Using Evaluation to Improve Grantmaking:
What’s Good for the Goose is Good for the Grantor

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March 1999
Introduction
Over the past decade, evaluation has become an increasingly prominent (albeit vexing) function within philanthropy. More and more foundations are beginning to devote at least minimal levels of resources to evaluate the programs they fund. The topic of evaluation appears more and more at professional conferences. Membership in Grantmakers Evaluation Network — an “affinity group” of foundation representatives interested in promoting evaluation — has mushroomed to over 400. As the “demand” for evaluation has increased among foundations, the market has begun to fill up with a mixed bag of consultants (from both academia and the private sector) willing to supply their services. Particularly this last indicator suggests that evaluation will take root in the philanthropic sector.

Although evaluation is becoming a more popular activity among foundations, its potential is far from being realized. For example, the research designs that are used to evaluate funded programs can be made much more rigorous. But perhaps even more importantly, evaluation can begin to inform foundations directly about the strengths and weaknesses of their own grantmaking activities. Foundations most often direct their evaluations at the activities of their grantees, only rarely subjecting themselves to the same level of scrutiny, accountability and potential discomfort. Although grantee-focused evaluation is useful, logical and responsible on the part of foundations, it is also incomplete. Evaluation will never achieve its true potential within philanthropy so long as the lens is trained only outwardly. Even greater value comes from evaluations that look explicitly at the foundation’s own activities and the effect of those activities on the sector being served. We refer to this approach as foundation-focused evaluation.

The failure to evaluate their own actions reinforces the perception of insularity that plagues foundations. Critics argue that foundations structure their grantmaking around their own agendas and their own models of the world, without regard to the hard-earned knowledge that already exists within the nonprofit sector and without regard to the larger interests of society (Eisenberg, 1999). If foundations were to evaluate the effects of their grantmaking strategies as a regular matter of course, and to publicize the results, this sense of elitism might begin to dissipate. Correspondingly, critics might come to see that foundations are actively engaged in the same struggle for success that nonprofits subject themselves to.

Grantee-Focused Evaluation
Traditionally, foundations that support evaluation focus these investigations on their grantees. At a minimum, foundations expect their grantees to include some form of evaluation as part of their work plan. For programs that are of particular interest to foundation staff or board, the foundation may step in and contract with a researcher to carry out an independent evaluation of the program.

Focusing the evaluation efforts on the grantee makes sense from several perspectives:
1. Evaluation can be a tool for accountability: it shows what grantees actually accomplish with their funding. Evaluation can either (a) compare actual accomplishments to the program’s original goals and objectives; or (b) assess the full range of program effects, both intended or unintended.
2. Evaluation can be a tool for sustainability: it demonstrates in an objective way the benefits of a program, which aids in fund-raising efforts.

3. Evaluation can be a tool in a cost-effectiveness analysis: by identifying what the program delivers, it allows the foundation to make a more informed decision about re-investing in the program or disseminating the program more widely.

4. Evaluation can be a tool for publicizing the program: it shows other organizations the benefits of the program, which supports the diffusion-of-innovation process.

These four functions for evaluation revolve around documentation — proving that a program works, for the benefit of either the foundation or the grantee. In addition, evaluation can focus on improving the program:

5. Evaluation as a tool for learning: it shows the grantee organization which pieces of the program are effective and which are not, thus providing direction for refining either the program model or the way in which the program is implemented.

Many foundations have come to recognize that evaluation of grantee programs can provide substantial benefit, both for the grantee and for the foundation (McNelis and Bickel, 1996). A few (e.g., W.K. Kellogg Foundation, the St. Paul Foundation) have gone so far as to create manuals that provide nonprofit organizations with concrete guidance in conducting evaluations.

Foundation-Focused Evaluation

In addition to evaluating the programs implemented by their grantees, foundations can also use evaluation to assess whether their grantmaking strategies are effective in achieving the foundation’s own objectives. Whether or not a foundation recognizes it, the way in which it interacts with grantees — through funding, program models, technical assistance, site visits, project monitoring, etc. — has a substantial impact on the effectiveness of grantee work. Nonprofit organizations spend a great deal of energy guessing at funders’ preferences, anticipating funders’ concerns, and trying to accommodate funders’ expectations. In many respects, the behavior of grantees is a function of the behavior of grantors.

