ORS IMPACT

Feedback Loops and Openness:
A Snapshot of the Field

Baseline Report

Missions Accomplished   **T** 206.728.0474 | 1100 Olive Way, Suite 1350 | Seattle, WA   **ORS**IMPACT.COM

Table of Contents

Appendices

Introduction

Fund for Shared Insight ("Shared Insight") is a collaborative effort among funders that pools financial and other resources to make grants to improve philanthropy. Shared Insight believes philanthropy can have a greater social and environmental impact if foundations and nonprofits listen to the people they seek to help, act on what they hear, and openly share what they learn.

In early 2015, ORS Impact conducted a baseline assessment to set a bar against which to measure progress over time, as well as to inform near-term decisions based on a deeper understanding of the field's current state. We explored the current state of philanthropic and nonprofit practice related to feedback loops, as well as foundation openness practices through key informant interviews, a media analysis, reviews of foundations' and sector-serving organizations' websites, and use of existing secondary data sources, such as the Center for Effective Philanthropy's report, "Hearing From Those We Seek to Help: Nonprofit Practices and Perspectives in Beneficiary Feedback." Methods are described more fully in Appendix A, as well as the strengths and limitations of each method in Appendix B.

This memo lays out our findings in each area, as well as considerations and implications for Shared Insight going forward. We also lift up a few emergent findings that arose from the data collection process.
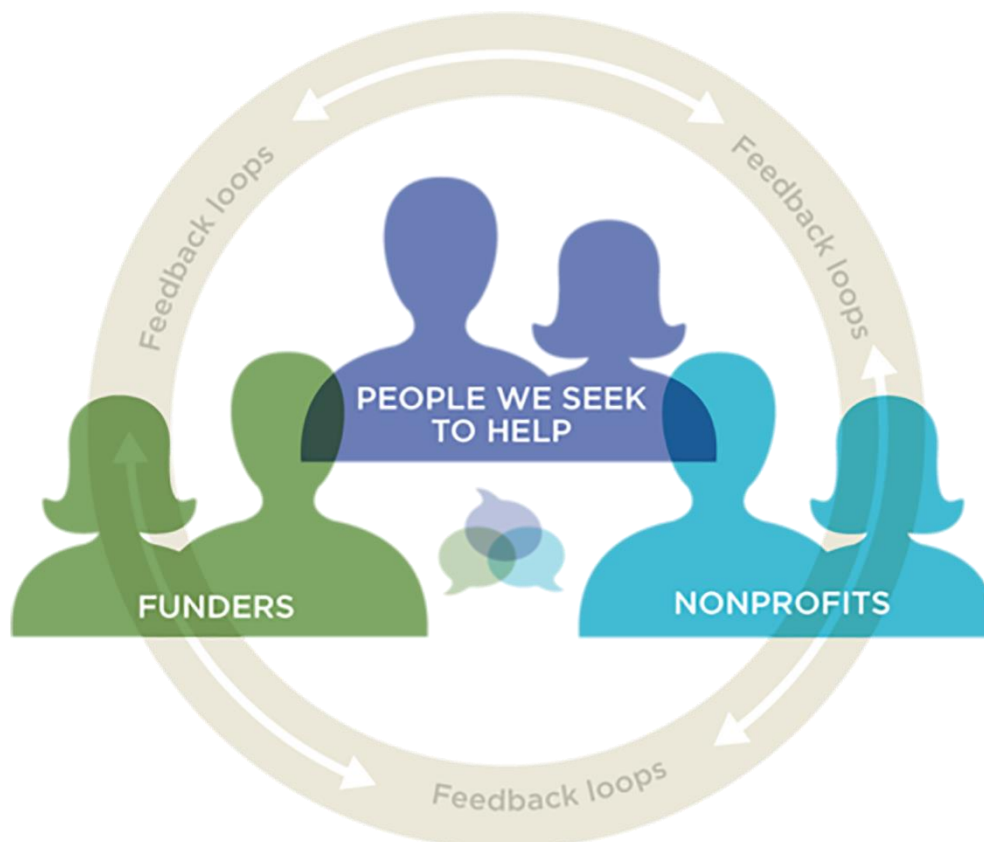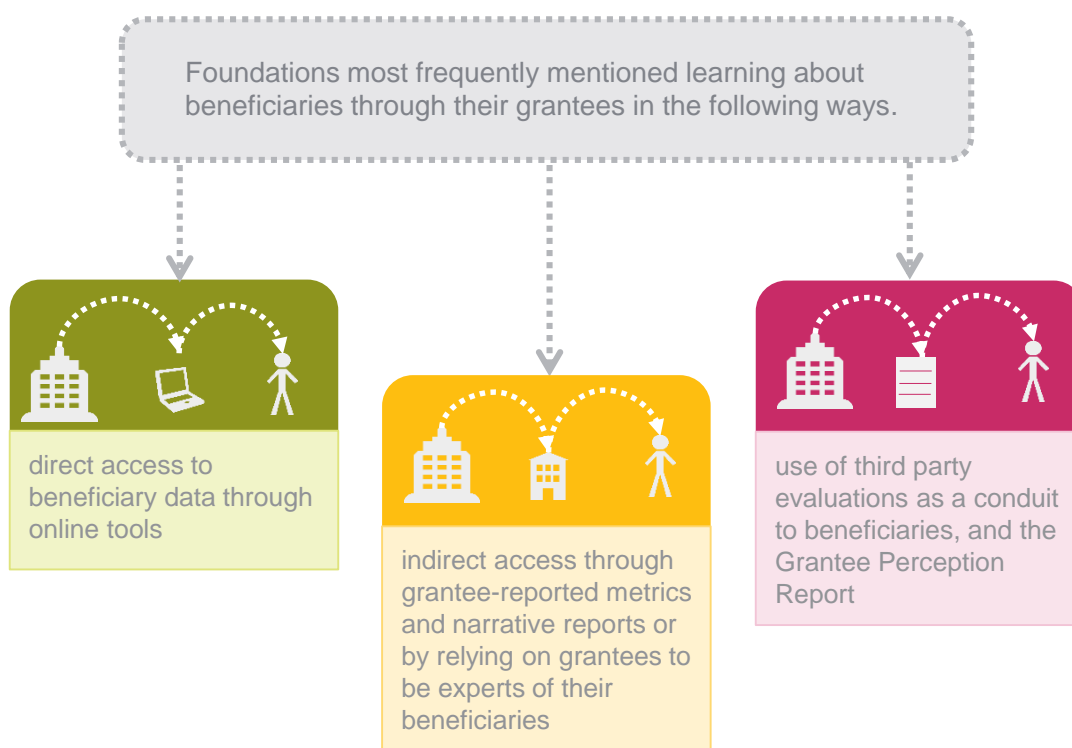
Key Findings

Feedback Loops

The Center for Effective Philanthropy (CEP) found that most nonprofits are collecting and using feedback from beneficiaries to improve their programs and services, yet nonprofit leaders still believe their foundation funders lack a deep understanding of their beneficiaries' needs.

Through our interviews with 28 representatives of U.S. foundations, we learned that the foundations represented in the sample understand conceptually what beneficiary feedback loops mean, but few had strong internal practices for intentionally collecting and putting to use feedback that came from "those they seek to help."

