Data-Driven Funders:
In Search of Insights
# Table of Contents

**Introduction**
- Why Should Foundations Care About Data? ........................................... 4
- Turning Data Into Insight ..................................................................... 5

**Spotlight on Funders** ........................................................................ 6

**Barriers to Unlocking Insights** .............................................................. 9

**Solutions and Lessons** ........................................................................ 12
- Applying the Fundamentals ................................................................. 12
- Bridging the Gaps .............................................................................. 14
- Leading with Results ......................................................................... 17

**Conclusions** ..................................................................................... 20
- Supporting the Sector ........................................................................ 20
- Data Standards .................................................................................. 21
- Sharing for Impact ............................................................................ 21
- Resources .......................................................................................... 22

**About Us** ............................................................................................ 23
This white paper is the start of a conversation. We know funders are constantly striving to make sure their funding is driving maximum impact. We hear every day that they are interested in learning from their colleagues and understanding how others are managing data effectively to achieve greater grantee outcomes. Not only that, but we believe this movement toward information-savvy funding can amplify the results of the entire sector.

We spoke to a variety of leading funders who generously shared their perspectives with us about what’s working and what isn’t. We’ll first address some common barriers to moving from compliance-based data into performance management and beyond. Then, we’ll share their inspiring solutions.

First, a few words from our leadership on the transformative philanthropy data movement that is currently happening.
In our work with foundations over the past decade, we’ve seen a shift in attitudes toward data, information, and their impact on social change. In the past, transactional tracking and a focus on point-in-time evaluation ruled the sector. Foundations simply captured the details of grants, the efficiency and effectiveness of their grants management process, and compliance to grant deadlines. Although this data was crucial to foundations’ day-to-day operations, it didn’t inspire an environment of outcomes management and continuous improvement.

As foundations have started connecting data to their missions and the impact of their funding, it has taken on a new role in grantmakers’ strategies. In addition to collecting a sea of individual data points, foundations have begun to provide staff with information. Information guides decision-makers in their organizations, including grants managers, evaluation directors, and leadership, in making decisions that make sense for the sector and drive mission-aligned impact. In today’s philanthropy, foundations seek to understand the extent of the change they are making through their funding and how they can improve each step of the way.

At the same time, the social sector is increasingly coming to agreement that change can’t be made in individual silos. Foundations, nonprofits, government agencies, and businesses are working collaboratively to address the biggest societal challenges of poverty, inequality, and more. Information is vital in these initiatives to bring these diverse constituents together and put forward the most effective approaches.

These changes in the social sector portend a new era of sophistication for foundations. As philanthropic organizations have moved from tracking data to managing organizational outcomes, the sheer amount of data has grown and tools they use have multiplied. Foundations are now considering how they collect data across their network, grantees, and the sector, and simultaneously, how they build the systems to turn that data into actionable information and
knowledge. For the most advanced organizations, this can mean systems that serve whole organizations and provide grants management, knowledge management, business intelligence, and more. Universally though, all foundations are in some way evolving to use information to make decisions to achieve greater impact. Of course, this new future is unevenly distributed, and organizations have made strides in different areas. We hope this white paper will provide a diverse set of voices that help you understand the lessons and gather best practices no matter where you are on the spectrum of using information to drive your mission.

**Turning Data Into Insight**

*Jacob Harold, GuideStar President and Chief Executive Officer*

Foundations are decision-making machines. Their essential function is to make good decisions about which organizations to fund and good decisions about how to fund them. And we all know that good decisions are enabled, if not guaranteed, by good information. So it follows that the flow of good information is central to the very identity of foundations. And many—though not all—foundations live up to that responsibility. They make sure they have the information they need to make good decisions—so that their resources can be wisely deployed for a better world.

But what information? In general, I think there are five kinds that are most relevant: (1) information about the issue itself (what is the literacy rate in Chicago?); (2) information about what works (what are the most effective ways to increase adult literacy rates?); (3) information about organizations (what are the organizations working on adult literacy in Chicago?); (4) information on resources (which foundations are funding work on adult literacy in Chicago?); and (5) information from stakeholders (what do the participants in adult literacy programs think about those programs?).

