

PHILANTHROPY'S RIGHTFUL ROLE IN EVALUATION

FOSTERING LEARNING AND EMPOWERMENT

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Early in my tenure as a philanthropy professional, I was fortunate to meet with a community leader who was seeking support for a new initiative in her neighborhood. It was my first meeting with a community leader—until then, I'd had only a few interactions with members of the community. So, I prepared for the meeting by researching the leader's background. I learned about her long track record of accomplishments and her impressive personal history. I also learned that she valued her neighborhood and her family's relationship with that neighborhood. Needless to say, I was excited about meeting and learning from her.

As our meeting began, I welcomed her and thanked her for her service to the community. Immediately, she began to present materials about the initiative, including several charts and graphs.

"I know you care about the numbers," she said, sharing what she believed I wanted to see. After a while, I asked, "Why are these metrics important to you? What data will help you tell your story?"

She looked confused and hastily responded, "We'll measure whatever you tell us to measure!" I was taken aback by her response. After all, she was a highly regarded community leader and I was just starting as a philanthropy

professional. Yet, she had immediately ceded an important part of her work to someone whom she had just met and who did not know anyone in her community.

I think this happened simply because she assumed that the nature of my job automatically came with the power and authority that she didn't think she had. As we ended our meeting and agreed to meet again, I had a growing knot in my stomach. I wondered: *Is this how philanthropy works?*

I think of that meeting to this day because it illustrates so much of what is wrong with the social good sector. Based on that meeting, I have outlined four ways in which communities—and the social good sector—can achieve the impact we seek.

FINDING EVIDENCE OF COMMUNITY SELF-DETERMINATION

My meeting with the community leader illustrates a dynamic that occurs often in the relationship between philanthropy or government funders and their community partners. The community leader believed the value and impact of her efforts was best showcased through charts and graphs.

But, behind the numbers were even more impactful stories of champions in her neighborhood, which she did not share. It is these stories that have the ability to change our world, either by galvanizing supporters, changing policy, or advancing their narratives to a wider audience. Finally, and most troubling, she was quick to give funders the power to chart her community's direction. I am sure this was not an isolated incident for her, but one she had experienced previously and, ultimately, acquiesced to over a long period of time.

Finally, the data from a community that is included in an evaluation inherently—and rightfully—belongs to that community. It represents the goals and the stories of the people who live in that neighborhood. If a community is defining its future—improving their youth's reading ability, reducing crime, or increasing the number of new trees that line their streets—the goals and objectives should, ultimately, be decided by the members of that community. This includes the metrics and impact they hope to achieve.

When funders or academics look for community data, they must understand that they are guests in that community and cannot own or determine that community's outcomes. For example, if someone decides they must lose ten pounds, ten becomes the metric for how much weight they should lose. By owning that data, the person will take ownership for losing

weight. They may seek guidance from experts on how to lose the weight, but they own their data and they own how it is used. This is called self-determination.

Similarly, a community's self-determination is fundamental to the relationship between the community and its partners. The community's data, metrics, and information are part of that self-determination. This must be at the forefront of how community impact is evaluated.

ADVANCING COMMUNITY LEARNING

A majority of nonprofit organizations are small and locally based. These organizations deliver important services to our communities and foster social safety. But, with most having fewer than ten staff members, it is safe to assume these organizations do not have Research and Development departments to help with evaluations. In a study on nonprofit evaluation capacities, Tara Kolar Bryan, Robbie Waters Robichau, and Gabrielle L'Esperance (Wiley 2020) outline the capacity elements that nonprofits need for effective evaluation—the organization's ability *to do* evaluation and the organization's ability *to use* the evaluation.¹

Acknowledging again that most of the sector lacks the human and technical resources to conduct robust evaluation, we also acknowledge that, since the 1990s, through works such as Peter Senge's *The Fifth Discipline*² and many other publications, we have learned that thriving and successful organizations are ones that learn for their *own* development and success. Unfortunately, small, community-based organizations often do not learn for themselves but, instead, learn for others, like funders.

Additionally, while funders often aggregate large amounts of community data, provided through reports from their grantees, funders often are not strong learners. Thomas D. Cook, professor of sociology, psychology, education, and social policy at Northwestern University and a world-renowned expert in education evaluation, observed in 2006, "Evaluation is often something that funders want to be seen doing, but not what they value being done. They're feeling the winds of accountability, and they're passing it on to their programs."³

Fifteen years later, not much has changed since Dr. Cook's observation. As a former researcher, I remember meeting with several leading philanthropies in a large American city and asking them what the major developments were in the field of poverty alleviation, an area they

specifically funded. Although these funders collected multiple reports from hundreds of their grantees each year, none of them could answer a simple question about an area for which they had a roomful of grantee reports. Sadly, we are not much further along today than we were then.

