to imagine new ways of working.

The implementation of the rPCR process and the Annual Learning Forum have changed the culture at IDRC. For example, the information generated by the new reporting process is now used in everyday programming by staff members at all levels. The reports are part of the handover notes when a project is transferred to another officer. They inform comprehensive program reviews, and they help frame external IDRC documents such as annual reports, press releases and public statements by the president.

Fred Carden, director of evaluation, and Sarah Earl, senior program officer, summarized how IDRC’s new learning practices have changed the organization in a 2007 article in the journal *New Directions for Evaluation*. “The new process has helped IDRC strengthen the culture of reflection that increases our knowledge and accountability. In the end, we retain more of what we learn, and we function more efficiently and effectively in our support of research for development.”<sup>8</sup>

<sup>8</sup> Carden, Fred & Sarah Earl, “Infusing Evaluative Thinking as Process Use: The Case of the International Development Research Centre,” *New Directions for Evaluation*, No. 116, Winter 2007.

**GRANTMAKER:** Evelyn and Walter Haas, Jr. Fund,  
San Francisco, Calif.

**THE BIG IDEA:** Building evaluation into the design of an ongoing leadership development initiative so the fund can adjust strategy and share learning with other grantmakers.

**MORE INFO:** [www.haasjr.org](http://www.haasjr.org)

« Rather than a standalone, traditional, 'outside-in' approach to evaluation, we have taken more of an 'inside-out' approach, integrating a learning agenda for all stakeholders in the leadership program. »

The Evelyn and Walter Haas, Jr. Fund has made evaluation a core component of its efforts to strengthen nonprofit leadership in the fields and movements in which it works, from immigrant and gay and lesbian rights to education.

Launched in 2005, the grantmaker's Flexible Leadership Awards program provides selected nonprofits with dedicated resources to hire coaches and enlist other forms of customized leadership support, based on an understanding that one-size-fits-all approaches to leadership development don't work.

From the start of the awards program, the grantmaker had a hunch that its work would provide a rich learning laboratory as the Evelyn and Walter Haas, Jr. Fund and other grantmakers try to figure out what kinds of leadership support can help nonprofits most. This hunch, in turn, led the fund to bring in an external evaluator early on to help shape a learning agenda for the program. According to Senior Director Linda Wood, the evaluation is a mix of formative evaluation designed to provide continuous feedback as the work progresses and outcomes evaluation to try to assess results in an area of evaluation that is notoriously difficult to gauge. The grantmaker's principal goal is to determine how well the program is being implemented and to identify what needs to be improved, so that the fund can change its strategy and design as needed — while still keeping an eye on tracking outcomes.

Over time, William P. Ryan, a consultant and researcher at Harvard's Hauser Center for Nonprofit

Organizations, has built trust with grantees and other stakeholders (including consultants and coaches who are working with the nonprofits) through regular check-ins and interviews. In addition, the fund convenes grantees in the program twice a year, allowing them to share their experiences and frustrations and offer suggestions for how to improve it.

"Rather than a standalone, traditional, 'outside-in' approach to evaluation, we have taken more of an 'inside-out' approach, integrating a learning agenda for all stakeholders in the leadership program, and one that delivers value for everyone involved," Wood said.

As part of its evaluation and learning efforts, the Evelyn and Walter Haas, Jr. Fund is working with the Coaching and Philanthropy Project ([www.coachingnonprofits.org](http://www.coachingnonprofits.org)) to share some of the project's learning about the use of coaching as a means of leadership support for nonprofits. Ryan's early review of the program's implementation of coaching identified key aspects of a good coaching engagement, as well as considerations for grantmakers and nonprofits as they consider coaching.

# 2

## IT'S ABOUT CONTRIBUTION, NOT ATTRIBUTION

Evaluation has often been viewed as a way to render definitive judgments about success and failure. The goal of this type of cause-and-effect evaluation is to demonstrate that the grantmaker's actions (and/or the actions of its grantees) produced a defined result — for example, when a grant to a mental health clinic leads to fewer clients requiring emergency care or an improvement in the quality of the program.

In many instances, however, grantmakers and their grantees aren't necessarily able to make these sorts of definitive judgments. One grantmaker, or one grant, rarely is the sole source of funding for an organization or initiative. Grantmaker A may be providing funds toward an end result of Y, but the grantee also is receiving funds from grantmakers B, C and D to achieve the same result. Add government grants and private contributions to the mix, and it becomes even harder to single out the impact of one funding source.

Furthermore, many grants are simply too small to allow grantmakers to attribute results that nonprofits are achieving directly to their investments. The median grant size among respondents to GEO's 2008 survey of more than 800 grantmakers was \$20,000. This is a welcome amount of funding for any nonprofit, but in an overall budget of \$500,000 or more it represents a small fraction of the organization's total funding.

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. They often are working in policy and advocacy realms where a range of political and other factors influence success or failure.

The complex problems that many grantmakers are working to solve involve complex systems (e.g., health care or education). An improvement in third-grade reading scores in a given school or district, for example, can be the result of any number of things, from a lower level of unemployment and poverty in the area to improvements in teaching to the advent of new after-school and library programs with a literacy bent.

The conundrum of how to measure changes in these types of systems (and the potential contribution of grantmaker and grantee actions to those changes) has spurred many grantmakers to explore new models of measuring “social value creation” and “social return on investment.”<sup>9</sup>

Many of these new evaluation models are based on the understanding that transforming complex systems with one grant or one set of grants is impossible. In these cases, evaluation becomes a way to learn more about the range of factors that affect progress on an issue, and to consider how a specific intervention may or may not contribute to positive change.

“There is not always a direct causal association between what you are funding and an end result,” said Astrid Hendricks of The California Endowment. “Evaluation has to be responsive to that. The goal is to produce information that helps people know whether they are making progress, and what they might want to do differently going forward.”