The importance of the foundation’s behavior is most clear in cases where the foundation puts forward a particular program model that will govern how the grant funds are used. For example, a foundation may establish an initiative wherein a number of grantees undertake the same approach to planning or programming in their own communities. For such an initiative, the particular model or set of requirements imposed by the foundation has a major influence on how grantees respond.

Even if a foundation adopts a more traditional approach to grantmaking (wherein proposals are solicited and reviewed under general funding guidelines), the foundation’s own actions influence the results it obtains from its grantees. For example, the foundation’s relationship with its grantees may be either hands-off (i.e., simply project monitoring on the part of program staff) or hands-on (i.e., the program officer has significant contact with the grantee over the course of the grant). Similarly, a hands-on grantmaking strategy might call for the program officer to serve in
any of a number of capacities in his or her interactions with the grantee: an overseer (i.e., to check in on whether the grantee is satisfying the terms of the grant), an expert (i.e., to disseminate technical knowledge to the grantee at key points in the program), a coach (i.e., to encourage and guide the grantee through the challenges and opportunities that arise), or a convener (i.e., bringing multiple grantees together to share lessons, frustrations, and successes).

Thus, regardless of whether or not the foundation imposes a specific program model, it is putting forth a distinct persona and some set of expectations. Furthermore, the choice of what to require of grantees and how to interact with grantees influences the return that the foundation reaps on its programmatic investments. If the foundation is concerned with gaining the most from its grants, it should have an interest in optimizing its own behavior. This is where foundation-focused evaluation plays an essential role.

In general terms, foundation-focused evaluation provides a means of understanding the consequences of the decisions that the foundation makes — either explicitly or implicitly — in determining its approach to grantmaking. The goal is to allow the foundation to make more informed judgments about its approach. As such, foundation-focused evaluation is a tool that supports the foundation’s own learning and growth process.

Figure 1 illustrates a specific model for incorporating evaluation into the organizational learning process. Under this model (which guides The Colorado Trust’s approach to evaluation), evaluation findings are fed back to staff and Board throughout the course of an initiative, allowing for ongoing refinement of the grantmaking strategy (both within the foundation and among any outside organizations who play a role in managing the initiative). In addition, the evaluation informs future initiatives, directing the foundation toward effective strategies and providing empirically based theories of how positive change occurs at the community level.

While the primary emphasis of foundation-focused evaluation is to improve the performance of the foundation, findings are also disseminated to other organizations (e.g., foundations, grantees, state agencies, academic research centers) in order to contribute to the larger body of knowledge. Conversely, The Trust draws from the evaluation studies published by other foundations as it develops its own grantmaking strategies. The most important feature of Figure 1 is that it shows evaluation as part of a dynamic learning process: the learnings from evaluation influence the foundation’s initiatives, and at times even its overall approach to grantmaking, but then these shifts in orientation may require a corresponding reorientation in how evaluation is conducted.

In addition to promoting organizational learning, foundation-focused evaluation serves a number of other functions that parallel the rationale for grantee-level evaluation:

1. Evaluation can be a tool for accountability: it allows foundation staff to show the Board whether and how it is fulfilling the foundation’s mission and the Board’s expectations.

2. Evaluation can be a tool for demonstrating stewardship: the benefits of the foundation’s work can be demonstrated in an objective way to the larger community. This is particularly important in the case of “conversion” foundations (created from the sale of a nonprofit hospital or health organization), because of the intense public and political scrutiny that surrounds to the staffing, priorities, and decision-making of these
findings (Kane, 1997).

3. Evaluation can be a tool in a *cost-effectiveness analysis*: by identifying the benefits delivered by different initiatives, the foundation can make more informed decisions about future initiatives.

4. Evaluation can be a tool for *disseminating effective grantmaking strategies*: it shows other foundations the effects of an initiative or general approach to grantmaking, which supports the diffusion-of-innovation process.

Despite the many important reasons for conducting foundation-focused evaluation, relatively few foundations adopt this organizational strategy (McNelis and Bickel, 1996). Those that do this level of evaluation are generally the larger national foundations (e.g., Annie E. Casey, Kellogg, Robert Wood Johnson), who look primarily at the effects of particular programmatic initiatives (Patrizi and McMullan, 1998). It is extremely rare for foundations to explicitly explore the consequences of their general approach to grantmaking or their style of interaction with grantees.

