Guiding Principles for Funders

How can we support our community partners' ability to use data to amplify impact?

We know that as a funder you care about making a difference in the Central Texas community. **That means you care about the outcomes achieved by the community-based organizations you support and want to ensure your dollars are being spent wisely.** Nonprofit service providers also care deeply about client and community outcomes. However, given the often-overwhelming demand for services and limited resources, many organizations struggle to effectively collect, and most importantly, utilize their data. **And we know that data-informed decision making is key to amplifying impact.**

So, what can we do as funders? We believe funders have a critical role to play, both individually and collectively, in supporting our partners' ability to strengthen **internal evaluation systems** and **utilize data-driven insights**.

Below are a set of **six principles** which offer **key recommendations** and **best practices** to guide this work. While these principles are aspirational in nature, we hope they will serve as a useful resource as you support your partners, and **together work to transform lives** in our community.

The six principles:

1. View evaluation first and foremost as a critical tool for partners' own learning and improvement.
2. Create a safe space for partners to share their data with us, including their challenges.
3. Help clarify what constitutes "good data" and "good evaluation".
4. Fund the evaluation efforts of our partners.
5. Support evaluation capacity building efforts.
6. Advocate for community data infrastructure and access efforts.

Guiding Principle #1: View evaluation first and foremost as a critical tool for partners' own learning and program improvement.

At its core, we believe evaluation is a learning process which should be used as a guide to strengthen programs and services. Because of this, it is critical for service providers to focus primarily on what data they need to develop and refine their program model, assess progress and guide ongoing programmatic improvements.

While we recognize the need for due diligence and external accountability, we also seek to create an environment in which our partners have the freedom and flexibility to collect and utilize metrics that are most meaningful to them.

In practice this may look like:

- In both written and verbal communication, communicate the view of evaluation as a "learning process" to our partners.
- Limit the number of funder-required metrics and clearly communicate the reason behind any requirements and how the data will be used.
- When it makes sense, consider co-creating metrics with your grant partner. Develop consensus on what is reasonable, given the grant period and resources available.
- Ask questions to assist our partners in meaningfully assessing their work: "Why are we collecting this data?" "What do you hope to learn through the process?"; "What information do you need to know if you're on track?" "What does success look like?" [1] Encourage partners to not only ask, "Are we doing things right?" but also, "Are we doing the right things?"
- Seek ongoing feedback regarding current reporting requirements, including required metrics, the reporting process, and timeline. Ask how requirements and processes can be improved to better support partner efforts.

Guiding Principle #2: Create a safe space for partners to share their data with us, including their challenges.

As funders, we have a responsibility to ensure that our grant dollars are being spent effectively and efficiently. At the same time, we recognize that community service providers operate their programs in complex social environments and that achieving outcomes for clients and the community is difficult and resource intensive.

It's important we foster an open dialogue with our partners so that together we can achieve clarity regarding what constitutes program success and what they need to deliver on those outcomes.

We also recognize there is an inherent power differential between funders and community partners. It is essential that we acknowledge and work to break down this differential, so service providers feel comfortable sharing not only their successes, but also the challenges they are experiencing.

In practice this may look like:

- Acknowledge that the work of creating change is difficult and we as funders recognize there are no quick fixes or easy solutions. Work to develop honest, transparent relationships with our community partners.
- Strive to balance expectations regarding a community partner's ability to deliver on outcomes with a realistic understanding of what it takes to truly achieve results.

[1] How can we help our grantees strengthen their capacity for evaluation? (2015, August 5). Retrieved from https://www.geofunders.org/resources/649

- When results aren't as anticipated, be open to exploring why. Is it due to problems in the program's design, implementation challenges or measurement errors? While there may be times in which funding is tied directly to outcomes, discussions on how partners can work to improve results will often be more useful than penalizing nonprofits for unexpectedly poor results.

Guiding Principle #3: Help clarify what constitutes "good data" and "good evaluation".

Community partners often look to funders for guidance regarding what counts as credible evidence when assessing the results of programs and services. As funders, we recognize that most nonprofits don't have the ability to conduct the type of intensive, summative evaluation which would allow them to determine causation, i.e. did the program cause the change in participants' attitudes, behaviors, or condition. Similarly, while nonprofits may have the capacity to collect data on short-term and medium-term outcomes, it is often beyond the resources and ability of all but the very largest and/or well-resourced groups to collect data on longer-term outcomes.

We acknowledge these limitations and believe, in many cases, it is more useful for organizations to focus on "improvement" and progress toward results, and less on absolute "proof." [2] We also acknowledge the critically important role that qualitative data, and in particular constituent voice, can play in helping to better understand client outcomes and program benefits.