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<sup>9</sup> See for example, Tuan, Melinda, “Measuring and/or Estimating Social Value Creation: Insights Into Eight Integrated Cost Approaches,” Bill & Melinda Gates Foundation, 2008. Available at [www.gatesfoundation.org/learning/Pages/december-2008-measuring-estimating-social-value-creation-report-summary.aspx](http://www.gatesfoundation.org/learning/Pages/december-2008-measuring-estimating-social-value-creation-report-summary.aspx).

**GRANTMAKER:** **Maine Health Access Foundation,  
Augusta, Maine**

**THE BIG IDEA:** Testing a promising model for integrated behavioral health and primary health care delivery to draw lessons for government and other key stakeholders about making it work.

**MORE INFO:** [www.mehaf.org](http://www.mehaf.org)

« 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? »

Participants in a lengthy stakeholder engagement process sponsored by the Maine Health Access Foundation agreed that meeting the health needs of “the whole person” (i.e., mind and body) should be a priority for the state’s health care system. In response, the grantmaker 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.

Becky Hayes Boober, program officer at the foundation, said the goal of the cross-site evaluation was to produce information that can form the basis of a broader, ongoing effort to expand integrated care.

“We’re not looking to say that certain things happened as a direct result of our grantmaking program,” Boober explained. “Rather, we want to look at the broader question, ‘Did the system improve?’ And if it improved, then what contributed to that?”

To find answers to these questions, the self-assessment for grantees asks detailed questions

about the level of integrated care at the sites, as well as the degree to which organizational practices and systems are oriented toward the integrated care model. This information is coupled with client data from the sites to provide the grantmaker with a more complete picture of what’s happening — and what may or may not be influencing client outcomes.

The cross-site evaluation was slated to last up to two years. The foundation also initiated a five-year state-level evaluation to determine the extent of increased penetration of integrated care and systemic supports or barriers to integrated behavioral health and primary care. Boober said the grantmaker hopes to use the evaluation results to advocate for policy changes that would enhance the use of integrated care in the state.

**GRANTMAKER:**

**Women’s Funding Network,  
San Francisco, Calif.**

**THE BIG IDEA:**

Developing a new model for capturing social change results that looks at shifts in behavior, engagement and policy.

**MORE INFO:**

[www.womensfundingnetwork.org/the-network/member-services/about-making-the-case](http://www.womensfundingnetwork.org/the-network/member-services/about-making-the-case)

« The model’s emphasis on narrative information and quantitative measures helps ensure that funders and their grantees are able to capture the many ways in which a project is contributing (or not) to positive changes in a community or the larger society. »

**W**hen members of the Women’s Funding Network expressed frustration about their inability to capture the nuances of social change results, the network responded by developing an evaluation model of its own.

The model, called Making the Case, is based on extensive research and testing. It is the product of collaboration among more than 70 organizations, including women’s funds, their grantee partners, large foundations and evaluation organizations. After experimenting with more than 20 beta versions, the Women’s Funding Network produced the first public version of the model in 2004. A second version was launched in 2005.

The Making the Case framework is centered on five indicators of social change:

- ▷ **A shift in definition:** An issue is defined differently in the community or larger society.
- ▷ **A shift in behavior:** People are behaving differently in the community or larger society.
- ▷ **A shift in engagement:** People in the community or larger society are more engaged. Critical mass has been reached.
- ▷ **A shift in policy:** An institutional, organizational, or legislative policy or practice has changed.
- ▷ **Maintaining past gains:** Past gains have been maintained, generally in the face of opposition.

Cynthia Schmae, vice president for social enterprise at the Women’s Funding Network, said Making the Case offers a “new way to tell a fuller story” about the results of social change initiatives. The model’s emphasis on five shifts as indicators of social change helps ensure that grantmakers and their grantees are able to understand the ways in which a project

is contributing (or not) to positive changes in a community or the larger society. Additionally, the framework includes space to talk about “accelerators and inhibitors” to projects and expected and unexpected results.

“What we’re hearing back from people is that they feel empowered by this way of thinking. It helps them think in a comprehensive way about the shifts that are happening and about how their work is making a difference,” Schmae said.

Mama Cash, a women’s fund located in Amsterdam, provides an example of the value of providing a space for grantees to share outcomes with their funders. After reviewing an evaluation from a nonprofit they had funded to hold a domestic violence rally, Mama Cash staff called to do a follow-up interview. In talking to the nonprofit, they learned of many powerful social change results — outcomes of planning the rally — that had not been mentioned in the evaluation. For example, in applying for a permit to hold the rally, the grantee educated the police department about domestic violence in Amsterdam. The police department, in turn, launched a program to educate the police force about the issue and also hired more female police officers. Mama Cash went on to help fund the creation of Making the Case.

Making the Case is available as an online tool to members of the Women’s Funding Network. In 2008, the network launched a social enterprise venture to sell access to the tool to other organizations. To date, approximately 40 women’s funds around the world have implemented Making the Case as their evaluation framework, resulting in more than 400 grantee partners having completed or currently completing evaluations.

**GRANTMAKER:**

**William Penn Foundation, Philadelphia, Penn.**

**THE BIG IDEA:**

Assessing innovative programs based on evidence, replicability and scalability — with a focus on the capacity of implementing agencies to achieve program goals.

**MORE INFO:**

[www.william penn foundation.org](http://www.william penn foundation.org)

« The key to scalability is identifying a 'target of change' and assessing whether it has the commitment and capacity to sustain a successful initiative or strategy and take it to scale. »

The William Penn Foundation’s evaluation and research team seeks “to learn from our grantmaking and share our acquired knowledge with others.” Dedicated to supporting the development and testing of innovative models for achieving systems change, the foundation takes seriously its responsibility to understand what contributes to the success or failure of specific initiatives.

Under the grantmaker’s public education priority, support is provided for pilot programs and demonstration projects typically developed in collaboration with the School District of Philadelphia. An example is an initiative to develop “model classrooms” in 15 schools in the district. These are classrooms where students have access to large quantities of high-quality children’s books and where the teacher is supported with coaching in evidence-based instructional practices for early literacy development.

