Evaluation in Philanthropy:
Key Trends and Best Practices

Just like the practice of philanthropy itself, the set of evaluation and measurement practices employed by the philanthropic sector has evolved considerably since the early 1970s when a handful of pioneering funders began making serious commitments to evaluation.

Among the most notable trends is the expansion of evaluation from a monitoring exercise into a strategic endeavor that is integrated across the grantmaking lifecycle. Funders are increasingly using evaluation to deepen their understanding of the problems they seek to solve and to continuously improve their strategies and grantmaking efforts. With this shift, a tension arose: should evaluations be designed to establish a grant's impact or to extract lessons and findings that guide future decisions?

While the matter is far from resolved, funders have increasingly endorsed the importance of evaluation approaches that place learning and improvement at their core. Barriers remain, including the limits of staff time, the confines of an annual grant-making cycle, a lack of alignment across evaluation activities, and cultural hurdles.

Evaluation as a tool for strategic learning is gaining traction within the philanthropic field. This focus on learning is generating interest in evaluation approaches that provide the insights needed to inform strategic decisions

The Foundation Strategy Group (FSG)

KEY TRENDS IN EVALUATION

1. **Foundations' commitment to evaluation is increasing in terms of dollars and staff time spent.**

2. **The scope of evaluation work is expanding and becoming integrated at all levels of foundation strategy.** Evaluation is no longer solely about collecting data from grantees to monitor activities or establish outcomes. Evaluation is increasingly linked to foundation's decision-making, strategy development and understanding of their own impact.

3. **The focus of evaluation is shifting, with an increasing emphasis on learning and looking forward (vs. looking back).** Evaluation as a tool for learning is gaining traction, with fewer funders asking "did it work," and more funders asking "what did we learn?"

4. **There is an increasing recognition that "contribution" is more important than "attribution.'** Especially when addressing complex problems, it is near impossible to isolate one influence on an outcome. Funders have shifted away from trying to establish "but-for" outcomes (attribution) and instead focused on whether their efforts are enhancing the likelihood of the desired outcome (contribution).

5. **Foundations are increasingly turning to third parties to perform evaluation activities, including building the capacity of their grantee partners.**

6. **All funders face a related set of barriers to effective evaluation.** The most common are staff time/workload, the timeliness of data, a lack of a culture of learning, and fragmented processes or internal confusion.

Funders leading the way on evaluation have adopted
a collection of practices that support and enhance evaluation efforts within their organizations.

EVALUATION BEST PRACTICES

1. **Start with strategic clarity in order to develop a coherent evaluation plan.** By setting a clear vision for the purpose of evaluation, funders can be more systematic, coordinated, and intentional about what to evaluate, when, why, with whom, and with what resources.

2. **Adopt a learning orientation.** Evaluation can be integrated into every aspect of the grantmaking and strategic planning cycles to drive better decision-making, help course-correct implementation, and learn as a philanthropic community.

3. **Collaborate with grantees to establish a vision of success and generate shared learning.** Grant-level monitoring and evaluation should be a collaborative process, with foundation staff and grantees creating a shared understanding of a grant's desired outcomes. Meet with or convene grantees regularly to review progress, highlight lessons and challenges, celebrate successes, and identify areas for improvement.

4. **Where it is lacking, build capacity for rigorous and effective evaluation practice among grantees.** Third-party evaluators can help ease the burden of data collection and build internal capacity for grantees and for funders.

5. **Within a broad mission, set tangible goals.** Define and adopt meaningful, measurable interim outcomes that represent a tangible step toward the broad missions but that can also be measured and achieved in a reasonable period of time. The time frame need not be tied to the structure of annual grantmaking.

6. **Streamline data collection and avoid over-measuring.** Data collection can be time- and resource-intensive. Ensure staff and grantees only measure things that are expected to directly apply to decision making about implementation, strategy or future investments. More data is not necessarily better.

7. **Foundation leaders must create a culture of impact with buy-in at all levels.** Successful evaluation requires buy-in and engagement from all stakeholders, beginning with the board and senior leadership. The practice of evaluation and learning cannot be isolated/limited to a single department or staff member.

8. **Share what is learned – successes and failures – with the broader field.** By publicly sharing the data gathered and conclusions reached, grantors and grantees can contribute to field-wide learning.

A results-focused culture must be predicated on an institution-wide commitment to clearly defined objectives pursued with strategic clarity and supported by dynamic resource allocation.

Luis Ubiñas, (former) president
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Only so much can be measured, much that matters cannot be measured, and any amount of data alone cannot provide all the answers.

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