Foundations most frequently mentioned learning about beneficiaries through their grantees in the following ways.

direct access to beneficiary data through online tools

indirect access through grantee-reported metrics and narrative reports or by relying on grantees to be experts of their beneficiaries

use of third party evaluations as a conduit to beneficiaries, and the Grantee Perception Report

A majority of foundation interviewees had a vision for more or better use of beneficiary feedback loops within their organizations in the short-term. Standing between acknowledging the value of feedback loops and implementing them in foundation practice are three common barriers: organizational capacity, organizational culture, and technical challenges.

We found 90 instances of feedback-focused content in a broad-based review of the discourse represented in sector-related blogs, reports, and publications prior to the formal launch of Shared Insight. The amount of this relative content to all content in that timeframe varied from 2% of blogs to 36% of reviewed reports, and it has been largely in alignment with Shared Insight's focus. There is opportunity to further build on the voices discussing this work in ways that continue to advance the vision of Shared Insight.

3

Key Findings

Openness

Most foundations we spoke to had explicit values and practices related to openness. This openness happens primarily through availability of materials on their website and includes many people who are trying to increase openness internally across different parts of their foundations.

The majority of foundations make research and/or lessons learned available on their website. However, the quantity, timeliness, and ease of access of the publications shared vary considerably.

The two most common barriers to openness are organizational culture, including a fear of sharing failures, followed by time and resources.

87% of foundations share lessons learned on their websites

How much do they share?

37% a lot
23% some
27% minimal
13% none

How much have they shared in the past two years?

30% a lot
17% some
33% minimal
20% none
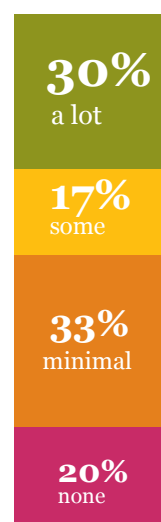
How easy is it to find lessons learned?

30% easy
43% took some effort
7% hard
20% none to find
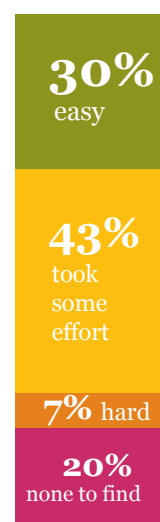
Feedback Loops

Shared Insight wants to increase the extent to which foundations listen to others—especially the people they seek to help—and respond to their expressed interests. To do so, they support collaborative approaches to improve how nonprofit organizations' listen to, learn from, and act on what they hear from the people they want to help, as well as enhancing the research base on the ways in which feedback can serve as a leading indicator of change.

When Shared Insight talks about "the people they seek to help," they are referring to the individuals who receive programs and services from nonprofit organizations; for example, the students served by charter schools, the recently released prisoners benefiting from job-training services, and the low-income first-time mothers participating in pre-natal through birth programs.

Over the next three years, Shared Insight would hope to see changes in the amount and kind of discourse in the field around this issue, and the focus on this practice among nonprofits, foundations, and sector-serving organizations. In the following pages, we share the current state we observed through our data collection efforts.

Nonprofit Practice: Excerpts from CEP Report

In 2014, the Center for Effective Philanthropy (CEP) published the report, "Hearing from Those We Seek to Help." CEP sought to understand the state of practice among nonprofits related to gathering beneficiary feedback and using it to drive improvement. Collecting data from a representative panel[1] of nonprofit leaders through surveys and interviews, CEP found the following relevant information.[2]
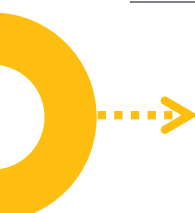
CEP Finding: Most nonprofits are collecting and using feedback from their beneficiaries to improve their programs and services.

- CEP found that nonprofits tend to collect feedback from beneficiaries throughout the lifecycle of their programs or services, but not consistently. Of nonprofits surveyed, 89% tend to collect feedback both during and after the provision of programs or services, but only 37% of nonprofits *always* do so.

- The majority of nonprofits reported using between two and four types of methods to collect beneficiary feedback. The most commonly used methods are collecting stories from beneficiaries (92%), surveying beneficiaries directly (87%), and conducting systematic interviews (54%).

- Resource constraints are the most common challenge in nonprofits' efforts to collect information about the needs and experiences of their beneficiaries (59%). Nonprofit leaders experience resource constraints in various ways:
  - o 27% refer to the cost of collecting feedback
  - o 20% name a lack of staff skills to rigorously collect feedback
  - o 12% mention a lack of capacity

- Almost all nonprofit leaders told CEP that their organization is using the feedback it collects from beneficiaries to improve its work to at least "some extent." About 70% of survey respondents say they have made changes to their programs or services in response to beneficiary feedback.

---

[1] CEP sent a survey on beneficiary feedback to the 507 nonprofit leaders comprising The Grantee Voice panel. Findings are based on the 235 survey responses received from these leaders.

[2] Given the quality of the sample and alignment of the findings, ORS Impact is presenting key findings from CEP's original paper here and did not do primary data collection with nonprofit representatives. So as not to misconstrue CEP's findings, we used direct language from the CEP report. A copy of this report can be found here: http://www.effectivephilanthropy.org/wp-content/uploads/2014/10/CEP-Hearing-from-Those-We-Seek-to-Help.pdf

CEP Finding: Nonprofit leaders believe most of their foundation funders lack a deep understanding of their intended beneficiaries' needs—and they believe this lack of understanding is reflected in foundations' funding priorities and programmatic strategies.

- Although nonprofits see themselves as possessing a strong understanding of their intended beneficiaries, CEP found they have a tougher assessment of their foundation funders' understanding of their beneficiaries:
  - o 38% of nonprofits think most or all of their foundation funders have a deep understanding of the nonprofit's intended beneficiaries' needs.
  - o 31% think most or all of their foundation funders have a deep understanding of the social and environmental causes of the nonprofit's intended beneficiaries' needs.
  - o 37% feel there is alignment between the nonprofit's and most or all of their foundation funders' understanding of the nonprofit's intended beneficiaries' needs.

- CEP reported that nonprofit leaders see this lack of understanding reflected in foundations' funding priorities and programmatic strategies. This perception of a lack of understanding on the part of foundations comes despite the fact that 60% of nonprofit leaders say their organization shares beneficiary feedback with most or all of its foundation funders.

Philanthropic Understanding and Practice

In addition to understanding nonprofit practice, Shared Insight wanted to get a sense of foundation perspectives and internal practices related to the use of beneficiary feedback in their work. We interviewed 28 representatives from U.S. foundations to look at a slice of the philanthropic sector (see Appendix C for the full interview protocol).

Finding: When asked what "feedback loops" meant to them, two-thirds of foundation interviewees described them in ways consistent with Shared Insight's definition of "the people we seek to help."

- Twenty four interviewees of 28 included recognition of end users, recipients, constituents, or similar language in their description.

  I take it as focusing on the ultimate recipient, beneficiaries of grant funding. If funding in an education context it would be the students.

- Five interviewees primarily focused on the grantee as the end user, and two didn't know what the terminology referred to.

  If we think about ourselves as granting to other orgs, then the beneficiary could be those organizations. So it is about collecting information from those orgs about the work they are doing, about what they are learning. And then understanding how what we are offering and the services we are providing is having an impact on them and what they do.