Information is meant to inform, not decide. We still have to rely on foundation staff’s experience, intuition, and relationships. It is both/and, not either/or. And as we bring all of this together, we think we can see a philanthropic ecosystem defined not just by good decisions but by decision-making that gets better and better with time.
We spoke with senior directors and veteran grantmakers at leading foundations on their challenges, approaches, and common pitfalls in the field. Here is a brief introduction to each funder’s work.

**BLUE SKY FUNDERS FORUM**

Angie Chen, Director  
(formerly Program Officer at Three Bay Area Foundations)

Blue Sky Funders Forum is a network that helps members learn, connect, and grow philanthropy that supports the many benefits of environmental literacy and a stronger connection to nature. Blue Sky supports learning by curating knowledge about effective programs and approaches and sharing resources to facilitate strategic grantmaking.

**JAMES IRVINE FOUNDATION**

Kelly Martin, Senior Grants Manager  
Jessica Hickok, Grants Manager

The James Irvine Foundation is a philanthropic nonprofit organization established to benefit the people of California. The Foundation is focused on expanding economic and political opportunity for California families and young adults who are working but struggling with poverty.
Robin Hood is New York’s largest poverty-fighting organization, and since 1988 has focused on finding, funding, and creating programs and schools that generate meaningful results for families in New York’s poorest neighborhoods. Since its founding, Robin Hood has raised more than $1.95 billion in dollars, goods, and services to provide hundreds of the most effective soup kitchens, homeless shelters, schools, job-training programs, and other vital services that give New York’s neediest citizens the tools they need to build better lives. The organization applies rigorous metrics to evaluate program effectiveness. These metrics identify factors that make poverty-fighting grants succeed or fail. Robin Hood grants deliver on average a 12:1 return on every dollar invested, so a $1,000 donation triggers a $12,000 boost to the living standards of struggling New Yorkers.

Tipping Point Community is a grantmaking organization that fights poverty in the San Francisco Bay Area. Tipping Point screens nonprofits rigorously to find, fund, and partner with the most promising groups connecting Bay Area individuals and families to the opportunities needed to achieve self-sufficiency. Tipping Point provides this management assistance through the strategic partnerships it builds with private sector corporations and nonprofit organizations. Beyond dollars, Tipping Point provides grantees the communications, technical and management assistance they need to grow and increase their impact. 100% of every dollar donated goes out the door.
The David and Lucile Packard Foundation is a private family foundation created in 1964 by David Packard and his wife, Lucile Salter Packard. The foundation’s goals, through the use of grants, are to improve the lives of children, enable creative pursuit of science, advance reproductive health, and conserve and restore earth’s natural systems.
There is a wide spectrum of sophistication in current grantmaking practices when it comes to leveraging information and identifying the best and most efficient sources of data. When it comes to supporting grantees and truly unlocking their outcomes, funders can run up against both technological and human barriers. Initially, issues may be ones of capacity and institutionalized ways of doing things that are difficult to change.

We present some common challenges here to help you recognize where you might encounter roadblocks to unlocking insights and feel in good company with others who are striving for more!

**Lack of Capacity or Expertise**

**LACK OF STAFF BANDWIDTH**
Angie Chen, who has worked as a program officer at three different foundations, and currently directs a funder network, has had her fair share of bandwidth issues. She recalls frequently having time only to manage relationships with grantees, not collect and convert data to information. “In a strategy development phase, I might have had a lot of time to focus on research,” says Chen. “Once the implementation of that strategy happened, I was managing relationships with up to 60 organizations who all have dynamic challenges. You kind of lose the ability to do anything besides keep your head up!”

**LACK OF DATA EXPERTISE**
Chen also notes that in her experience, those working in programs tend to hail from a content or field background, rather than a data or evaluation one. “There’s usually less emphasis on quantitative skills and more on knowing the field and partnering with it,” says Chen.

**Institutionalized Processes**

**INFORMATION LOCKED AWAY IN SPREADSHEETS AND PAPER FILES**
Multiple funders mentioned the challenge of accessing grantee forms and surveys once they were in a siloed spreadsheet, email attachment, or paper files.

Chen notes that many foundations may have uniform application or reporting processes, which dictate a certain format that may not be conducive to later analysis: “The data was often filed in Word documents or files on a server and not looked at comprehensively. Or sometimes even paper files. On top of that, a lot of the knowledge lives in the
head of an individual program officer.”