In an effort to understand the contribution of the Model Classrooms program to increasing literacy in the participating schools, the grantmaker commissioned an external evaluation aimed at demonstrating outcomes and showing whether those outcomes could be replicated in other settings. In addition, the William Penn Foundation uses a variety of internal tracking tools to monitor program implementation in order to continually assess the evidence of outcomes, as well as progress toward replicability and scalability.

The combination of external assessment and internal tracking is a hallmark of the grantmaker’s approach to

evaluation, according to Helen Davis Picher, director of evaluation and research at the foundation. She added that the grantmaker tends to focus evaluations of pilot programs and demonstration projects on key factors that contribute to allowing a project to be scaled up and/or replicated successfully in a variety of settings.

The grantmaker’s approach is to identify a “target of change” (i.e., the individual or entity in a position to facilitate a change in the system — in this example, the school district) and to assess whether it has the commitment and capacity to sustain and scale up an initiative or strategy that has proven effective in a number of different settings. Among the measures the grantmaker has used to assess a target of change are its financial investment in the pilot program or demonstration project; the program’s fit with the target’s strategic plan; and the extent to which the program is “on the radar” of the target’s leaders, as evidenced by their expressions of public support for it.



# 3

## IT'S ABOUT LEARNING WITH OTHERS, NOT ALONE

According to polling conducted by Harris Interactive for the Philanthropy Awareness Initiative, influential community leaders show a limited understanding of the work of grantmakers. Eighty-five percent of community leaders could not give an example of a foundation benefiting their community, and 89 percent could not give an example of a foundation's impact on an issue they care about.<sup>10</sup> The survey results affirm that too many grantmakers do their work in isolation from the communities they serve.

Operating in this way isn't just bad for grantmaker reputations; it also hurts results. Grantmakers may not have access to ground-level information that could lead to improvements in their work. In addition, a lack of community connections can limit buy-in for a grantmaker's philanthropic investments and evaluation efforts.

Evaluating and learning in partnership with grantees and a program's constituents is an emerging practice not yet widely embraced, judging from GEO's 2008 survey of the field.<sup>11</sup> For example, grantmakers overwhelmingly stated that their evaluation results were intended primarily for internal audiences: 88 percent said evaluation is primarily for grantmaker staff, and 78 percent said it is primarily for boards.

Further, few respondents (31 percent) said they viewed grantee organizations as a primary intended beneficiary of their evaluation results, and fewer still (only 10 percent) cited "other grantmakers" as a primary intended audience. All these proportions were virtually unchanged from 2003.

While many grantmakers continue to keep their evaluation activities to themselves, some recognize the benefits of working — and learning — with others.

In "The Power of Learning: Funders and Grantees Getting Smarter Together," Jack Chin of Blueprint Research & Design, Inc. observes that "a number of foundations have mounted efforts recently to engage grantees in ongoing discussions with structured learning agendas, where funders and grantees work together to compile, analyze, synthesize and integrate information for mutual benefit."<sup>12</sup>

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 stakeholders.

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<sup>10</sup> Philanthropy Awareness Initiative, "Philanthropy's Awareness Deficit: Results from Survey of Engaged Americans," 2008. Available at [www.philanthropyawareness.org](http://www.philanthropyawareness.org).

<sup>11</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>12</sup> Chin, Jack, "The Power of Learning: Funders and Grantees Getting Smarter Together," Blueprint Research & Design, Inc., February 2006. Available at [www.blueprintrd.com/text/power.pdf](http://www.blueprintrd.com/text/power.pdf).

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.

A number of grantmakers have been involved in efforts to build the evaluation capacity of their grantees. Among the best-known examples is the Rochester Effectiveness Partnership, a collaboration of the Bruner Foundation and other grantmakers, together with nonprofit service providers and evaluation professionals. The initiative was designed to build the partners' use of evaluation as a pathway to improved organizational results.<sup>13</sup>

Another example is the Howard Hughes Medical Institute's Peer Evaluation Cluster program, a peer-facilitated evaluation learning program. Peter York and Chantell Johnson of the TCC Group, who were involved in the design of the Peer Evaluation Cluster model, have advanced a "community of learners" approach to building nonprofits' capacity for evaluation.<sup>14</sup> The approach is founded on the direct involvement of nonprofit staff in the design and/or implementation of an evaluation process. Other approaches include direct support to grantees to bolster their evaluation efforts.

Learning with others holds the promise of reducing the costs of evaluation and learning for individual grantmakers, while allowing grantmakers and nonprofits to develop more efficient systems for gathering data about the social impact of their work.

A 2009 report by FSG Social Impact Advisors described the potential for "shared measurement systems" to create "a new degree of coordination and learning that can magnify the impact of funders and grantees alike."<sup>15</sup> Among the shared systems profiled in the FSG report is Success Measures, a Web-based tool that enables community development practitioners to define and measure the success of local housing, economic development and community-building programs.

The F.B. Heron Foundation in New York has made funds available to NeighborWorks America so that Heron Foundation grantees can take advantage of this participatory evaluation tool — Success Measures. And, in 2007, the Wachovia Regional Foundation piloted an optional technical assistance program for some of its grantees, providing them with the Success Measures Residence Satisfaction Survey, along with coaching in sound survey methods.

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<sup>13</sup> For more information, see the Bruner Foundation's Web site at [www.brunerfoundation.org](http://www.brunerfoundation.org).

<sup>14</sup> See Johnson, Chantell, "Creating a Community of Learners: Successful Evaluative Learning for Nonprofits and Funders," TCC Group. Available at [www.tccgrp.com](http://www.tccgrp.com).

<sup>15</sup> Kramer, Mark, Marcie Parkhurst & Lalitha Vaidyanathan, "Breakthroughs in Shared Measurement and Social Impact," FSG Social Impact Advisors, July 2009.

**GRANTMAKER:**

**The Health Foundation of  
Central Massachusetts, Worcester, Mass.**

**THE BIG IDEA:**

Providing grantees with a set of “accountability questions” to guide planning, evaluation and reporting.