- A number of interviewees discussed the challenge of identifying an end user given their focus on systems, advocacy, or other less direct-service-focused efforts. When feedback loop practices were proffered, they were often for program areas such as (in descending order): education, health, youth/family services, arts programs, and poverty.

Finding: When asked about the ways in which they use beneficiary feedback, foundation interviewees most frequently spoke to learning about beneficiaries through their grantees.

- Twenty interviewees discussed receiving beneficiary feedback through grantees in various forms, including direct access to beneficiary data through Management Information Systems, data portals, or central databases, and often more indirectly through grantee-reported metrics or narrative reports. Several chose grantees who they felt had good community representation in their organization or otherwise relied on them to be experts of their beneficiaries, without explicitly referencing the grantees as sharing data.

- Eight interviewees specifically referenced using CEP's Grantee Perception Report (GPR) process as their initial response to how they engage in feedback loops, and usually it was their most top-of-mind reaction to the question. The GPR focuses on the grantee-funder relationship and suggests that many foundations think first of their grantees as their beneficiaries.

> *I think that the main way we are using it, we do a grantee survey through CEP every couple of years.*

Finding: Beyond gathering beneficiary feedback from grantees, a large number of interviewees cited evaluations as the way they learn from beneficiaries; a few directly engaged with beneficiaries.

- While this may be in part an artifact of our sample[3], 13 interviewees referenced evaluations in response to how they engage in feedback loops, though some acknowledged this still may not reach the ultimate beneficiary.

- Eight interviewees discussed specific ways in which they directly listen to beneficiaries to learn from their experiences, including through due diligence activities, site visits, stakeholder surveys, a national poll, and advisors or advisory groups.

> *As far as directly talking to constituents, that is something we do in the due diligence process, we talk to folks in the entire spectrum from Board to youth (service recipient), to see if there is a shared understanding and a strong sense of what the program is supposed to do. Is the organization meeting its Theory of Change? This happens before the grant is awarded.*

> *POs, when they go on site visits, will usually speak or hear from students and that probably happens twice a year as well. But again it is often colleges that we are funding, not a direct relationship between us and students.*

---

[3] We primarily spoke to foundation staff with key responsibilities associated with strategy, evaluation, and learning.

Finding: Within this sample, nine foundations gave examples that demonstrated their foundation's value of beneficiary voice and intentionality about using that voice in their work. However, few examples of rigorous processes that result in systematic, comparative data from beneficiaries were provided by interviewees.

Nine foundations described institutionalized examples of gathering and using beneficiary feedback for strategy development and refinement within their organizations that included clear definitions of beneficiaries as the people they seek to help. These occurred in different focal areas, though education and place-based work did emerge a number of times.

> *Our customers are the children and families we serve, not our grantees. We seek ways to seek out their feedback. Our core value is that the beneficiaries are our clients. In a new community development program-there has been intense period of collecting residents input. So we are not just hearing from nonprofits but also from the residents.*

> *We have to do a community needs assessment every three years, so we looked at a lot of population health data in the area we serve, and also brought that data out to the community and did 23 community meetings with residents and professional.*

Six foundations had a relatively strong focus on intentional data collection, but as a group, there was less consistency in its use for the foundation (compared to grantee effectiveness) and in whom they perceived as the "people they seek to help."

> *For our education program, we survey the supervisors of the teachers. We put a lot of funding into that. Those surveys are done in partnership with our grantees and provide them a lot of information about the teachers they are serving. They all sit around the table and analyze it, look at how they're doing compared to each other, where are there common issue areas. When we identify an area they are all struggling with, they can look at how to address it together. They can look at where their scores are particularly weak, where they are doing well, where their own is score weaker in certain areas. It's the grantees and institutions that use the information.*

Eight foundations had partial or very ad hoc intentionality around collecting data or using it for their foundation's work.

> *We do try to bring students in to our retreats and strategy meetings. So it's often about reminding us who we are serving and the issues they face. When we go on site visits we ask to talk to students. [It's] part of [PO's] standard practice, understanding impact of grants, trying to hear directly from students. But it's not in a standard protocol; you do this every time and report back.*

Five foundations had no intentionality, no shared definition of beneficiaries and no emphasis on using beneficiary feedback in their foundation work. They often found their end beneficiaries hard to define and relied heavily on input from grantee partners to support their work.

> *We don't have a discrete program area where we look at 3-5 year olds' reading level. It's a very different kind of undertaking, so the answer is currently no.*

Ideal practice ⤑
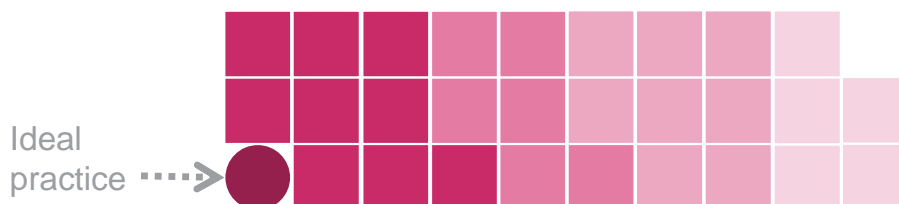
Finding: About half of interviewees had a vision for more or better use of beneficiary feedback loop practice in their foundation. Others were unclear or had no expectations of change in the next three years.

- About two thirds of those who had a vision for the future generally talked about strengthening existing processes, such as including more beneficiary voice in evaluations or being more systematic in their approaches for collecting or sharing beneficiary feedback.

- Half of interviewees talked about doing more, including adding new data collection processes, adding processes to other program areas, or doing more evaluation.

> *I would like to see evaluation more integrated into the grants that we make, and that would include hearing back from the people benefiting from the programs we provide. The main thing is to integrate it [feedback loops] into more grantee reporting and evaluation.*

> *I hope we are setup to have a more systemic approach, and maybe help with better analysis on . . . aggregatable data and easily make sense of it ourselves . . . . And so it doesn't require someone plowing through old reports and so on and trying to spot trends, we are setup to do it more systemically.*

- Themes among those who were unclear or did not have a vision for a different future included challenges associated with leadership and internal culture.

57% of respondents had a clear vision

6 (21%) respondents had a **vision for both more and improved existing** beneficiary feedback loop practice in their foundation

7 (25%) respondents had a **vision only for improved existing** beneficiary feedback loop practice in their foundation

3 (11%) respondents had a **vision only for more** beneficiary feedback loop practice in their foundation

Finding: Making a case for the value of this work, either through communicating a values message or showing beneficiary impact through feedback loops' use, was the most frequently cited enabler for expanding the use of beneficiary feedback loops, followed by leadership and internal practice changes.

- Themes related to "value" took several forms: appealing to the intrinsic value of philanthropy for serving beneficiaries; being able to demonstrate what the "value add" of using beneficiary feedback is relative to impact; and a foundation's ability to have greater impact on a field or geographic area by virtue of demonstrating impact on beneficiaries.

- Leadership prioritization, which included foundation CEOs, boards, and those doing evaluation and strategy work, was cited six times as a way in which beneficiary feedback loops would be more likely to be used by their foundation.