Ashley Sigmon at Tipping Point Community recalls this process from their earlier days: “The organizational needs survey is something we send out to grantees once a year. For many years, it took the form of an Excel spreadsheet that grantees filled out, and we would discuss at the renewal meeting. But it wasn’t ever looked at again. Someone on partnerships, who was looking to determine what support beyond the grant itself we should provide for the year, would have to open every single Excel doc individually!”

**RIGID REPORTING REQUIREMENTS**

Reporting requirements are often developed out of the best of intentions to make sure a foundation is doing its due diligence. However, they may limit staff’s ability to capture new information that gets at the root of impact. “In most of my foundation experiences, there was one set of proposal questions you asked prospective grantees, and one set during the reporting process post-grant,” says Chen. “This was because of standard proposal and reporting guidelines, and the need to do standard write-ups and filing for the board or your director. But unfortunately those questions didn’t always tell you much about the success of a specific project. They were *too* standardized, especially when you’re working on wide-ranging grants...”

These practices may lead to one-size-fits-all applications and forms that collect irrelevant data, and program officers may be forced to apply ad-hoc solutions to collect information they would use more often. “As one of multiple program officers working in different program areas, I didn’t have much power to change the questions,” Chen explained. “Instead I ended up increasing the burden on grantees, by having our external evaluators ask additional questions with surveys or interviews.”

**Departmental Silos**

**SILOED PROGRAM AND EVALUATION DEPARTMENTS**

Program and evaluation are often different departments. When these two groups aren’t aligned or collaborative, the data suffers.

“When learning or evaluation is a separate department, we as program staff don’t always remember to rely on data to inform our work,” Chen observes. “If you’re an expert on, say, youth development, and you’re working with...”
organizations that do youth development, you may even feel like you just know who the foundation should support, and you don’t necessarily need external validation for that.”

**Missing Data**

**LACK OF OR INACCESSIBLE EXTERNAL QUANTITATIVE DATA**

Even if all the above challenges are addressed, foundations can run into issues with finding the comparative quantitative data they need. Nick Arevalo of Tipping Point notes, “We pull the data from everywhere. It’s one of the trickiest parts of the sector. One of the places where it’s strongest, but you have to dig, is education. When it comes to college, the National Student Clearinghouse centralizes some good information. One of the places where it’s the most difficult is housing, because the government is a central provider of grants to support housing programs. They don’t have a central data system to track which programs are effective. It’s often a hodgepodge of data sources that we have to swim through to find appropriate counterfactuals for our work.”

Alternately, the desired external data may be available, but be costly or otherwise challenging to navigate. Bernadette Sangalang of the David and Lucile Packard Foundation notes, “My colleagues on our children’s health program team, which works to make sure children have access to health insurance, collect a lot of external data annually on health care coverage to help their grantees in their work. We always wish we had access to more longitudinal data about how children are doing over time. There are various holders of data like the Department of Education, the Department of Health, and large state systems. It’s very expensive to collect and there are also privacy issues, so if you’re trying to get a sense of the trajectories of a cohort of children, it’s very difficult.”

**Lack of Precedent for Measuring Complex Issues**

**CHALLENGE CONSTRUCTING APPROPRIATE MEASUREMENTS FOR DIVERSE ISSUE AREAS**

One of the most difficult challenges all funders face is how to determine measurements for issue areas and projects that are often wide-ranging both in subject matter and scope. This problem is even more acute as foundations are approaching collective impact and collaborative initiatives with nonprofits and government agencies. This type of measurement may be nearly unprecedented in the sector, leading to very few examples that funders can follow. Many grants are more difficult to define quantitatively, such as supporting research in a field, building capacity for an organization, or fostering collaboration. They may deal with a direct audience or a complex system where variables are not easy to track. Or they may have very long time scales that make it prohibitively difficult to collect data.

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*We pull the [external] data from everywhere. It’s one of the trickiest parts of the sector. [...] One of the places where it’s the most difficult is housing. [The government doesn’t] have a central data system to track which programs are effective.*

— Nick Arevalo, Tipping Point Community
Despite working in a sometimes challenging landscape, funders have been rising to the occasion. If you are looking to level up in your reporting, performance management and outcomes management, read on to learn how these funders have solved (or advised solving) key issues, improved grantee interactions, and begun to measure results comprehensively.