**MORE INFO:**

[www.hfcm.org](http://www.hfcm.org)

« The use of ‘empowerment evaluation’ in grantmaking is based on a philosophy of partnership between the foundation, the applicant/grantee and the evaluator in the shared aim of achieving results. »

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 accountability questions address subjects such as the following:

- ▷ What are the underlying needs and conditions that must be addressed?
- ▷ What organizational capacities are needed to implement the plan?
- ▷ How will continuous quality improvement strategies be included?
- ▷ If the program is successful, how will it be sustained?

The grantmaker carries out its evaluation work under the umbrella of a self-designed system called Results-Oriented Grantmaking and Grant-Implementation. The ROGG system consists of a series of forms that incorporate the 10 accountability questions in varying degrees of specificity.

Foundation staff members provide applicants and grantees with the appropriate forms to guide them step-by-step through the process of project or program planning, implementation and evaluating and documenting results.

The foundation’s president, Janice B. Yost, said, “The use of ‘empowerment evaluation’ in grantmaking is based on a philosophy of partnership between the foundation, the applicant/grantee and the evaluator in the shared aim of achieving results.” By making evaluation an ongoing process, the foundation encourages “periodic cycles of reflection and ‘real-time’ changes.” Methodically planning for, monitoring and capturing results ensures a wise philanthropic investment, as it produces effective programming that enables the replication and often the sustainability of the programming through systemic changes.

For organizations receiving smaller grants from the foundation (approximately \$50,000 over one year), the forms provide the primary mechanism to guide planning and reporting. In the case of larger grants (approximately \$2 million over three to five years), grantees work closely with foundation staff and an evaluator to monitor progress and learning.

**GRANTMAKER:** **The California Endowment,  
Los Angeles, Calif.**

**THE BIG IDEA:** Developing a framework to help grantees assess policy and advocacy activities while providing capacity-building support for evaluation.

**MORE INFO:** [www.calendow.org](http://www.calendow.org)

« The idea is to help people think about their ultimate policy goal and how they will get there and what kinds of capacity they need. »»

In the spring of 2006, The California Endowment convened advocates, grantmakers and evaluators to engage in a dialogue based on the findings of a report commissioned by the grantmaker on how to evaluate policy and advocacy initiatives. The report, “The Challenge of Assessing Policy and Advocacy Activities: Strategies for a Prospective Evaluation Approach,” by Blueprint Research & Design Inc., was based on a review of the literature and interviews with 25 advocacy-oriented grantees, as well as foundation staff and board members.

While recognizing that the field is just beginning to grapple with how to evaluate policy and advocacy efforts, the report identified key principles to guide this work, as well as a framework for monitoring progress. The framework, which closely resembles a common evaluation strategy approach, consists of four steps: (1) develop a conceptual model for the policy process, (2) develop a theory of change, (3) define benchmarks and indicators, and (4) collect data on benchmarks.

According to Gigi Barsoum and Astrid Hendricks of The California Endowment, the framework emphasizes organizational learning and building the evaluation capacity of grantees so they “create continual assessment throughout their policy and advocacy work.”

“The idea is to help people think about their ultimate policy goal and how they will get there and what kinds of capacity they need,” Barsoum said. The framework puts the power of evaluation in the

hands of people on the ground. “It is the advocates themselves who are identifying benchmarks that will let them know if they are making progress.”

In 2008, the foundation tested the framework by commissioning Blueprint to create a learning community of three to four grantees funded to do policy and advocacy work in the Bay Area. In addition to a peer-learning component, the project included technical assistance to the grantees to help them “build thoughtful, meaningful and practical assessment into their ongoing policy and advocacy work,” Hendricks said. A final report on the peer learning effort is due in early 2010.

**GRANTMAKER:**

**Lucile Packard Foundation for Children's Health, Palo Alto, Calif.**

**THE BIG IDEA:**

Building the capacity of a group of grantees to do quality evaluation through peer learning and other support.

**MORE INFO:**

[www.lpfch.org/grantmaking/resources](http://www.lpfch.org/grantmaking/resources)

« The foundation's interest in supporting collaborative learning for grantees was based on research showing that it can be more effective than traditional training as a way to enhance critical thinking and problem-solving skills. »

**I**n March 2002, the Lucile Packard Foundation for Children's Health commissioned a third-party evaluation of its grantmaking efforts in the area of youth development. The evaluation sought to document the experiences of 40 grantees that received one- to three-year grants ranging from \$20,000 to \$313,000 in 2001. All the grants were awarded to community- and school-based programs that committed themselves to promoting the behavioral and emotional health of preteens.

The evaluation revealed that the foundation's ability to measure its success depended, in part, on grantees' collecting quality data. And collecting quality data was a real challenge. The foundation also learned that grantees wanted more assistance with evaluation.

As a result of these findings, the foundation embarked on a three-year effort to help build the capacity of a group of grantees to do quality evaluation. It commissioned the Children's Health Council, an independent nonprofit, to work with four grantees on the Collaborative Evaluation Training Initiative. This initiative included evaluation training at different levels of the organization and targeted evaluation support for selected programs funded by the grantmaker.

JoAnna Caywood, a director at the foundation, said they sought to build collaborative relationships among the grantees. "The foundation's interest in supporting collaborative learning for grantees," she added, "was based on research showing that it can be more effective than traditional training as a way to enhance critical thinking and problem-solving skills."

A final report on the project affirmed that participants reported increased knowledge and higher confidence in their capacity to conduct evaluation, as well as a higher level of agreement that evaluation yields useful information and adds value to organizations.

The report also identified a number of important lessons that could inform similar initiatives in the future, including that building evaluation capacity cannot happen overnight. According to the report, grantmakers should consider supporting the development of knowledge management systems and other means of sustaining nonprofits' learning gains.