  Change would be leadership to decide a strategic or moral reason to do [feedback loops] and start requiring program teams to demonstrate how they are using feedback. [For example,] we are required to show how we responded to our perception report. Everyone did it, and [responding to grantee feedback] became very routine.

- A number of interviewees talked about specific changes they could make to internal practices which would incentivize feedback loops within their organizations, including

regularly scheduled internal conversations, changes to report templates, clear communication with grantees, budget for grantees to engage in this kind of work, and development of products that enhance use by foundation staff.

Finding: Standing between acknowledging the value of feedback loops and implementing them in foundation practice are three common barriers: organizational capacity, organizational culture, and technical challenges.

- Seventeen informants mentioned barriers of organizational capacity that included both the time required to collect, reflect, synthesize, and use data as well as the cost in staff time and financial resources.

> *The barrier is the time to synthesize the information and to reflect on it. Information is coming in from all different sources: grantees, community members beyond beneficiaries, whatever grantees report about beneficiaries, as well as other things that are happening in the policy and program realm outside of the foundation's work. All of these things are influencing the way that the program moves forward.*

- Another barrier encountered by 12 interviewees could best be described as the culture of philanthropy which is results driven and where the funder-grantee relationship has traditionally not invited authentic feedback.

> *The field always has the challenge of getting closer to ground. Part of that comes from our basic structure . . . . We are only accountable to our board of directors.*

> *It's in the historic practices to grantmaking, people are engaging in grantmaking in a way they are accustomed to doing it and generally it doesn't include beneficiary feedback loops and certainly it would not be an issue of resources, I think we have the resources to do it.*

- Even the 10 organizations that were eager to hear from beneficiaries spoke of technical challenges in collecting beneficiary data with adequate rigor and a lack of tools to streamline the process.

> *I think it's really important to know whether the authentic demand is being met by all these different attempts. I think hearing that through the eyes of the nonprofit or company can be distorted. Either intentionally or because they don't know. In either case, it is problematic as an investor when our goal is to actually see people's lives change.*
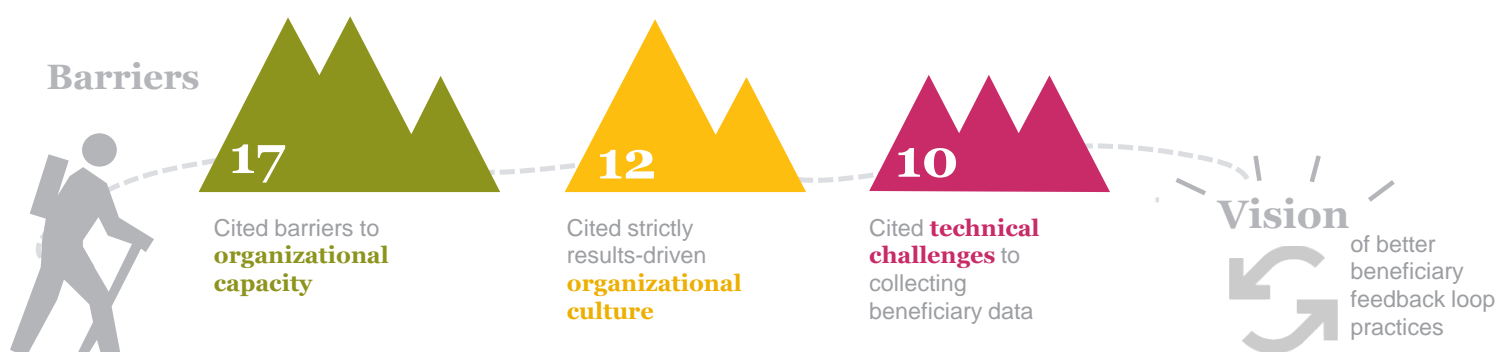
> *It's one thing to say beneficiary loops, but it's another thing to implement them well with enough rigor that gets you good information. There are definitely good and optimal methods and poorer methods. So even running a survey or something, asking the right questions in the right ways and the right sample, being able to setup feedback loops that would get you the appropriate info is crucial.*

- Several foundations engaged in non-direct service work had trouble identifying who their beneficiaries are. The closer to the ground a foundation operates, the easier it is to define the target population and collect feedback from the beneficiaries, e.g., youth in a youth development program.

> *One of the barriers is not quite knowing how to do it in a way that seems manageable. Some of our investments are direct service, some of them are policy or systems oriented, where . . . it would tougher to define who the actual beneficiaries are.*

Barriers

17
Cited barriers to
organizational capacity

12
Cited strictly results-driven
organizational culture

10
Cited **technical challenges** to collecting beneficiary data

Vision
of better beneficiary feedback loop practices

Field Discourse

Finding: There were 90 instances of relevant "chatter" related to feedback loops from beneficiaries in the field between July 2013 and June 2014.

2,121 possible entries

Blogs

52%

Blogs had the highest incidence of relevant content

90 total relevant instances
$\begin{cases} \textbf{47} \text{ blog posts} \\ \textbf{33} \text{ articles} \\ \textbf{10} \text{ reports} \end{cases}$

47 relevant entries $\}$ **2%**[4]

* The terms "feedback" and "beneficiaries" were the terms most frequently attached to relevant content.

Periodicals

55 possible issues[5]

$\left(\textbf{33} \text{ relevant articles} \right)$
15 relevant issues $\}$ **27%**

Reports

28 possible reports

10 relevant reports[6] $\}$ **36%**

---

[4] Forty seven relevant entries across 21 blogs: Albert Ruesga posts in White Courtesy Telephone, Alliance Magazine, Arabella Advisors, Beth Kanter, Center for Effective Philanthropy, Chronicle of Philanthropy, FSG, Give Well, High Impact Philanthropy, Independent Sector, Kathleen P. Enright in Huffington Post, Leap of Reason, Philanthrofiles, Philanthropy 2173, PhilanTopic, Social Velocity (Nell Edgington), Stanford Social Innovation Review, Just Philanthropy.

One entry was found on a conference blog as a result of our effort to find search term mentions at conferences. This entry was included in the overall number of relevant entries found, but this entry was not included in the calculation of the percentage of relevant blog entries nor was the total number of conference blogs possible.

Finding: Though almost all relevant content was aligned in spirit with Shared Insight's perspective, few instances clearly discussed systematic use of feedback and closing the feedback loop. Even fewer advocated for the use of beneficiary feedback loops.

- Of the 90 instances found, almost all discussed the use of beneficiary feedback for funders (67%) and nonprofits (49%).

- Fifteen instances (17%) referred to both systematic feedback and closed loop feedback, where the foundation or nonprofit responds to and incorporates feedback.

- Nearly two thirds of relevant content acknowledged the value of beneficiary feedback, but only a few instances specifically advocated for its use (13%).