**Applying the Fundamentals**

**DEVELOP STRONG LOGIC MODELS AND THEORIES OF CHANGE FOR YOUR STRATEGY**

Before revamping processes, funders need to understand what exactly they want to accomplish within their program areas and the areas they want to impact. Chen worked for a foundation that had very rigorous standards for developing each grantmaking strategy.

“Our evaluation team developed a very thorough process for getting grantmaking strategies for new areas of investment approved. Looking back, I think it was brilliant,” she says. “The five-step process took a full year. It required us to create a logic model, theory of change, and an evaluation plan for the strategy before we started making grants. We also needed to create an advisory committee of leaders in the field, experts who we would check in with as we were going through the process. So we had to design something that made sense for the types of organizations or the field we were working with. The combination of designing the evaluation plan and gaining input from potential beneficiaries and thought leaders is key to actually getting the data you want within the grantmaking process.”

**DEFINE KEY METRICS FOR GRANTEE RESULTS**

Setting well-defined metrics for how to measure grantee outcomes can be a game-changer for foundations. It has ripple effects across all aspects of grantmaking, from determining whom to fund to defining what success looks like long-term. Robin Hood Foundation and Tipping Point Community shared their robust metrics systems with us.

Robin Hood Foundation uses nearly 200 equations to guide its cost-benefit metrics. Greg Kieser explains: “For example, if we invest a given amount in a job training program, we’ll look to see how many people graduate from that program and keep their new job for at least one year. Research says that the wage boost for those people will last five years or more. We calculate cost-benefit ratios for this gain and for all other categories, from high school graduation to a boost in health outcomes for HIV+ individuals. Our investments are all based on research. We seek to estimate the impact an investment will have on the well-being of individuals or their economic well-being, knowing
that those things are key to lifting people out of poverty.”

Kieser also observes that foundations may also benefit from standardizing relevant data metrics. “The more you can find ways to standardize metrics across overlapping issue areas, the more you can see total agency impact,” he notes. “You’re more likely to learn something that you didn’t know. You’ll be able to run reports and analysis that would otherwise be difficult even with good technology in place.”

Tipping Point Community looks for alignment with the key outcomes they track, which they term “core metrics.” “In essence, we ask: Does an organization produce outcomes that are aligned with measurable paths out of poverty for the individuals they serve?” Arevalo explains. “In education, we have benchmarks like third grade reading and math proficiency, eighth grade reading and math proficiency, high school graduation, college enrollment, and college persistence. When we have a conversation with a group, we ask: ‘Do you measure your clients’ progress toward these outcomes? What does it look like?’”

He adds, “We look for an organization’s desire to ask themselves tough questions about how they’re performing, if they’re serving the right target populations, and if program improvements could be made to help more people reach key outcomes.”

**TRACK YOUR DATA IN A FLEXIBLE SYSTEM**

Having a flexible technology solution in which to store many kinds of data has proved useful for many foundations. The benefits are numerous.

“With Salesforce, we get more bang for our buck in terms of staff time,” Kelly Martin of the James Irvine Foundation notes. “We’re more efficient. Our program staff are also better informed about their own grants. With our previous legacy system, they had no idea. If they wanted information about a body of grants or a body of work, they had to go ask someone to look it up for them and report on it. The new system has made their jobs easier, and they have more access to information at their fingertips.”

Tipping Point uses their solution to track many kinds of grantee interactions, which allows them to see a 360-degree view of their support and answer important questions. “When a grantee calls the program officer and says this just happened, or this person left, or they have a grant that they’re thinking about pursuing, or they have this new need, it’s all stored in Salesforce,”
Sigmon says, “We can get the full picture of all the support, and be able to answer: ‘Are we providing the right support? Do we have the right providers? Are there needs that come up every year that we’re not meeting? Are we not meeting them because we don’t have the providers, or because we don’t think they’re top-level needs? What’s going on with this grantee that hasn’t met a goal year over year over year, and how do we better support them?’ We’ve had that information anecdotally, but to be able to see it all in one place, to detect patterns, is game-changing for us.”

The David and Lucile Packard Foundation uses its grants management solution to inform its long-term strategy. “We often look at what we are learning from grantees to help inform our grantmaking and strategy going forward,” Sangalang says. “It’s a good tool to reflect with and develop the practice of reviewing our outcomes. We use these insights both in conversation with grantees for the next proposal, and in our annual year in review with our teams, trustees, and executive team.”