**GRANTMAKER:** Medina Foundation, Seattle, Wash.

**THE BIG IDEA:** Supporting grantees' self-identified priorities for strengthening their evaluation capacity.

**MORE INFO:** [www.medinafoundation.org](http://www.medinafoundation.org)

« The effort demonstrated that a discrete, relatively small investment in evaluation provides big payoffs. For example, the purchase of new database technology can have an important effect on learning and the capacity of an organization to track outcomes. »

To commemorate its 60th anniversary in 2007, the Medina Foundation provided special evaluation grants to nonprofit organizations across the greater Puget Sound area. Jennifer Teunon, program officer at the foundation, explained that grantees regularly identified evaluation as a hard-to-fund priority for their organizations.

"We kept hearing a lot of concern and a lot of questions from grantees about how to measure outcomes and how to know that you're making a difference," Teunon said.

Teunon added that small nonprofits in particular expressed frustration that they could never find the resources to increase their capacity for evaluation. Other grantees complained that the few grants available for this work tended to be highly restrictive.

By contrast, flexibility was a hallmark of the Medina Foundation evaluation grants, Teunon said. In applications for the funds, organizations outlined plans to strengthen their evaluation capacity by focusing on self-selected priorities that included logic models, evaluation design, data collection methods or tools, data analysis procedures, processes for communicating data, and/or processes for using data to strengthen programs.

The grantmaker offered informational sessions for its existing grantees to let them know about the program, and 86 organizations applied for funding. The foundation selected 12 organizations for awards ranging from \$15,000 to \$25,000. All grantees were

expected to participate in two "learning circle" sessions during the year where they shared their ideas and experiences regarding evaluation.

A summary report prepared for the foundation in August 2008 by Organizational Research Services identified key learnings from the program.<sup>16</sup> The study found that a relatively small investment in evaluation provides big payoffs. For example, the purchase of new database technology can have an important effect on learning and the capacity of an organization to track outcomes, while freshening up an obsolete logic model or theory of change can provide an essential first step toward better evaluation.

The report concluded that "the Medina Foundation's 60th Anniversary Evaluation Grants demonstrated that when agencies have sufficient resources and the autonomy to shape their own evaluation work, evaluation increases organizations' capacity and enthusiasm to learn and improve services, and ultimately supports improved outcomes for individuals, families and communities."

<sup>16</sup> Organizational Research Services, "Summary Report of the Medina Foundation Evaluation Grants," August 2008. Available at [www.organizationalresearch.com/publications/medina\\_foundation\\_summary\\_report\\_of\\_evaluation\\_grants\\_aug\\_2008.pdf](http://www.organizationalresearch.com/publications/medina_foundation_summary_report_of_evaluation_grants_aug_2008.pdf).

**GRANTMAKER:** **The Global Fund for Children, Washington, D.C.**

**THE BIG IDEA:** Analyzing data from grantee self-assessments to evaluate grantmakers' success in building grantee capacity and identify areas for development or growth.

**MORE INFO:** [www.globalfundforchildren.org](http://www.globalfundforchildren.org)

« GFC is interested in overall progress in organizational capacity and what a grantee learns from progress or lack of progress in individual areas of organizational capacity. »»

**B**uilding organizational capacity so that grantee partners can better serve vulnerable children and youth is central to the work of The Global Fund for Children. To evaluate its progress as a capacity builder, GFC collects and analyzes data from grantee self-assessments, as well as from program officer site visits.

Central to the grantmaker's assessment activities is GFC's Organizational Capacity Index self-assessment tool. The OCI is incorporated into GFC's grant proposal and reporting forms. Grantees use the self-assessment not only to assess their capacity in eight key functional areas, but also to learn where they might focus work in their next grant period.

GFC designed the assessment based on common capacity indicators found in similar assessment tools, slightly adapting the indicators to make them more relevant to the community-based organizations that partner with the grantmaker. The assessment includes indicators of increased organizational capacity in planning, fund raising, governance, human resources, financial management, learning and evaluation, external relations and information technology.

After the first baseline assessment is completed in dialogue between the GFC program officer and the grantee, the grantee may choose to complete the assessment with the input of various stakeholders such as the executive director, board members, staff

and clients in the community. The assessment can be completed by a group of people in as little as 30 minutes, or discussions can last as long as they are needed or useful. GFC asks the grantee to update or complete the assessment once a year when renewing grants.

The grantmaker sums up its evaluation goals and interests in a note that accompanies the self-assessments. "GFC is interested in overall progress in organizational capacity and what a grantee learns from progress or lack of progress in individual areas of organizational capacity," the grantmaker states.

# 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 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?

A 2005 study by the California HealthCare Foundation defined foundation-wide evaluation as “the process through which foundations examine the overall value of their philanthropic activities.” The study found that few organizations appear to be conducting foundation-wide evaluations but that “more are beginning to consider its benefits.”<sup>17</sup>

Why evaluate at the foundation level? The California HealthCare Foundation report offers a few reasons. First, individual grants or program areas rarely accomplish the mission and goals of the foundation as a whole. Second, foundations engage in a range of activities outside traditional grantmaking — from providing technical assistance to producing publications and other communications to leveraging additional funding for various causes — that add to their impact but that can't necessarily be captured by program-level evaluations.

While foundation-level evaluation poses a number of challenges for grantmakers, 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.

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<sup>17</sup> Putnam, Kristen, “Measuring Foundation Performance: Examples from the Field,” California HealthCare Foundation, 2005. Available at [www.chcf.org/aboutchcf/view.cfm?itemID=133976](http://www.chcf.org/aboutchcf/view.cfm?itemID=133976).



**GRANTMAKER:**

**Endowment for Health, Concord, N.H.**

**THE BIG IDEA:**

Assessing the grantmaker’s impact as an organization in advancing leadership, enhancing knowledge and achieving other desired outcomes.

**MORE INFO:**

[www.endowmentforhealth.org](http://www.endowmentforhealth.org)

« In addition to trying to connect the content of the grantmaker’s work to specific outcomes in the health field, the Endowment for Health looks at the impact of all its work in four key areas critical to the capacity of its nonprofit and community partners. »

Like many foundations, the Endowment for Health has struggled to evaluate the impact of its work. According to Mary Vallier-Kaplan, chief operating officer and vice president of the Endowment for Health, the grantmaker has found it challenging to “aggregate up” the results of individual grants or to “aggregate across” initiatives as they try to understand the impact of the foundation itself as a whole.