46% talked about closed-loop feedback

17% talked about both

32% talked about systematic feedback

---
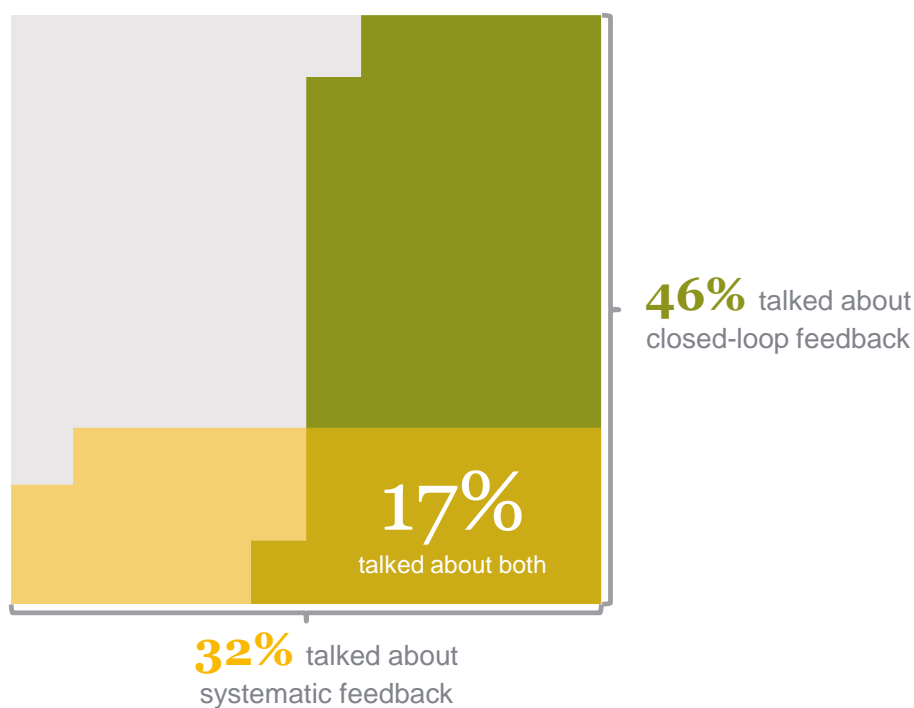
[5] (From previous page) Thirty three articles across 11 publishing organizations. Reviewed periodicals included: Alliance Magazine, Chronicle of Philanthropy, Inside Philanthropy, Nonprofit Management and Leadership, Nonprofit Quarterly, Philanthropy Magazine, Philanthropy News Digest, Stanford Social Innovation Review, The Foundation Review, The Nonprofit Times, and Blue Avocado.

[6] (From previous page) Ten reports across six organizations. Organizations reviewed included: Arabella Advisors, Center for Effective Philanthropy, FSG, Grantmakers for Effective Organizations, National Committee of Responsive Philanthropy, and Rockefeller Philanthropy Advisors.

Finding: Nearly half (48%) of the identified content described the actual practice of beneficiary feedback.

- In content that described the practice of feedback loops, most focused on direct service areas, such as education (7 entries), youth/family nonprofit work (6), and international development (5). Fourteen instances talked specifically about philanthropic practice, such as using beneficiary feedback for strategy development.

Finding: A few key voices and places for content were found.

- Authors with three or more instances found in the past year included: FSG, Grantmakers for Effective Organizations (GEO), Center for High Impact Philanthropy, Phil Buchanan, Lucy Bernholz, Tris Lumley, Susan Wolf Ditkoff, and Suzanne Perry.[7]

- Blogs and Periodicals with the three or more entries/articles in the past year include: Alliance Magazine, Chronicle of Philanthropy, Nonprofit Quarterly, Inside Philanthropy, The Foundation Review, SSIR blogs, Center for Effective Philanthropy, Center for High Impact Philanthropy, Philanthropy 2173, and Markets for Good.

---

[7] Some blog entries did not have individual authors listed; in those instances, we considered the organization the "author."

Observations

1. For nonprofits, CEP findings suggest that areas for possible growth are around the rigor with which beneficiary feedback is collected and the effectiveness with which it is communicated to foundations.

2. Foundations conceptually understand the meaning and value of beneficiary feedback loops, but there are some areas that provide lower hanging fruit than others.

For many, though especially those who consider their work farther from direct service, it is difficult to disentangle their grantee feedback from the feedback loop conversation or to identify who the actual end beneficiary is.

From our interviews, this connection seems to largely be easier for community foundations, place-based efforts, and health-focused foundations and activities. We also noticed that funders with more of a customer orientation, including community foundations, health foundations, and one foundation with retail origins seem to be hard-wired for a beneficiary orientation.

3. Few foundations in our sample had strong internal practices for intentionally using beneficiary feedback for their own work rather than as a tool for enhancing the effectiveness of grantees. The current focus of Shared Insight grantmaking is on nonprofit practice; however, the challenges experienced by foundations currently seem less rooted in nonprofit practice and more internal to the foundations themselves. Achieving changes in foundation practice may require different or additional approaches.

4. Issues of quality, rigor, and credibility of data showed up among a small number of the foundation representatives we spoke with at this time; if demand for access to and use of beneficiary data rises among funders, these issues may increase.

5. The volume of discourse in the field is low but in relatively close alignment with Shared Insight. Depending on the grantmaking and other activities of Shared Insight, it should be possible to see more voices, more content, and greater levels of advocacy for aligned beneficiary feedback loop practices over time.

Openness

By "openness," Shared Insight means foundations listening to others—especially the people they seek to help—and responding to their needs and interests; foundations sharing what they are doing, how they do it, and how they are learning; and collaborative relationships among foundations and between foundations and grantees that are based on trust.

Shared Insight chose to focus on openness because there are currently very few examples of foundations listening to the people they seek to help in a rigorous or systematic way, and using what they hear to inform their work. Philanthropy has historically resisted efforts to incorporate feedback from grantees and the people they seek to help. Philanthropy is also resistant to openly examining failures and sharing lessons learned. Without a focus on this emerging practice or grants to help the field explore this uncharted territory, they believe this work will not happen on its own.