To achieve impact in our communities, under-resourced community-based organizations and the funders that support them will need to create a joint learning agenda that finds more avenues to collect and share data to advance their practices, propel their strategies, prove their missions, and advance their communities. They will have to partner to reestablish a commitment to learning together.

ORGANIZATIONAL HEALTH OVER PROGRAM OUTCOMES

Over a quarter of a century ago, the strategic philanthropy movement was created to transform philanthropy, making it more business-like and data-driven, and often created grantmaking processes centered on goal setting, strategy development, and measurement. The movement grew in popularity among many philanthropic leaders, but in hindsight, many have learned that strategic philanthropy also may have been damaging to communities. Darren Walker, president of the Ford Foundation, said, “Strategic philanthropy too often minimizes or ignores complexity because it is difficult to understand and predict.”⁴

One complexity caused by strategic philanthropy was an over-focus on program outcomes and an under-focus on the organizational health of nonprofit organizations. Although I work in the corporate community, I am not one to believe in the notion that nonprofits should be more like the corporate sector. However, this often is believed in the nonprofit community, often by its board members with business backgrounds. Each sector has unique and valuable attributes, and there is much the nonprofit sector can teach the corporate community, especially around areas of equity and inclusion.

On the other hand, one area where the business community has shown strength, especially from my viewpoint working at a global financial services firm, is that a healthier, stronger organization is a better investment than a structurally weak organization with a potentially strong product or program. In the nonprofit sector—partly because of an over-commitment to strategic philanthropy—we often have taken the opposite approach, valuing programs over organizational health.

A popular example, seen in nonprofits but not in for-profit companies, is the push by funders for low overhead rates and commitment of funding resources to be solely dedicated to programs but not to operations, the idea being that more program funding will mean more community impact. Additionally, this belief has been propelled largely without any data or evaluation to support it.

In 2016, as part of our philanthropic efforts at T. Rowe Price, we started to evaluate the strength of the nonprofit sector in Baltimore, the home of our global headquarters. Our evaluation found that Baltimore's nonprofit sector has a number of glaring challenges, especially in comparison to other Rust Belt cities, and that one of the only ways to see impact in our communities was through building stronger community-based organizations. Since then, we have been growing an ongoing repository of organizational health data that shows the strength and challenges of our organizations and our local sector.

To date, thousands of organizational health data points have revealed information helpful for our nonprofit partners, for us as funders, and for the larger social good sector. For example, our data show an interesting irony: most nonprofit organizations have strong confidence in their ability to deliver quality services, but at the same time, they believe they severely struggle in their ability to evaluate their programs. Considering the discussion that our sector (and this book) is having on impact and evaluation, our current data illustrate a significant challenge: nonprofits *believe* they deliver a good service although they do not have the capacity to prove it.

Finally, as we reimagine a future sector that focuses on the importance of organizational health, our data will, hopefully, illuminate a number of areas, including healthy overhead rates, the greatest differences between board and staff members, or the specific organizational challenges that nonprofit industries suffer from. Imagine being able to understand with pinpoint accuracy our sector's organizational challenges, and imagine what a responsive funding community could do with that data.

UNCOMPLICATING EVALUATION

One of my all-time favorite papers on the nonprofit sector is Tony Proscio's *In Other Words: A Plea for Plain Speaking in Foundations*.⁵ The piece outlines the use of jargon and other overcomplicated language among funders. In one passage, Proscio discusses how damaging jargon can be:

Among foundations, the result of so much accumulated jargon can be especially hard to penetrate—a lethal combination of the dense and the tedious, a congregation of the weirdest and most arcane words, crammed unhappily together like awkward guests at an international mixer. Most of the time, this happens naturally and unintentionally. It usually is not a conscious attempt to condescend, to pose, or to exclude. Yet that is understandably how it's taken, and all too often, that is the actual effect. That effect is even more destructive in philanthropy than it is elsewhere.⁶

Nowhere has jargon been more challenging in the nonprofit sector than in evaluation. With new evaluation terms added to this more specialized field every day, we have come to a place where only consultants, researchers, and foundation staff have the supposed expertise to understand the areas of impact. At the same time, this creates more confusion for social good practitioners in the field of evaluation.