Technology also provides the ability to see the previously invisible. Kieser observes, “For both Robin Hood Foundation and our grantees, technology enables us to slice and dice data, and to look for correlations and for situations where we might be able to make a change and impact outcomes. The more that we do that, the better results we see because of it.”

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— Greg Kieser, Robin Hood Foundation

**POSITION GRANTS MANAGERS TO BE DATA EXPERTS**

To overcome some of the expertise barriers mentioned earlier, some foundations may need to encourage new perspectives on traditional roles. Some grants managers noted that it was important to empower their roles as data stewards. “It used to be that we were seen as the back office: ‘You just do policies and compliance, you don’t analyze data.’ That’s not true... we actually know the data better than anyone else. Encourage that shift,” says Jessica Hickok of the James Irvine Foundation.

**Bridging the Gaps**

**FACILITATE COMMUNICATION BETWEEN PROGRAMS AND EVALUATION**

As a direct solution to the disconnect mentioned above between programs and evaluations, some funders note that greater co-creation of new models and processes would be beneficial, and would provide the best of both fields’ experience. As well, if each were introduced more to the other’s work, they could more easily find opportunities to
help each other.

“If at the outset of every grantmaking program strategy, there were program officer staff who were foundation experts in the area co-designing the processes with evaluators, and working with some of the leaders who would be receiving grants, that would probably yield the most information,” Chen says.

**ALIGN YOUR ORGANIZATION AROUND STRATEGY**

Successful foundations are thinking broadly about how each part of the organization—from programs to grants administration to evaluation—is aligned to their overall strategy in the data they are collecting. Shifting strategy can require rethinking the way all departments interact. This rethinking allows funders to move away from the barrier of inflexible reporting.

The James Irvine Foundation provides a useful look at what shifting strategy may involve. “Our president announced a few months ago that we’re shifting our focus to a new strategy framework. We as grants administration are re-architecting our system to fit with our new focus. We’re moving from a three siloed program area structure to a more initiative-based structure. We’re re-architecting Salesforce to be much more flexible and nimble as different teams form and dissolve.” Indeed each part of the organization—program, grants administration, and evaluation—has changed its processes and the data it collects to align with this new strategy.

Tipping Point Community also notes the importance of tying together how an overall strategy will be implemented on a tactical or process level. “With our core metrics strategy in place, we’re doing a lot of process improvement right now. Once you get the process right, you can actually start to analyze and use the data that you’re gathering in a better way,” Sigmon says.

**REDUCE DATA BURDENS ON GRANTEES**

Funders can increase efficiency by being deliberate about the data they are collecting from grantees and using it well. “If you’re going to ask for the data, make sure you know what you’re using it for,” Arevalo advises. “We want to be sure that when we’re asking grantees to go work with a client, input the data, collect, analyze, and give it back to us, that we’re going to utilize that information. We understand it’s a heavy lift and that they have other things they could be doing with that precious time. It’s also critical to articulate your goal back to the grantee, so they know it’s not just going to sit there after all the work. With the structure we have in place now, we’re having conversations based on grantee data on a weekly basis.”
Sangalang agrees, “You’re one of several funders for each of these grantees. Be really thoughtful about your use of the data and sharing what you’re learning back to the grantee, so it’s not just one-way communication. A practice that we try to abide by is sharing key insights about how other grantees might be struggling with the same issues or making progress. Grantees can learn from those lessons and adapt them to their context.”

Astute tool usage can also ease grantee sharing. Funders can begin to overcome capacity issues by building and working with tools that grantees can use to input their data directly. This approach centralizes key information digitally and eliminates duplicative manual entry. For example, Tipping Point Community moved their organizational needs survey from Excel to SurveyMonkey, then to FormAssembly, which integrated with their platform. Grantees can save and return the form later while also helping Tipping Point capture the data more efficiently. Tipping Point also uses a data portal on the Salesforce platform to gather additional information from their grantees.

“We’re capturing tons of data to support relationships with our grantees. We want not only to understand what grantee programs are most effective, but also how we can optimize the support we provide and which factors drive groups to get better outcomes,” Arevalo says. “Groups are able to enter their client outcomes directly into our data system. Annually, we ask the whole portfolio to input data through this platform, then we scrub that data and start conversations with each grantee about what we’re seeing.”