Part of the problem is the “apples and oranges” nature of the foundation’s grants — the funded activities and outcomes are so varied that it is hard to assess them collectively. Another problem is that much of the grantmaker’s work addresses “systems change” in the health care arena, where long-term outcomes are hard to attribute to specific interventions and involve the work of many organizations, not just the foundation.

As a result of these challenges, the Endowment for Health is experimenting with a new approach to foundation-level evaluation. In addition to trying to connect the grantmaker’s work to specific outcomes in the health care arena, the Endowment for Health looks at its impact in four areas related to the capacity of its nonprofit and community partners to succeed. The 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. The foundation can have a unique impact in helping to ensure that the system is doing its work effectively and intelligently — with strong and capable leaders guiding the way, and with all the appropriate players working together and having access to high-quality information about successful approaches.

These outcomes have quantitative measures (e.g., numbers of health leaders enrolled in a statewide leadership program). However, the grantmaker relies more heavily on qualitative assessments. Vallier-Kaplan cited examples of what these assessments track, including changes in the structure, membership and effectiveness of foundation-funded coalitions; the extent to which the grantmaker and its grantees are sharing what they’re learning and how that learning is being used by others; and the extent to which new leaders have emerged and existing leaders have taken on greater roles in supporting changes to the health care system.

“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,” Vallier-Kaplan said.

**GRANTMAKER:** **Stupski Foundation, San Francisco, Calif.**

**THE BIG IDEA:** Using a retrospective evaluation of 10 years of grantmaking as the platform for the launch of a new grantmaking strategy.

**MORE INFO:** [www.stupski.org](http://www.stupski.org)

« Through evaluation of almost a decade of programming, we radically shifted our strategy and totally re-created our organization. »»

The Stupski Foundation recently completed an assessment of its past programs that involved reams of research and reflection and consultation with more than 100 leaders from education and other sectors. The grantmaker's goal was to understand how, after 10 years of grantmaking, the foundation could do a better job helping state and district education leaders deliver a "personalized, globally relevant" education for all students.

Among the most important lessons from the assessment was the need for "a fundamental reinvention" of state, district and school systems to deliver next-generation learning.

Accordingly, the Stupski Foundation has changed its strategy and approach. In partnership, the foundation now seeks to develop "proof-points" that demonstrate how new state and district system designs can help ensure that effective personalized learning practices actually achieve scale, rather than remain "beautiful exceptions" at the margins of the larger system.

Noting a dearth of innovative practices in education to support this work, the foundation will focus on developing robust cross-sector research, design, development and dissemination processes akin to those more common in sectors such as health, technology and engineering.

These processes will be used to

- ▷ develop a knowledge platform around system redesign to scale breakthrough learning,
- ▷ build practical change management tools/services for state and district leaders who are redesigning their systems, and
- ▷ create demand for these new systems through local organizing, policy influence and market incentives.

"Through evaluation of almost a decade of programming, we radically shifted our strategy and totally re-created our organization," explained Chief Strategy Officer Nelson González.

To evaluate the success of its nascent efforts, the Stupski Foundation is developing a dashboard measurement system that connects the effectiveness of the foundation and its partners to changes in district and state leader behavior, shifts in public policy and, ultimately, impact on student achievement.

**GRANTMAKER:**

**The California Wellness Foundation,  
Woodland Hills, Calif.**

**THE BIG IDEA:**

Using external evaluations and confidential grantee surveys to assess the grantmaker's overall performance.

**MORE INFO:**

[www.tcwf.org](http://www.tcwf.org)

« We focus on things like the respect and openness grantees feel in their relationship with [foundation] staff. As a customer-oriented foundation, we want to know how we're doing in those areas, and where we can improve. »»

The California Wellness Foundation regularly goes beyond the individual grant in its evaluation activities in an effort to better understand its overall impact as a grantmaker committed to improving the health of Californians.

In its most recent foundation-level evaluation effort, the grantmaker contracted Harder+Company to conduct a comprehensive evaluation of 375 grants completed between 2001 and 2006 as part of the foundation's Responsive Grantmaking Program, which emphasizes multiyear, general operating support for nonprofits. The evaluation, which was based on confidential surveys and case studies of selected grantees, affirmed the importance of flexible "core" support for nonprofits, while also documenting the "ripple effects" of TCWF's grantmaking among health care nonprofits in the state.

In other crosscutting evaluation activities, the grantmaker commissioned the National Health Foundation to conduct a confidential survey of TCWF grantees and nonprofits that were declined funding by the grantmaker during 2005. It was the fourth Grants Program Survey conducted by the foundation since 1997.

According to TCWF President Gary Yates, the confidential surveys consistently deliver helpful information that the foundation can use to improve its work. "We focus on things like the respect and openness grantees feel in their relationship with staff. As a customer-oriented foundation, we want to know how we're doing in those areas, and where we can improve," Yates said.

Last but not least, TCWF holds a conference for grantees each year that is focused on evaluation and organizational learning. Past workshop topics have included evaluating policy advocacy efforts, using logic models and incorporating evaluation findings into strategic planning. All the foundation's grantees are invited to attend the conference.

TCWF's commitment to evaluation as a tool for continuous improvement is evident in its publication *Reflections*, a series of reports on lessons learned in the course of its work. In the series, TCWF staff members, foundation grantees and contractors share information gleaned from the grantmaker's programs and strategies and its ongoing evaluation activities.