The obstacles to foundation-focused evaluation have to do largely with a lack of knowledge and an abundance of fear. In a survey of mid-sized foundations, McNelis and Bickel (1996) found that much of the resistance to evaluation (both grantee-level and foundation-focused) can be traced to a lack of understanding or appreciation of the potential benefits of evaluation. To some extent, this lack of appreciation reflects overconfidence among foundation staff about how much they already know. One respondent in the McNelis and Bickel study remarked that, “If we were so unsure of our grantmaking decisions that we needed an external evaluation, we would not make the grant to begin with.”

On the other hand, many foundation personnel staff recognize the limitations of their own knowledge, but don’t look to evaluation as a tool for learning. Rather, evaluation is most often associated with *judging*; from a very early age, we have been exposed to a form of evaluation that involves grading, assessments of good versus bad, and decisions about passing versus failing. Evaluation connotes a sense of threat, that our well-being or even our survival hangs in the balance. Thus, it is no surprise that foundation staff rely on strategies other than evaluation to learn what they need in order to improve their grantmaking. However, foundation-focused evaluation remains the most systematic tool for understanding the effects of what the foundation offers to its grantees.

For evaluation to be used — and used wisely — by foundations, a new understanding must be created around the purpose and benefits of evaluation. In essence, evaluation is simply a tool to accelerate and focus the developmental process that all learning organizations go through. The following quote by Charles Kettering relates to “research,” but it could easily be restated in terms of “evaluation”:

> Research is a high-hat word that scares a lot of people. It needn’t. It is rather simple. Essentially, research is nothing but a state of mind — a friendly, welcoming attitude toward change — going out to look for change instead of waiting for it to come. Research for practical people is an effort to do things better and not be caught asleep at
the switch... It is the problem-solving mind as contrasted with the let-well-enough-alone
mind... It is the “tomorrow” mind instead of the “yesterday” mind.

Basic Principles of Effective Foundation-Focused Evaluation

Our recommendation that foundations direct at least a portion of their evaluation efforts toward
their own activities is but a beginning in designing an appropriate evaluation. In practice,
evaluation design and implementation is a complex task, requiring a good deal of forethought,
careful choice of methods and analysis, and ongoing oversight and reflection. However, much of
the complexity relates to organizational dynamics rather than specialized expertise in various
statistical analyses. Below we present a set of principles which, while they are largely non-
technical in nature, play an important role in determining how effective a foundation-focused
evaluation will be.

1. Be clear about the foundation’s own program model. To evaluate the effects of a
grantmaking strategy (whether it is formal or informal), the foundation must answer three basic
sets of questions:
   (a) What does the foundation hope to accomplish? In other words, what would constitute
       “success” from the foundation’s standpoint? Is this any different than what the grantees
       would regard as “success” at the end of the funding?
   (b) What exactly is the foundation contributing to its grantees — in terms of funding,
       technical assistance, networking, or other resources — in order to produce the desired
       outcomes? In addition to these purposeful forms of support, what else does the
       foundation introduce into the picture (e.g., progress reports, program officer interaction,
       stated and unstated expectations, a specific culture) that might influence how the grantees
       might respond, and thus how well the grantmaking strategy might succeed?
   (c) How will the foundation’s contributions produce the desired outcomes? Through what
       chain of events will “success” actually occur? This description of how the grantmaking
       strategy is expected to work constitutes the foundation’s theory of change.

This exercise is simply a clarification of the foundation’s intent and assumptions. The answers
are instrumental to identifying what will be evaluated, in terms of activities, process measures
and outcomes — both short-term and long-term. Probably more importantly, these questions
allow the foundation to decide whether or not its grantmaking strategy is formulated well enough
to go public. If, for example, the answers to Question (c) are either fanciful (e.g., “the grantees
will find the perfect program for their client population”) or nebulous (e.g., “and then a miracle
occurs”), it is time for the foundation to revisit its purpose and/or approach.