**MANAGE DATA COLLECTION TIMING**

Foundations should also consider that certain data is especially important at specific points in a timeline, such as milestones in a grantee relationship.

“For some clusters of our work, we’ve shifted to having interim reports so we can have conversations several months prior to grant renewal, rather than finding out with a year-end report,” says Sangalang. “You want the data to come in at an appropriate time to help inform the work going forward.”

**USE DATA TO UNDERSTAND AREAS OF NEED**

An advanced way to use grantee data is to analyze it for opportunities to support grantees better and to tweak this support. This ability is particularly valuable for foundations that offer long-term support or are in longer relationships with grantees. Grantees’ challenge areas can illuminate the places where funders can provide greater assistance.

“We’re consistently using the data to find out where we can provide more system support to an organization,” Arevalo says. “We look at pain points and areas of potential improvement where we can bring additional resources. Whether that means drawing upon the knowledge of our team, engaging a pro bono partner, or hiring a consultant who is an expert in the field, we use data to help us pinpoint the exact area of grantee infrastructure that needs support. Data collection itself is another common challenge: if a grantee has trouble with client follow-up, for example, that’s an opportunity for us to engage more deeply.”
Leading with Results

FOCUS ON LONG-TERM OUTCOMES STRUCTURE
As a foundation moves towards outcomes management and more sophisticated metrics, it may begin to explore the measurement of a longer timescale of impact. Tipping Point Community has recently shifted to a powerful strategy for collecting outcomes data over time:

“If a group works with a client in fiscal year 2015, we understand that they won’t necessarily know if that client has obtained that long-term outcome that they’re driving towards, even if that client is out of program. Many of the outcomes we care about take a really long time to attain,” Arevalo notes. “One group in our portfolio helps low-income first-generation college students. The program has to wait six years to see if a student actually graduates from high school and college, and thus if the organization hits their overall long-term outcome. So we built our reporting structure to focus on cohorts. We ask grantees to tell us how many clients started in the program that year, how many continued on in the program, how many completed the program.

“Then, as the years go on, we ask them to give us an annual update on how their older cohorts are performing in college. Yes, it will take six years to get to that college graduation number, but in the meantime we’re getting valuable data from the group, in terms of what persistence looks like, what enrollment looks like, what program completions look like. They can also see places where they as an organization can improve, and hopefully, for future cohorts, perform better on those outcomes and those benchmarks. This is a major change from how we thought about things in the past. We believe it stands out among our peers, in terms of how we’re thinking about long-term outcomes. We have made a commitment to long-term relationships with these groups, so we allow ourselves some time to be able to capture those outcomes.”

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—Nick Arevalo, Tipping Point Community

PRIORITIZE EXTERNAL DATA
Foundations can use external data in numerous ways, from planning new investment areas to contrasting grantee results. This data can come from many sources and funders must be creative and persistent when hunting it down, as there are rarely centralized stores of knowledge in their issue areas. However, the persistence often pays off in greater understanding and even discovery of more advanced approaches.

The James Irvine Foundation researches such data as poverty rates and philanthropic dollars per capita. “We look at data about grantmaking in different regions, and we’re using external data about poverty rates across our state to inform some of our work. We’ve been working with Monitor Institute to gather this. Down the road, we’re hoping to
Data-Driven Funders: In Search of Insights

Tipping Point Community seeks out external data to understand grantee outcomes better, among other things. “We understand that our groups aren’t working in a vacuum, and that the outcomes they’re attaining are often really tough to attain for the target populations they work with,” Arevalo says. “For a first-generation low-income college group, we know that looking at our grantees’ enrollment or persistence or graduation rates is not enough. You have to put it against counterfactuals. We look at general graduation rates, rates for similar populations (e.g. first-generation or Pell Grant recipients), and rates for low-income students that aren’t necessarily first-generation. We try to figure out how our groups perform at this stage against those figures, so we can help them both articulate the impact they’re having and figure out what benchmarks they ought to strive toward.”

Robin Hood Foundation places a high priority on this overall research and has a dedicated team member for this aim. “We have a Ph.D. on staff whose full-time job is to connect our program officers to new research and new industry standards for data, to use them and to roll them into the work we are doing,” Kieser says.