**GRANTMAKER:** **David and Lucile Packard Foundation, Los Altos, Calif.**

**THE BIG IDEA:** Better integrating evaluation and learning into grantmaking practices.

**MORE INFO:** [www.packard.org](http://www.packard.org)

« The foundation's evaluation services team works with colleagues in various subprogram areas to help with evaluation planning, execution and learning. 'In some cases we act as a critical friend; in others we serve as a coach.' »

The David and Lucile Packard Foundation has made evaluation a core element of its day-to-day work. According to Evaluation Director Gale Berkowitz, the grantmaker's approach to evaluation is guided by three main principles:

1. Success depends on a willingness to solicit feedback and take corrective action when necessary.
2. Improvement should be continuous, and grantmakers should learn from their mistakes.
3. Evaluation should be conducted in partnership with those who are doing the work in order to maximize learning and minimize the burden on grantees.

Guided by these principles, the foundation has made several shifts in how it integrates evaluation into its grantmaking practices. One of the most significant shifts is addressing evaluation up front when the foundation is formulating strategy, and shifting to a "real-time" focus for evaluation. As Berkowitz explains, this means shifting from evaluation for proof ("Did the program work?") to evaluation for program improvement ("What did we learn that can help us make the program better?").

The Packard Foundation has an evaluation services team of two staff members who work with their colleagues in the grantmaker's program areas to help them with evaluation planning, execution and learning. "In some cases we act as a critical friend; in others we serve as a coach," Berkowitz said. "With others we actively work with them to set the evaluation agenda, identify evaluators and support them."

The evaluation team also looks across program areas at foundation-wide performance, publishing an annual *Glance at the Foundation* report and subprogram dashboards. Finally, the team works to spread good monitoring, evaluation and learning practices throughout the organization.

To do this, the grantmaker uses the Packard Evaluation Support Team. The PEST includes evaluation services staff and representatives from each program area who have experience in or responsibility for evaluation. PEST members meet monthly to discuss evaluation issues that are common across all the foundation's program areas, from logic models and dashboards to the ins and outs of selecting a good evaluator.

# 5

## IT'S ABOUT EMBRACING FAILURE

Like anyone else, grantmakers do not like to fail. But the failure of a grantmaking strategy or initiative can produce learning that will lead to better results in the future. In this sense, the only real failures are failures to learn from situations that didn't go as hoped.

Grant Oliphant, president and CEO of the Pittsburgh Foundation, believes the field of philanthropy needs a “philosophy of failure.” He said the field's emphasis on accountability, metrics and performance (for grantmakers and grantees alike) can be a double-edged sword. Yes, it promotes improvement and better grantmaking, but it also can “drive distortion” as people set out to avoid or cover up mistakes.

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.

Grantmakers must embrace risk. When an initiative fails, evaluation can identify what happened, why the project fell short of expectations and how the grantmaker and its partners can achieve better results in the future.

“Philanthropists can fail stupidly by not grounding their grantmaking in sound premises and by being careless in the design and implementation of strategies. Or they can fail wisely — the inevitable flip side of succeeding brilliantly,” argue Paul Brest and Hal Harvey in *Money Well Spent: A Strategic Plan for Smart Philanthropy*.<sup>18</sup> The authors continue: “Acknowledging and learning from one's failures is one of the core tenets of strategic philanthropy.”

Experts on organizational learning regularly point to the U.S. Army's After Action Review process as a model for how to use evaluation and learning to achieve better results, particularly when something goes awry. This process convenes stakeholders for an in-depth look at what worked in the course of an initiative, what didn't work and why.

Signet Research & Consulting has developed a framework for organizational learning that adapts the army's methods for other organizations. The Signet approach is founded on an exploration of intended versus actual results and engages participants in a discussion of what to sustain, what to improve and what to abandon.<sup>19</sup>

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<sup>18</sup> Brest, Paul & Hal Harvey, *Money Well Spent: A Strategic Plan for Smart Philanthropy*, Bloomberg Press, New York, 2008.

<sup>19</sup> For more information see Signet Research & Consulting's Web site at [www.signetconsulting.com/methods\\_stories/proven\\_methods/after\\_action\\_reviews.php](http://www.signetconsulting.com/methods_stories/proven_methods/after_action_reviews.php).

**GRANTMAKER:**

**William and Flora Hewlett Foundation,  
Menlo Park, Calif.**

**THE BIG IDEA:**

Taking a critical, and public, look at an initiative that did not meet expectations so that the grantmaker can draw lessons for the future.

**MORE INFO:**

[www.hewlett.org/what-we-re-learning/evaluating-our-work/hard-lessons-about-philanthropy-community-change](http://www.hewlett.org/what-we-re-learning/evaluating-our-work/hard-lessons-about-philanthropy-community-change)

« Given the challenging social problems that foundations and our grantees try to solve, we should expect that we will often fail to achieve our shared aspirations. When this happens, we should seize the opportunity to understand the causes. »

Starting in 1996, the William and Flora Hewlett Foundation invested more than \$20 million in the Neighborhood Improvement Initiative, a project that sought to improve the standard of living in three Bay Area communities. When the project ended in 2006, Hewlett officials felt that although it was not a complete failure, the initiative had fallen short of the grantmaker's expectations.

"While the initiative did improve life in the three neighborhoods, its impact did not reflect the large investments of financial and human resources," the grantmaker states on its Web site.

What went wrong? How could the Hewlett Foundation and its colleagues in the community and philanthropy learn from the experience of the Neighborhood Improvement Initiative? The Hewlett Foundation sought to answer these questions in the report *Hard Lessons About Philanthropy and Community Change From the Neighborhood Improvement Initiative*.

The report, by researchers Prudence Brown and Leila Fiester, took a critical look at the assumptions and methodologies that were the basis of the initiative. 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 a continuous review throughout the course of the project.

In a letter accompanying the release of the report, Hewlett Foundation President Paul Brest wrote, "Given the challenging social problems that foundations and our grantees try to solve, we should expect that we will often fail to achieve our shared aspirations. When this happens, we should seize the opportunity to understand the causes in order to improve our own performance and benefit others working in the field."

The public release of the Hewlett Foundation report was noted inside and outside philanthropy as an important step in improving accountability and transparency among grantmakers. To the extent that grantmakers let others in on their mistakes and the lessons learned from them, others will be less likely to repeat those mistakes.