2. Work out evaluation questions that relate to the major uncertainties of the program
model. Evaluation is simply a set of methods for answering questions related to program
performance. The evaluator collects data that indicate how a program plays out in practice, at
both the process and outcome levels. However, in order to know what to measure, the evaluator
must have a clear sense of what questions the foundation wishes to answer. In practice,
foundation-sponsored programs tend to be very rich interventions, meaning that there are a huge
number of questions that might be addressed, and thus a huge number of constructs that might be
measured. It is up to the foundation to decide what it regards as the “right” questions (at least for its own purposes). Failing to be explicit leaves the evaluator in a guessing game — one that the evaluator typically fails to master.

As an example, consider a foundation that introduces into a set of communities a particular planning model for developing health-promotion strategies. This initiative on the part of the foundation can be evaluated from a number of different perspectives. From a process perspective, how useful was the model and/or the technical assistance to the citizens who took part in the planning process? What sorts of projects actually resulted from the process across different sites? Were the projects informed by current scientific thinking and/or the most pressing needs of the community? Looking at community-level outcomes, did the initiative lead to improvements in social capital, leadership, collaboration, organizational learning, etc.? How do these effects relate to theories flowing out of public health, sociology, anthropology or community psychology? Taking a very different tack, the foundation might want to look specifically at the effectiveness of the individual projects emerging from the planning process, which would require separate evaluation studies that assess the idiosyncratic outcomes targeted by each project.

Given that resources are limited, it will never be possible to conduct a truly comprehensive evaluation that answers all of the possible questions that might be asked about an initiative. The foundation must be deliberate in formulating the questions that serve its own purposes, its own need for learning. If the questions are not set out explicitly at the outset, the evaluation is unlikely to be relevant to the foundation when the results roll in. Moreover, simply going through the exercise of spelling out the evaluation questions helps the foundation clarify its expectations and assumptions, pointing out the critical issues both for learning and for defining “success.”

3. Involve all of the relevant stakeholders in Steps 1 and 2. The task of developing a program model and specifying evaluation questions is not something that should be left solely to “evaluation experts.” At their core, Steps 1 and 2 are simply a means for explicating what the foundation is trying to accomplish. No outside evaluator can do that for the staff and Board of the foundation.

More specifically, it is critical that program staff serve as the main informants in setting out the program model and its uncertainties/questions. It is their expertise and judgment that determines what the grantmaking strategy will look like, and their expectations that provide guideposts for assessing the ultimate success of the effort.

Involving program staff at the early stage of an evaluation design speaks directly to a major tension that often arises over the course of an evaluation, especially a foundation-focused evaluation. Program officers sometimes regard evaluations of their programs as either irrelevant, intrusive or ill-conceived. The most direct and appropriate remedy is to engage program staff as the experts in describing their program and specifying the observable events that should occur if it is to be successful. Evaluators (either internal research staff or external evaluation consultants) best serve as facilitators in this process, eliciting and clarifying the assumptions that guide the
choice of funding, technical assistance, supports, etc. This allows for organization-wide alignment around the intent and benchmarks of any given grantmaking strategy.

4. Find evaluators who are interested in answering the foundation’s questions. It goes without saying that not all evaluation consultants come into their assignment with the same research interest as the foundation. Some will bring a particular theoretical framework or a small bag of methodological tricks honed over years and years of increasingly specialized academic practice. Such a paradigm is unlikely to map onto the foundation’s questions. For an evaluation to be useful to the foundation, the consultant must be open-minded, flexible, and competent in a variety of methods and settings. Correspondingly, the foundation must take responsibility for communicating its expectations and perspectives to the consultant. Having an evaluation specialist on staff at the foundation facilitates this translation process.

5. Schedule regular points of dissemination and reflection. Although most of the organizations that embark upon evaluation do so with their eyes trained on answering the outcome questions (i.e., the final, bottom-line analysis), there is tremendous value in learning as you go. Evaluations provide insights over the whole continuum of the program model: What activities were actually carried out in practice? How did the intended audience respond? Who else responded? What did people and organizations actually do in response to the foundation’s prompts and supports? How did services change — in the form of modifications, enhancements or wholesale revision? All these questions (and many more) focus on constructs that precede the ultimate desired outcomes. Depending on how the earlier questions are answered, the foundation might determine that its original intent is no longer reasonable, or it may decide that the initiative is having effects that extend far outside its original expectations. In any event, there will be opportunities for making the initiative more effective, taking fuller advantage of the things that are working and remediing the things that are falling short.