TRADE DATA LESSONS WITH THE FIELD

Funders are realizing the importance of sharing their insights with the sector. “We share our lessons learned with other grantmakers in various ways,” Sangalang notes. “We participate in conferences like Grantmakers for Education and Grantmakers in Health, and share external versions of our reports and progress to the field through our network of partners and similar funders. We also host evaluation reports on our website under the section ‘What We’re Learning.’ I think our foundation has evolved. We’re building a practice of really sharing what we’re learning from our data and being more transparent about how we do our work, what we’ve learned that works, and what’s been challenging.”

CROSS-COMPARE YOUR GRANTEES

One of the benefits for foundations using a data solution to centralize information is that they can begin to look at higher-level views of how they are performing. If they are gathering grantee data, they will potentially be able to unlock interesting trends across organizations and even across program areas.
“We have a new data portal where our organizations are able to input their data,” Sigmon says. “Every organization has its own login into a Salesforce community. They can input data from the last five years. It locks at some point, at the cutoff, and that automatically transfers into our database. We’re able to cross-compare our portfolio. It’s been huge. We can focus on asking the right questions about data and impact.”

“We’ve tracked basic interactions with our grantees and our grantmaking process,” Sigmon says, “Right now, we’re in the midst of working to fully track the ways we support our grantees beyond the dollars alone, including the support our partners provide.

“Once we get that data into the system, we will be able to compare grant amounts, impact numbers that the organizations are reporting, internal measurements we call performance scales, organizational needs surveys (which capture grantee-identified needs), the diverse types of non-monetary support we provide, and grantees’ annual goals. We’ll see clearly if grantees are moving forward or the support is not working. And we’ll be able to analyze and understand better what sequence we should be using in how we support organizations.

“That’s the big project right now. We have plans after that to do a more advanced analytics system where we can start to code support and say to a grantee at a particular point in their experience: ‘Here are some suggested ideas.’

“It will all be science, obviously!” she laughs.
The lessons shared by these funders can be seen as stepping stones toward true outcomes management. More broadly, these funders also note that the picture can’t be complete if grantmakers act in isolation. The philanthropy sector must begin to collectively address both capacity and technology issues for their grantees as well as more robust standards for the information being captured. These actions will help ensure a flow of insights among and ultimately wisdom for grantmakers, nonprofits, and beyond.

**Supporting the Sector**

A critical step in moving toward a more fully informed, effective nonprofit sector is to support organizations by funding technology and better data practices for them to increase their capacity and move toward strategic objectives. Funders have seen great results for their grantees.

“We support grantees in using data to inform their work,” Sangalang says. “We’ve set aside a small pool of funds to help our grantees with evaluation needs and capacity building. Each of them is different in terms of their capacity to use, collect, and store data. We have our outside evaluator work with them on varied projects, even to be better at evaluative thinking. One of our grantee collaboratives wanted to start from the very beginning, getting help articulating their theory of change. After they did that, they could identify what outcomes they were trying to work toward. Finally, they asked our evaluators to help them think about indicators they should be tracking.”

Kieser oversees technology-related projects and grants for Robin Hood Foundation. He works with grantees to understand how technology could help them do their work better and which vendors might be most useful. Then he recommends grants to assist with up to 75 percent of the project costs, from websites to databases to apps for communicating with clients.

“The lion’s share of our funded technology projects have to do with how grantees work with data, for example, moving from Excel to a new database,” Kieser says. “We evaluate the impact of the grant based on how it’s going to
help them better serve their clients. I’ll go through the process of determining whether a database will help them be more efficient, help them better recruit clients, help them place clients in jobs, and so on. I’ll then factor in the expected value of those benefits based on relevant research and calculate a cost-benefit ratio. We’ve helped a lot of workforce development groups in making better use of data for decision making. Having a relational database allows them to do analysis and run reports practically, whereas Excel’s process is time-prohibitive. We can’t take 100 percent credit if there’s a boost in a program outcomes because of a new technology, but we contact them later on to see if they got the expected benefit, and calculate a general metric of the impact they and we are getting.”