Over the next three years, Shared Insight hopes to see changes in foundation practices related to openness. Below we describe our assessment of the current state of the field based on the interviews with foundation representatives mentioned earlier, as well as a review of 30 foundation websites.
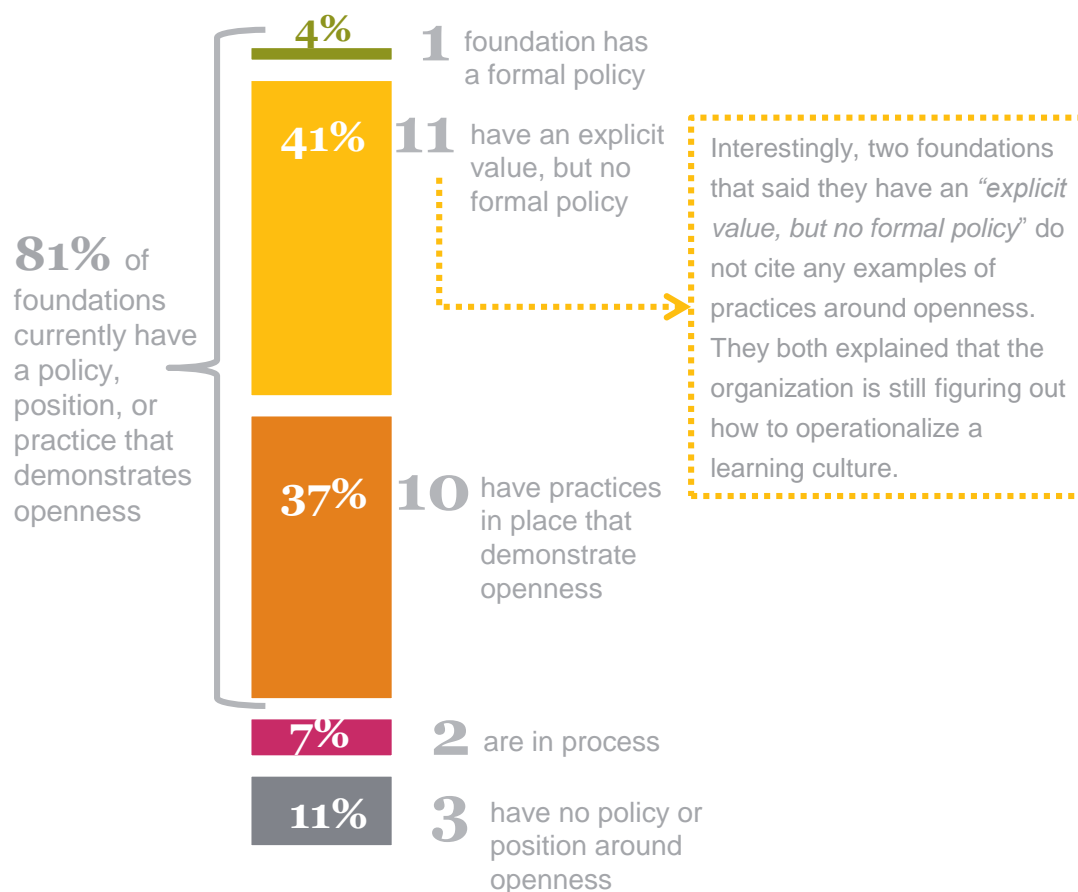
Philanthropic Understanding and Practice

Finding: Many foundations interviewed have explicit values that encourage openness. Almost as many without explicit values have practices in place that demonstrate some degree of openness.

- Twenty-two of 27 foundations[8] currently have a policy, position, or practice that demonstrates openness.

81% of foundations currently have a policy, position, or practice that demonstrates openness

4%   **1** foundation has a formal policy

41%   **11** have an explicit value, but no formal policy

37%   **10** have practices in place that demonstrate openness

7%   **2** are in process

11%   **3** have no policy or position around openness

Interestingly, two foundations that said they have an *"explicit value, but no formal policy"* do not cite any examples of practices around openness. They both explained that the organization is still figuring out how to operationalize a learning culture.

- Of the 13 foundations that were interviewed *and* included in the website review, all showed great alignment between what was said in the interview and what was evidenced on the website. This alignment further validates the findings around openness from the interviews, even for foundations that were interviewed but not included in the website review.
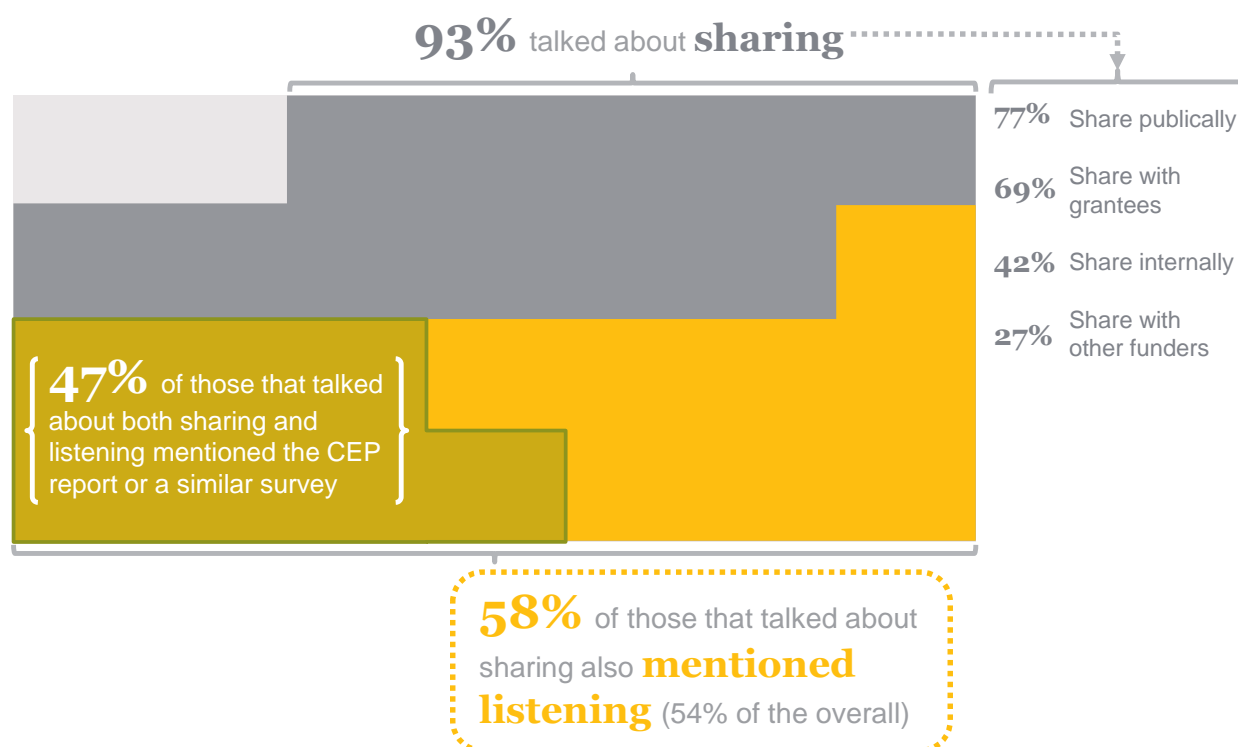
---

[8] One interviewee of our full sample of 28 did not complete the protocol, thus resulting in a smaller sample for this section of the report.

Finding: Foundations operationalize openness in different ways, including sharing publicly through their websites, giving information to grantees, and/or sharing internally across program areas. About half mentioned listening in addition to sharing, largely to grantees through surveys or convenings.

- Sharing with grantees took the form of making the grantmaking process transparent beyond just posting information on the website; for example, five interviewees provided individual feedback on a grant proposal and seven cited conducting a stakeholder survey, often the CEP Grantee Perception Report.

- Internal openness was focused on sharing across program areas and included actions such as sharing/reviewing evaluations internally and informal conversations between program areas.

- Although sharing among other funders, through both formal networks and informal conversations, was the least common way that foundations described being open, many more foundation leaders described sharing with other funders when we asked specifically about who they go to when they have questions about philanthropic practice.

- Of those that shared an example of listening, nearly half included the CEP Grantee Perception Report or a similar stakeholder survey (47%). Many cited convening a learning community of grantees and/or the broader community as an example of listening (40%).

93% talked about **sharing**

77% Share publically

69% Share with grantees

42% Share internally

27% Share with other funders

47% of those that talked about both sharing and listening mentioned the CEP report or a similar survey

58% of those that talked about sharing also **mentioned listening** (54% of the overall)

Finding: Most foundations share their grantmaking process and their grantees' work on their website. The majority of foundations share some research and/or lessons learned on their website; however, the quantity, ease of access, and timeliness of these publications varies considerably.