**GRANTMAKER:**

**The James Irvine Foundation,  
San Francisco, Calif.**

**THE BIG IDEA:**

Using evaluation to fine-tune and strengthen a program that was failing to realize its goals.

**MORE INFO:**

[www.irvine.org/evaluation/  
program-evaluations/coralinitiative](http://www.irvine.org/evaluation/program-evaluations/coralinitiative)

« [The] report revealed a range of problems that were keeping the CORAL initiative from achieving its goals. These included lack of a well-vetted theory of change, treating assumptions as well-evidenced facts, and lack of required skill sets among employees and implementing partners. »

The Communities Organizing Resources to Advance Learning initiative of The James Irvine Foundation began in 1999. CORAL aimed to strengthen after-school programs as a means of improving academic achievement in the lowest-performing schools in five California cities: Fresno, Long Beach, Pasadena, Sacramento and San Jose. But, by the time of a “midcourse assessment” of the eight-year initiative in 2003, it was clear that there were problems.

The project reached a crisis point when research conflicting with the initial assumptions of the planners emerged, even as the program was failing to realize important goals. The program’s shortcomings included low enrollment in the after-school programs and insufficient direct educational content in the programs. In addition, CORAL’s cost per youth was well beyond the \$1,000 to \$2,000 range that public and private funders nationwide would typically provide for after-school programs.

To try to capture what had gone wrong, the grantmaker commissioned an independent evaluation of the initiative by Gary Walker, former president of Public/Private Ventures. Irvine Foundation President and CEO James E. Canales explained the nature of Walker’s investigation in a foreword to the evaluation report: “He had access to numerous internal documents, he interviewed key board and staff, and this published product reflects his findings and observations, not ours, which is as we wanted it.”

Walker’s report revealed a range of problems that were keeping the CORAL initiative from achieving its goals. These included lack of a well-vetted theory of change, treating assumptions as well-evidenced facts, and lack of required skill sets among employees and implementing partners.

The Irvine Foundation fine-tuned its strategy in the initiative’s second phase. CORAL began to focus on providing rigorous, regular literacy activities for students at the after-school sites.

A 2008 Public/Private Ventures evaluation reported that children’s reading success was strongly related to the quality of literacy programming offered through CORAL. According to the evaluation, participants showed greater gains in grade-level reading and performed better on standardized tests when they were exposed to more consistent and higher-quality literacy activities.

**GRANTMAKER:**

**California HealthCare Foundation,  
Oakland, Calif.**

**THE BIG IDEA:**

Commissioning a high-profile assessment of lessons learned from a health information technology effort that fell short of expectations.

**MORE INFO:**

[www.chcf.org/topics/chronicdisease/index.cfm?itemID=133411](http://www.chcf.org/topics/chronicdisease/index.cfm?itemID=133411)

« Whether it succeeded or failed is not interesting. What matters is that the project happened, that it ended, and that we learned. »

In 1998, the California HealthCare Foundation launched an ambitious initiative to connect all health care institutions in Santa Barbara County through a secure online system that would allow the sharing of medical and administrative data. After eight years and a \$20 million investment (half from the grantmaker), the Santa Barbara County Care Data Exchange was shut down, its demise in part the result of a lack of interest in the system among hospitals and key stakeholders.

Even before the project folded, CHCF launched an effort to determine what went wrong and why. “We knew that improving information technology is critical to improving health care delivery, so we wanted a better understanding of why this effort fell short so those lessons could be applied to the work of others,” said Jill Yegian, CHCF’s director of research and evaluation.

The grantmaker commissioned an independent evaluation by researchers at the University of California, San Francisco. Their assessment, based on more than 40 interviews with representatives of participating organizations, was published in the prestigious journal *Health Affairs*. As part of the evaluation, *Health Affairs* also produced a series of Web-exclusive articles commenting on the Santa Barbara County Care Data Exchange by CHCF staff and some of the nation’s leading experts on health information technology. The foundation supported the publication of the package.

“Our strategy was to distill lessons for the field. We wanted to be open about the problems we encountered,” Yegian said.

According to the *Health Affairs* article by the UCSF researchers, lack of a compelling “value proposition” for potential investors was the main cause of the project’s demise. The authors asserted that without a combination of grants, incentives and mandates, other efforts to develop health information exchanges (whether at the regional or national level) could face the same problems.

In a separate article in the series, David Brailer, who led the Santa Barbara initiative before becoming the first national coordinator for health information technology at the U.S. Department of Health and Human Services, called it a “learning zone for the nation as a whole.”

“We would not want to be three years into the federal health IT initiative without Santa Barbara’s having been tried,” he wrote. “I hope that we take the time to fully appreciate its true lessons. Whether it succeeded or failed is not interesting. What matters is that the project happened, that it ended, and that we learned.”



# CONCLUSION

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Because many of the social problems nonprofits work to resolve have proved difficult, if not impossible, to crack, a priority for grantmakers and their grantees is to reflect and learn so that they can become more effective in achieving their goals.

This is the promise of evaluation — it provides grantmakers and grantees with the information and the perspective they need to better understand both how they're doing in their work and how to get better results.

## What you can do

All grantmakers, even those that have embraced learning as an organization-wide priority, can take steps to strengthen their evaluation practices. 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 the perspectives outlined in these pages. Are you using evaluation for improvement, or just proof? Are you looking to evaluation to show contribution, not attribution? Are you learning with others, not alone? Are you looking beyond the individual grant? And, last but not least, are you learning from failure?
- ▷ **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. Ask what they need (e.g., more resources, training, technical assistance) to strengthen their capacity to evaluate their work in ways that can contribute to learning and improved performance.
- ▷ **Convene other grantmakers** to share perspectives and ideas (and challenges, too). Develop a shared sense of how you can work together to advance the practice of evaluation within and among your organizations, and to help grantees realize its power as a tool for learning and improvement.

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.







**GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS**

1725 DeSales Street NW, Suite 404 / Washington, DC 20036

tel: 202.898.1840 fax: 202.898.0318 web: [www.geofunders.org](http://www.geofunders.org)



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