Tipping Point Community also has a strong belief in the power of supporting their grantees this way. “It’s no-brainer to fund technology for grantees if you’re focused on outcomes,” Arevalo notes. “If we ask groups to use general operating support funding for a database, we are taking away from the inherent flexibility that general operating support is intended to offer them! We see technology as an essential tool for direct service organizations’ ability to work better, smarter, and more efficiently in helping people to get out of poverty. If an additional technology grant and technical assistance on top of the general operating support will cut down the time it takes an organization to get the system it needs, we’re willing to make that investment.”

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—Nick Arevalo, Tipping Point Community

Data Standards
As the philanthropy sector moves toward collective work, the topics of collaborating smoothly and establishing standards become more and more important. “There’s room to push for collaborative coding, and using a standard taxonomy,” Hickok observes. “It would be a good thing.”

Jacob Harold, CEO of GuideStar, expands on this need: “Our shared challenge is to weave together all of these different types of information in a way that is useful and easy to navigate. To make that happen, we need some basic data standards. It turns out that things like unique identifiers (like the BRIDGE number) and taxonomies (like the Philanthropy Classification System) can help us organize the information that foundations need. That’s why GuideStar and our partners are investing in these standards.”

Sharing for Impact
Collective impact and collaborative efforts are not only trends but crucial approaches to addressing today’s complex, interconnected social issues. As Rem Hoffmann, CEO of Exponent Partners, explains, “It’s easy for us to see that societal problems are interconnected on a human level. Students’ home lives obviously impact their success or failure in education, and we instinctively know their education can lead to poverty or success in their career path. Accordingly, networks of organizations are needed to solve these interrelated, entrenched societal issues. These
networks create a ‘system of service.’ We can solve one narrow slice of a problem for a person with a service, but systems are needed to help a person holistically and longitudinally from cradle to career. They require strong infrastructure and the capacity to capture, manage, and share information across changemakers. The ability to share information really catalyzes these systems of service and ensures that the interventions that work rise to the top.

“Foundations, with their ability to reach across organizations and their close connections with each other, sit at a crucial nexus to further these systems. The more we collect data and share the information it provides, within and across organizations, the more the social sector can leverage this rich resource to solve problems and make progress.”

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**Resources: Organizations**

Exponent Partners: [www.exponentpartners.com](http://www.exponentpartners.com); [www.exponentpartners.com/philanthropy-foundation](http://www.exponentpartners.com/philanthropy-foundation)

GuideStar: [www.guidestar.org](http://www.guidestar.org); [www.trust.guidestar.org](http://www.trust.guidestar.org)

Algorhythm: [https://algorhythm.io](https://algorhythm.io)

The Center for Effective Philanthropy: [www.effectivephilanthropy.org/research/publications](http://www.effectivephilanthropy.org/research/publications)

Grantmakers For Effective Organizations: [www.geofunders.org/about](http://www.geofunders.org/about)

Leap of Reason (The Perfomance Imperative Campaign): [www.leapofreason.org/performance-imperative](http://www.leapofreason.org/performance-imperative)

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**Recommended Literature**


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**Feedback**

Agree? Disagree? Have other lessons to share? We would love to hear your thoughts. Please contact us at feedback@exponentpartners.com.
Exponent Partners
Exponent Partners builds technology for foundations to understand your organizational and grantee results and lead change by directing funding to better programs and services. Our solutions help you manage people, processes, and outcomes on the Salesforce platform. Through our technology, foundations manage grants, accept online grant applications, organize constituent data, integrate with HR and accounting systems, manage documents, employ advanced analytics, and more. As a B Corp and a California Benefit Corporation, we pursue our mission to make the social sector more effective by delivering insights that create impact.

GuideStar
GuideStar, www.guidestar.org, is the world’s largest source of nonprofit information, connecting people and organizations with data on 2.4 million nonprofits. Each year, more than 7 million people, including individual donors, nonprofit leaders, grantmakers, government officials, academic researchers, and the media, use GuideStar data to make intelligent decisions about the social sector. GuideStar Nonprofit Profiles are populated with information from the IRS, directly from nonprofits, and via other partners in the nonprofit sector. In addition, users see GuideStar data on more than 160 philanthropic websites and applications. GuideStar is itself a 501(c)(3) public charity.

Want to find out more about how GuideStar’s data can help you find, verify, and evaluate nonprofits? Support your website, service or application? Or access and analyze vast amounts of nonprofit data?

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