- In our website review (n=30), almost all foundations share research and/or lessons learned; 25 shared both, two shared only research, and only one shared just lessons learned.

- More than half of the websites reviewed shared "a lot" of research (53%). Notably fewer shared "a lot" of lessons learned (37%), and even fewer had shared "a lot" of lessons learned within the last two years (30%).[9]

- Of those that had shared lessons learned on their websites in the past two years, half took some effort to find or were hard to find (50%).

- Given the scope of this baseline assessment, we assessed only the quantity of lessons shared, not the quality.

- In addition to looking at data from our interviews and website review, we looked at data from the Foundation Center's Glass Pockets Initiative, an effort that champions philanthropic transparency in an online world. In keeping with our website review methods, we chose to look at four indicators of openness, including whether participating foundations:

    1) shared their grantmaking process,
    2) shared their grantmaking strategies/priorities,
    3) had a searchable grants database or categorized grants list, and
    4) if they had a "knowledge center."

We interviewed and/or reviewed the websites of 18 out of the 74 foundations participating in Glass Pockets. In all cases, the foundations that we interviewed and reviewed the websites of had higher frequencies of all the transparency indicators than the overall Glass Pockets population, especially the frequency that had grants databases or lists or a "knowledge center."

---

[9] "A lot" was the highest rating of a four-point scale, which also included "some", and "minimal", or "none." This scale was based on proportion and sense of each foundation's priority for sharing research, lessons learned, and grantee work. Due to the differences in foundations' size and publications in general, ratings of quantity were not based on absolute numbers; instead, three team members coded several websites as a group to align ideas about what constituted "a lot," "some", and "minimal" and then coded the rest individually.

Finding: Seeing the connection between having greater impact through their work and building the trust and credibility of their foundation were most commonly cited as incentives for greater openness. Several interviewees also mentioned increasing the frequency of sharing in the sector.

> *Some of it is going to work and some of it is not, and some of it is going to kind of work. I think it is important for the field and for our peers to know how it went. We want to see things that work replicated and scaled, and things that didn't work adapted and retired.*

> *We are a tax-free organization. We are publicly accountable.*

> *If other funders are moving in this direction, we'll feel external pressure. That would be an incentive to move . . . [and] maybe make us move faster than we are.*

Finding: The two most common barriers to openness cited by interviewees were similar to those shared for feedback loops, but in this case organizational culture was mentioned more frequently than organizational capacity.

- Eighteen interviewees reported some level of fear as a barrier to more open sharing, especially sharing anything that did not work. Funders are concerned with their own reputation as well as wanting to protect the reputation of their grantees.

> *Fear. Being afraid to fail. Another big one is if you don't tell that story correctly, you could really hurt an organization. It has to be done appropriately.*

- Listening to others and using what is heard to inform the work takes time, which is limited and costs money. This limited organizational capacity was mentioned by over one-third of interviewees.
  - o Twelve interviewees mentioned some aspect of organizational capacity as a barrier, including limited time, money, and access to data.

> *If you think the most important work is thinking about what we should do and making the grants, then it can feel like a pull away from that, but what we are collectively saying is that sharing is actually the work and we need to structure our time to demonstrate that value.*

> *Foundation has a strategic framework of three roles the foundation plays: leader, strategic grantmaker, and listener/learner. All in an endless loop connected to each other. Only way to lead is to be a good and active listener/learner. The listening and learning is the anchor to the whole thing. The more we can listen and learn from the field, the better we will be at all the things we hope to accomplish.*

- Other barriers noted by a few interviewees were the tendency for foundation staff to work in silos and not knowing what would be of interest to share with a wider audience within and outside the foundation.

> *People are very deep in their own silos in philanthropy, so we have national experts in one area and that's all they know, and frankly that's all they want to know. It really does take a bit of a culture change that lessons in child welfare might actually be applicable to lessons in workforce development.*

> *To what end are we sharing? If we are going to put a bunch of effort into sharing lessons learned and being transparent about who we fund and where we've failed, [it should] actually create value for others to do something with.*

Finding: When asked who they listen to or where they go for information and help, foundation interviewees primarily look to their peers within and outside their own foundations.

- Many noted informal connections and formal affinity groups that help them connect with "like" funders relative to issue area, region, or size.

- Conferences and key organizations were also cited, the most frequently mentioned being (in descending order): GEO, Center for Effective Philanthropy, Stanford Social Innovation Review, FSG, and Independent Sector.

> *We also have normal, ongoing conversations with foundations that work in same topic areas and that work in similar ways to us.*

> *We often use the work of other foundations that have done program work. We don't care if the job is for healthcare or food, or whatever. We don't care; we just look for good employment.*

Finding: Interviewees saw several roles that Shared Insight could fill to promote openness practice in philanthropy, including "making the case" and making examples available.

- Ten interviewees talked about the kind of messages needed or the overall need to "make the case." This included demonstrating the value for openness by showing that it led to greater impact, helping make failure more palatable, and tying this work to foundation values.

  > *One way to mitigate the potential consequences is to increase the frequency of sharing. If you are only sharing out once a year in an annual report, the stakes are very high. If you are sharing more frequently, the stakes get lower, both for the foundation and grantees.*

  o A few talked about non-traditional allies that could be leveraged, including unusual foundation representatives, looking outside philanthropy, and collaborating with other foundation groups including National Committee for Responsive Philanthropy, Philanthropy Roundtable, and Exponent Philanthropy.

- While several interviewees specifically said that creating reports will not lead to change, nine interviewees gave examples of resources they thought would help; these include examples of foundations doing it well, with specific examples of foundation budgets and policies that are supportive of openness, as well as creating central places for resources to live (e.g., a resource center or wiki).

- Seven interviewees specifically spoke of the value of small affinity groups, learning communities, and networks within which members could review case studies or troubleshoot with peers. Other related examples included getting a conference theme with GEO or doing a road show to build interest for internal community of practice work within individual foundations.

Observations

1. Currently, the foundations we spoke with think about both the ways in which they are open—internally between areas of their foundation, making information available on their website, sharing in different venues with grantees, stakeholders, or other funders—as well as the kinds of information they are open about—grantmaking, strategy, grantee perceptions, lessons learned, evaluation and other research. Few, but some, also entangle openness with sharing more about endowment investments. It may be worth additional consideration about the degree to which this broad tent of openness serves or limits the desired impact of Shared Insight.

2. A focus on listening may be another area for further consideration. About half of the interviewees gave examples of openness that included listening to others, such as grantees, beneficiaries, stakeholders, experts, or other funders. Some made comments about the need to be sure their openness is provided in a form that can be heard. It is possible that a primary focus on openness as an act of sharing without a complementary focus on listening could decrease the value and buy-in for those efforts over time. Additionally, listening would seem to be a key component for how foundations can interact with nonprofits' data from beneficiaries.

3. While almost all interviewees were open to some degree, there is room to grow in the volume and accessibility with which they share lessons learned.

Emergent Findings

Through the process of collecting data to answer specific questions of interest, we often find additional, relevant themes that could be useful to the work of Shared Insight. These include observations about the sector, the feedback field, and grantees.

Finding: Broadly, key sector-serving organizations are aligned with Shared Insight's goals relative to how they discuss effective philanthropy on their websites. However, more organizational websites focus on openness than listening to beneficiaries.