For evaluation to support this refinement-and-adjustment process, the foundation needs to allow for regular points of contact between program staff and the evaluator. Through interim reports, presentations and dialogue, improvements in the initiative can be formulated. It is also useful to bring in the advice of grantees — both by soliciting their recommendations as part of the evaluation and by asking for their response to proposed refinements to the initiative. Again, the major point is to be deliberate in gaining the most out of the initiative, recognizing what are the most important “active ingredients” of the initiative in practice, and then shifting resources, incentives and behaviors to promote the desired outcomes.

6. Interpret evaluation findings within a culture of learning. One of the major frustrations of evaluators is that their findings are not used, that nothing inside the foundation changes as a result of what has been learned. Sometimes the fault lies in the focus of the evaluation: the questions being answered may not be the ones that are of primary concern to the foundation. In addition, the foundation sometimes moves on to new areas of grantmaking that appear unrelated to the programs being evaluated (Patrizi and McMullan, 1998). However, probably the most important limiting factor is resistance to change within the organization (foundations are not
unique in this regard).

If grantmaking strategies are to improve in response to evaluation findings, the foundation must enter into its work with a certain level of tentativeness, that is, a belief that it is not yet perfect. This assumption allows an opening for learning and improvement, and is essential if the evaluation is to have any pay-off beyond reporting back to the Board on the actual outcomes of the initiative.

A culture of learning couples this notion of humility with an inquisitive instinct. Seeking out information and new ideas needs to be a central activity of the foundation. The organization can support inquisitiveness by rewarding improvement rather than expecting its staff to begin with precisely the right grantmaking strategy. Under the latter situation, evaluation is a very real threat because the data can easily call into doubt whether the initial model was perfect (it never will be). However, if staff are expected to play an ongoing role in perfecting the foundation’s grantmaking, evaluation provides a critical tool for making informed adjustments.

**A Reminder: Don’t Forget the Grantee**

While we have been stressing the importance of focusing evaluation on the grantmaking activities of the foundation, this should not be done at the expense of grantee-level evaluation. Grantees have their own unique interests when it comes to evaluation, although at times these interests may be ill-defined. Moreover, the questions that pertain to the macro evaluation (i.e., how an initiative or grantmaking strategy plays out across multiple sites) are often of limited relevance to individual grantees.

This disconnect between the foundation’s evaluation questions and the grantee’s evaluation questions occurs particularly when the foundation is interested in building the capacity of grantees to carry out effective programs. In these sorts of initiatives, local organizations or stakeholder groups are supported (through funding, technical assistance, etc.) to look in depth at the needs of their community, to find promising programs, and to implement those programs in a way that both stays true to the initial model and that incorporates the learnings that emerge throughout the implementation process. In an initiative such as this, the foundation would be interested in assessing the degree to which the funding and other assistance provided under the initiative lead to changes in community and organizational capacity, awareness, mobilization, norm change, leadership, and the like. However, this sort of foundation-focused evaluation will probably fail to address the most pressing evaluation questions of grantees. Grantees are more interested in evaluating the effectiveness of their own individual programs than in learning about the effect of a specific planning model on fostering community problem-solving across multiple sites.

Approaches such as collaborative evaluation and empowerment evaluation (Fetterman, Kaftarian and Wandersman, 1996) attempt to reconcile the interests of the funder and the grantee with a single evaluation. The intent is to create an evaluation design that is more comprehensive and more reflective of the different intended audiences. However, we have found that in many important ways, the evaluation interests of the funder are fundamentally distinct from those of the grantee — not contradictory, but with very different foci and expectations for use. Thus,
rather than attempting to accommodate the grantees’ interests directly into the macro evaluation, The Colorado Trust has promoted a “local-evaluation” approach to evaluating individual programs. Under this approach, grantees are encouraged to define their own evaluation questions, first by developing a logic model that they think describes how their program will work, then by identifying the key outcomes, activities, and events that are hypothesized to occur under the program. The foundation provides resources (technical assistance, funding, networking opportunities) that it hopes will build the capacity of grantees to conduct useful evaluation. In practice, different grantees will vary in their potential to carry out their own evaluations (particularly when it comes to the more technical aspects of data management and analysis), but it has been our experience that with appropriate coaching, nearly all grantees are able to specify their evaluation questions.