What is Evaluation?

The term "evaluation" often means different things to different people. We like the definition provided by FSG:

Evaluation is a systematic and intentional process of gathering and analyzing data to inform learning, decision-making and action.

(Gopal & Preskill, 2014, Retrieved from https://www.fsg.org/blog/what-evaluation-really)

In addition, we believe the standards of evidence required by funders should be contingent on the size and maturity of the organization and the resources available to them. Expectations for larger, more established organizations would therefore look different from a small start-up nonprofit. Similarly, consider that communities of color and other marginalized communities may lack the connections and resources to gather high-quality data, yet the work of these groups is critical to advancing racial and economic equity. [3]

In practice this may look like:

- Speak openly about the challenges of evaluation work and the differences between assessing causation versus contribution.

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[2] Evaluation in philanthropy: Perspectives from the field (2009). Retrieved from https://www.hfcm.org/CMS/Images/Evaluation_in_Philanthropy_--_GEO_COF.pdf

[3] Le, Vu. (2015). Weaponized data. How the obsession with data has been hurting marginalized communities [blog post]. Retrieved from http://nonprofitwithballs.com/2015/05/weaponized-data-how-the-obsession-with-data-has-been-hurting-marginalized-communities/

- Help to clarify for service providers what types of data you find meaningful, given the grant partner's specific program and circumstances. Are you looking for statistical analysis of quantitative metrics or will client testimonials and self-reports suffice? [4]
- Encourage partners to build a case for how their program contributes to the outcomes they are hoping to achieve; encourage them to refer to research-based studies to help establish this plausible link.

Guiding Principle #4: Fund the evaluation efforts of our partners.

Collecting, analyzing, and utilizing data is a time and resource intensive endeavor and grant partners need financial support to do this work well. We believe it is critical for funders to support nonprofits in covering the cost of evaluation work. Paying for evaluation also sends an important message to community partners that we value these efforts.

In practice this may look like:

- Include grant funding for evaluation, either through general operating funds or by adding a line item for evaluation.
- Consider funding more in-depth evaluation needs when possible. Ideas include funding evaluation positions within an agency (or a percentage of a position), database systems, and/or external evaluation staff support.

Guiding Principle #5: Support evaluation capacity building efforts.

As more funders and their community partners recognize the importance of evaluation as a critical tool for learning and improvement, nonprofit staff need access to training and tools to increase their data and evaluation skills.

In addition to measurement and analysis skill building, nonprofits would also benefit from training and support on a variety of data and evaluation topics including issues related to the responsible use of data (including data-privacy and informed consent), as well as cultural sensitivity and advancing equity in evaluation practice.

Funders are also in a unique position to bring community partners together to learn more about these topics and to encourage groups to share their experiences and learn from one another.

[4] Le, Vu. (2015). Weaponized data. How the obsession with data has been hurting marginalized communities [blog post]. Retrieved from http://nonprofitwithballs.com/2015/05/weaponized-data-how-the-obsession-with-data-has-been-hurting-marginalized-communities/

In practice this may look like:

- Start a dialogue with your community partners to better understand their current capacity for evaluation work, the challenges they face, and the types of training and tools they would find most useful. Ask directly: "What type of data measurement and analysis skills do you need to improve your ability to track services and outcomes?"
- Fund evaluation capacity building activities when possible, at both the community and organizational levels. In addition, support efforts to "build a pipeline" of diverse nonprofit leaders in our community with a passion for using data to drive decision-making and change.
- Help connect service providers with each other, so they can share best practices and useful tools and resources.

Guiding Principle #6: Advocate for community data infrastructure and access efforts.

The previous guiding principles focus on the ways in which funders can individually support their community partners in strengthening data systems. In addition to these efforts, we believe funders have an important role to play in supporting the broader data ecosystem. Due to the often-fragmented nature of data systems in our community, nonprofit organizations struggle to know where to go to request and access data, as well as how they can use the available data to drive positive community change.

Collectively funders can help to draw attention to the gaps in our community's data infrastructure, and advocate for changes and improvements to the ecosystem. They can also spearhead efforts to better identify and understand community and neighborhood specific needs and ensure this information is easily accessible to the nonprofit community.

In practice this may look like:

- Ask your partners what specific barriers and challenges they are experiencing related to data access.
- Raise the visibility of data access and infrastructure gaps and advocate for creative solutions to these challenges. For example, how can philanthropy work with others (e.g. build partnerships with academic institutions, journal editors, etc.) to ensure that those who need the evidence/credible data most have access to it.
- Fund projects related to community data access and infrastructure.