With the continued, consistent increase in the number of nonprofit organizations over the twenty-year emergence of strategic philanthropy, there has been significant growth in the number of experts dedicated to nonprofit evaluation. All this has occurred against an economic backdrop of a small group of large nonprofits with the R&D capability to obtain the financial resources of a philanthropic sector impressed by advanced metrics that only a small few can produce.

The challenge is that if evaluation can be achieved and owned only by a small section of the nonprofit sector, where does that leave the others? Evaluation has become less of a sector-wide utility and more of a specialty item, afforded and operationalized by a select few. Until evaluation can be simplified and un-jargoned, and becomes a universal utility for all nonprofits, the outcomes needed in our communities will be out of our grasp.

CONCLUSION: EVALUATION MUST BE ROOTED IN TRUST-BASED PRINCIPLES

In 2010, I wrote an article for the *Stanford Social Innovation Review* titled “Carrot and Stick Philanthropy.”⁷ I discussed how funders use various levers, or carrots and sticks, to motivate and sometimes control their grantees. One of the carrots funders often use is the tool of evaluation. As stated above, when evaluation is used and understood only by a few, it can be used

by a small group to shape and shift others. I experienced this firsthand in my early days as a philanthropy professional during that meeting with the community leader.

Since that time, T. Rowe Price has become recognized by the Trust-Based Philanthropy Project as a national leader of trust-based philanthropy principles.⁸ Part of this work is rooted in the belief that if philanthropy is to be an active agent for change in our communities, then philanthropists must regain trust with the communities we aim to serve. This begins with the *how*, or the operations, of our philanthropy. Since evaluation is part of our bedside manner in the community, we must find evaluative approaches that help communities use their own data for their own self-determination while at the same time building the capacity of our under-resourced community-based organizations to measure and grow their impact.

When I think back to the meeting with that impressive community leader, I reminisce on the subsequent conversations that have resulted in a strong relationship today, but I also remember that it took months to move beyond the idea that our foundation valued only the strength in her metrics rather than the strength in her community's experiences. We recently met for coffee, and what I found most rewarding about our discussion was that her discussion of the results in her organization centered around the stories of people gathering together around an issue they cared about and how that combination of energy and passion were helping her fellow neighbors reach new heights. Yes, sometimes there were numbers used to describe this work, but those numbers were supported by the names of her community members and their amazing stories of beauty, grit, and grace.

What was most memorable in this meeting was the leader who was telling me about this work and the difference in our two meetings—one beginning on paper with lines and graphs and the other ending with energy, passion, commitment, and hope. I thought again about philanthropy and its place in these two meetings, and it was very clear where my profession has struggled and where philanthropic support needs to evolve. Most of our funder colleagues continue to struggle with having authentic relationships with the communities they aim to serve. A holistic approach to evaluation—seeking stories from the community punctuated by useful data, could help increase authenticity and build strong ties. Let's hope that we pursue this.

NOTES

1. Tara Kolar Bryan, Robbie Waters Robichau, and Gabrielle E. L'Esperance, "Conducting and Utilizing Evaluation for Multiple Accountabilities: A Study of Nonprofit Evaluation Capacities," *Nonprofit Management and Leadership* 31 (2021): 547–569, <https://doi.org/10.1002/nml.21437>.
2. Peter M. Senge, *The Fifth Discipline: The Art & Practice of the Learning Organization* (New York: Doubleday, 2006).
3. Alana Conner Snibbe, "Drowning in Data," *Stanford Social Innovation Review*, Fall 2006, https://ssir.org/articles/entry/drowning_in_data#.
4. John Kania, Mark Kramer, and Patty Russell, "Strategic Philanthropy for a Complex World," *Stanford Social Innovation Review*, Summer 2014, https://ssir.org/up_for_debate/article/strategic_philanthropy.
5. Tony Proscio, *In Other Words: A Plea for Plain Speaking in Foundations* (New York: Edna McConnell Clark Foundation, 2000), www.comnetwork.org/wp-content/uploads/2010/08/inotherwords.pdf.
6. Proscio, *In Other Words*, pp. 8–9.
7. John Brothers, "Carrot and Stick Philanthropy," *Stanford Social Innovation Review*, March 19, 2010, https://ssir.org/articles/entry/carrot_and_sticks_philanthropy.
8. Trust-Based Philanthropy Project, "How Can Philanthropy Redistribute Power?," accessed May 16, 2021, www.trustbasedphilanthropy.org/.