An Example of Learning Through Evaluation: The Colorado Trust’s Violence Prevention Initiative

To illustrate the principles presented in the previous section, we present an example in which The Colorado Trust has used evaluation to understand the strengths and weaknesses of one of its grantmaking strategies, as well as to stimulate deliberations that allow program staff to improve the set of services offered to grantees. This example is the Colorado Violence Prevention Initiative (CVPI), a $6.9 million, six-year initiative that began in 1995. This initiative is designed to assist community-based organizations in achieving comprehensive, effective, and locally relevant solutions to their community’s violence problems. Grantees were solicited under two tracks: (1) planning and implementation grants, where violence-prevention organizations were supported through a process of learning about local violence trends and available interventions, then funded to implement one or more of the programs emerging out of the planning process; or (2) implementation grants, where it was assumed that the grantee had already conducted an extensive planning process and needed support to implement the selected program(s). Under both tracks, grantees are typically awarded approximately $150,000 over two-to-three years to support the implementation of their programs. In addition, all grantees are provided a range of technical assistance tailored to their needs. This support includes education on risk/protective factors, strategic planning, organizational development, facilitation of community meetings, training for boards of directors, and developing strategies for project monitoring and evaluation.

Over and above the support to grantees (including technical assistance around program evaluation), the initiative incorporated a macro-level (foundation-focused) evaluation to assess whether the package of assistance provided under CVPI was achieving the desired outcomes, both short-term and long-term. In the shorter term, it was hoped that grantee organizations would develop and implement more appropriate, responsive and effective violence-prevention programs, and in particular, programs that are consistent with research findings from the prevention literature. It was also hoped that these organizations would develop an organizational culture and set of competencies that support ongoing learning, allowing programs to be improved over the course of their implementation.

The macro-level evaluation, supported at a level of $400,000 over five years, is conducted by OMNI Institute, a Denver-based research firm that is well-versed in the evaluation of prevention
programs. OMNI was recruited through a Request-for-Proposal (RFP) process. The RFP specified the questions that The Trust wanted answered through the evaluation, and requested applicants to specify the methods they would employ to address those questions. A bidders conference was held to provide a fuller description of the initiative, as well as to clarify the foundations expectations. OMNI was selected by foundation staff from a pool of five applicants.

Using written surveys, telephone interviews and site visits, OMNI has collected information on issues such as sustainability, changes in program design, inter-project relationships, and learning within the grantee organizations. Grantees are also asked (anonymously) to assess the value of the technical assistance (TA) they receive, as well as to provide any comments to The Trust regarding the overall design of the initiative and the role of the foundation in carrying it out. In addition to assessing the initiative from the grantees’ point of view, OMNI has collected data from the TA providers and Trust staff.

One of the most important aspects of the CVPI evaluation is the way in which the results are used to promote learning among the initiative’s implementers. In order to insure a continuous learning loop, there are monthly meetings of the “project team,” attended by Project Consultants who work for the “managing agency” (Center for Public-Private Cooperation at the University of Colorado-Denver), an additional technical assistance provider [the Center for the Study and Prevention of Violence at the University of Colorado - Boulder (CSPV)], program staff and evaluation staff from The Trust, and representatives from OMNI Institute. One of the purposes of these monthly meetings is to relate back to the project team the results of the macro evaluation as they come in.

The evaluation uncovered a number of challenges and missed opportunities that suggested refinements in the implementation of the initiative. For example, grantees felt frustrated by the urban-based project consultants’ lack of sensitivity to uniquely rural issues, grantees were not fully aware of the kinds of TA that were available under the initiative, and the project team was not fully sensitive to the complexity of carrying out violence prevention in ethnically diverse communities. As a result of these findings, trainings were provided and attended by all members of the project team to increase their awareness of the various issues brought up by grantees. Grantees have subsequently reported a marked decrease in their frustrations over these issues and acknowledge both The Trust and the TA providers for their response to the comments and suggestions voiced during OMNI’s interviews.

Although many of the issues identified by the evaluation point toward “easy” remedies, others relate more fundamentally to the design of the initiative and could not be easily altered after the initiative began. For example, grantees experienced a lack of clarity regarding the foundation’s expectations, particularly with regard to what would constitute “success” on the part of their programs, as well as the level of rigor that needed to accompany their evaluation of program success. While technical assistance is provided for individual program evaluation, it is left to the individual grantees to choose the most appropriate indicators for their project. The macro evaluation found that many of the project directors were frustrated by their inability to develop and implement an evaluation design that would provide reliable estimates of the “effect” of their programs. This deficiency was traced back to a lack of resources — both human and financial — on the part of the grantee organization, as well as a lack of direction on the part of the
This finding regarding the desire for more rigorous local evaluation has served as a starting point for larger discussions within the foundation regarding The Trust’s approach to supporting evaluation activities at the grantee level. A number of philosophical questions emerge as this topic is discussed. For example, the foundation is committed to allowing grantees to decide for themselves how to allocate resources, but at the same time we have our own expectations and requirements for understanding the effects of our initiatives, including project-specific effects. The question also arises as to whether it is more important to have grantees implement as rigorous an evaluation as possible as quickly as possible (even if that means an outside evaluator carries out the study), versus building evaluation capacity and an ethic of organizational learning within the grantee organization (a longer term, developmental process). The challenge for the foundation is to find a balanced approach that will encourage growth and learning within grantee organizations while recognizing that they have limited resources and a real need to sustain their work — a task many believe can be made easier through stronger and more rigorous data findings.

Conclusion
Over the past 20 years, foundations have increasingly relied on evaluation as a means of assessing the effectiveness of their grantmaking. However, integrating evaluation into a foundation’s grantmaking strategy is often frustrating to both Board and staff. Uncertainty about where evaluation fits into the organization reflects the confusion that surrounds the whole concept of evaluation. Evaluation is not a single type of activity directed toward a fixed purpose, but rather a whole family of methods that allow different research questions to be answered. Some foundations employ evaluation to “hold their grantees accountable” (i.e., to assess how well their grantees are meeting their goals and objectives). Others use evaluation to develop more effective programs (e.g., job-training programs). And a few foundations focus their evaluations on their own grantmaking activities, either to provide accountability to their Boards or to improve the effectiveness of their grantmaking. All of these purposes are valid reasons to do evaluation, but they must be articulated. An evaluation is designed, first and foremost, to answer a particular set of questions. Unless a foundation defines its own critical questions, evaluation becomes a ship without a rudder, aimlessly sailing from one issue to another, occasionally bumping into things, and leaving foundation staff with the sense that they have been on an interesting but meaningless journey.

Most foundation-sponsored evaluations have focused on grantees (their program models, activities, and results). While it is clearly in the foundation’s interest to evaluate the programs of its grantees, this strategy overlooks the role that evaluation can play in helping a foundation understand and improve its own activities. If ongoing learning is considered an important value by a foundation, learning about the effectiveness of one’s own program strategies is at least as important an objective as learning about the effectiveness of grantees.

The paucity of foundation-focused evaluation severely limits the effectiveness of the philanthropic sector. No foundation can achieve its true potential without the deliberate data-collection, analysis and reflection that are the keys to good evaluation. Without objective data describing the results of its actions, a foundation is unable to learn from its mistakes and its
successes. Foundations expect that their grantees will push themselves to increase relevancy, effectiveness, and wisdom; grantees should be able to expect just as much from their funders.

Much of the resistance to foundation-focused evaluation stems from the emphasis on accountability that has traditionally been associated with evaluation. Most people regard evaluation as a form of grading; when you are evaluated, you become either a winner or a loser, and our fear of becoming a loser precludes us from opening ourselves up to the evaluation process. However, the major power of evaluation comes from its ability to stimulate learning, improvement and wise decision making. An evaluation should increase the knowledge of the organization being evaluated, whether it is a foundation or a grantee, and should point the organization toward the most productive use of its talents and resources. Evaluation is rarely viewed as a nurturing activity, but that quality is precisely what makes it instrumental to the work of the nonprofit and philanthropic sectors.

Because evaluation can be regarded as such a threatening endeavor, a supportive framework must be established before introducing this activity into a foundation. In particular, foundation-focused evaluation requires an organizational culture that values learning and rewards experimentation, even when the experiment “fails.” Indeed, it is exactly this sort of organizational culture — both within foundations and within the entire nonprofit community — that promotes the larger cause of philanthropy.
REFERENCES