9 of the **15** organizations reviewed had medium-to-high alignment overall in content related to feedback loops and openness

3 had high alignment and expressed their content in the same way

7 had similar priorities though their terminology was different

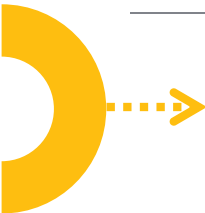*Almost half* of the organizations reviewed had a relatively high frequency of focus on openness on their websites

One third of the organizations reviewed had a relatively high frequency of focus on feedback loops

Almost half had content related openness or feedback loops with high prominence on their websites, on their home page or only one click from their home page

Finding: Interviewees mentioned many organizations within the current set of grantees without prompting from interviewers.

- This was particularly true for Center for Effective Philanthropy with 17 mentions, not surprising given the regular reference to the GPR as a feedback loop process.

- Foundation Center was mentioned four times. The following were noted once: Creative Commons, Center for Employment Opportunities, Exponent Philanthropy, Global Giving, LIFT, and Keystone Accountability.

Conclusion

The findings resulting from the various data collections employed in early 2015 paint a picture of a sector that is largely aware of and mostly open to the changes Shared Insight seeks to promote, but also suggests clear areas for growth over the next few years. While conceptual understanding exists, there is opportunity to strengthen nonprofit and foundation practice relative to beneficiary feedback loops and foundations' willingness to share more in ways that promote greater effectiveness.

Appendices

Appendix A: Baseline Assessment Methods

Appendix B: Strengths and Limitations of Approach

Appendix C: Key Informant Interview Protocol

.

Appendix A: Baseline Assessment Methods

ORS Impact conducted a baseline assessment to gain a better understanding of where the field is currently in order to gauge progress towards a greater culture of openness in foundations over the next three years. This assessment included five different data collection efforts:

- **Sector Priority Assessment**: review and analysis of 15 sector-influencing organizations
- **Media and Event Analysis:** review and content analysis of select sector-focused blogs, periodicals, reports, conferences from June 2013 through June 2014
- **Interviews with Funders**: 28 interviews with informants of foundations that have larger endowments and who can speak to internal practice, policies, and norms, including CEOs and Evaluation Directors
- **Foundation Website Review**: review of 30 websites for evidence of "openness" in practice
- **Review of Other Data Sources**: particularly GlassPockets.org and the Center for Effective Philanthropy report

Below we describe each data collection and analysis methods, including the sample for each of these efforts.

Sector Priority Assessment

Method of Data Collection and Analysis: We conducted an analysis of these intermediary organizations' website, including their home page, publication page, blog, and strategic plan. We analyzed and coded the content on these pages (home page, resources, strategic plan, about us) for key topical areas. In addition to generally understanding how sector organizations are promoting effective philanthropy, we specifically coded for frequency, prominence, and alignment of topics promoted by Shared Insight.

Sample: A purposive sample of a subset of organizations serving the philanthropic sector was developed with the expertise of the Fund for Shared Insight evaluation subcommittee. The sector organizations included in this review were:

- Bridgespan
- Charity Navigator
- Guidestar
- Center for Effective Philanthropy
- Council on Foundations
- Exponent Philanthropy
- Foundation Center
- FSG
- Global Philanthropy Forum

- Grantmakers for Effective Organizations
- Independent Sector
- National Center for Family Philanthropy
- National Committee of Responsive Philanthropy
- Philanthropy Roundtable
- Worldwide Initiatives for Grantmaker Support

Appendix A

Media and Event Analysis

Method of Data Collection and Analysis: The media analysis involved reviewing the blogs, periodicals, reports, and conferences listed below using the search terms "beneficiary"/ "constituent voice," "beneficiary"/ "constituent feedback loops," and "beneficiary"/ "constituent feedback." The incidence and source between July 2013 and June 2014 of search terms was recorded as well as analyzed for tone and alignment. (See Appendix C)

Sample: The media analysis included blogs, publications, reports, and conference events between July 2013 and June 2014.

We reviewed blogs posted from the following sources:

- Albert Ruesga posts in White Courtesy Telephone
- Arabella Advisors – Greater Good
- Beth Kanter
- Center for Effective Philanthropy
- Chronicle of Philanthropy
- FSG
- Give Well
- High Impact Philanthropy
- Independent Sector
- Kathleen P. Enright in Huffington Post
- Leap of Reason (Leap Updates newsletter)
- Philanthrofiles – Posts by Andy Carroll mainly
- Philanthropy 2173 – Lucy Bernholz
- Philanthropy News Digest – PhilanTopic
- Social Velocity (Nell Edgington)
- Stanford Social Innovation Review
- Steven Mayer – Just Philanthropy

Traditional Publications reviewed included the following periodicals:

- Alliance Magazine
- Chronicle of Philanthropy
- Inside Philanthropy
- Nonprofit Management and Leadership
- Nonprofit Quarterly
- Philanthropy Magazine (from Philanthropy Roundtable)
- Philanthropy News Digest (from Foundation Center)
- Stanford Social Innovation Review
- The Foundation Review
- The Nonprofit Times
- Blue Avocado

Reports published by the following key sector organizations were included in our analysis:

- Arabella
- Center for Effective Philanthropy
- FSG
- Grantmakers for Effective Organizations
- Markets for Good
- National Committee for Responsive Philanthropy
- Rockefeller Philanthropy Advisors

Interviews

Method of Data Collection and Analysis: Email invitations to participate in 45-60 minute phone interviews were sent from Shared Insight with a follow up scheduling email from ORS Impact. Structured interviews were completed with 28 key informants between January and February 2015. Interviews were recorded with permission to assure complete notes that were then coded for relevant themes using qualitative data analysis software.

Interview Protocol: See Appendix C.

Sample: The key informant interview sample was drawn from a list of 59 US based foundations that participated in the Evaluation Roundtable. After excluding the Shared Insight funders, we created a list of the most senior staff member most closely associated with evaluation and/or strategy. Using a random number generator, we selected a random sample of 40 organizations from which to schedule 30 interviews. While this sample is not representative of the philanthropic field at large, we believe it does represent a slice of the philanthropic field that could be repeated[1] and useful for informing Shared Insight funders.

The sample of key informant interviews was drawn from the following list of foundations:

Annie E. Casey Foundation	Kresge Foundation
Arcus Foundation	Lumina Foundation
Arthur M. Blank Family Foundation	MacArthur Foundation
Barr Foundation	Margaret A. Cargill Foundation
Bill & Melinda Gates Foundation	Marin Community Foundation
Bruner Foundation	Mat-Su Health Foundation
Bush Foundation	Maytree Foundation
California HealthCare Foundation	Metcalf Foundation
Carnegie Corporation of New York	Charles Stewart Mott Foundation
Carthy Foundation	New York State Health Foundation
Central City Foundation	Newman's Own Foundation
Colorado Health Foundation	Open Society Foundations
Edna McConnell Clark Foundation	Oregon Community Foundation
Evenlyn & Walter Haas Jr. Fund	Otto Bremer Foundation
Gordon and Betty Moore Foundation	Piton Foundation
Hartford Foundation for Public Giving	Richmond Memorial Health Foundation
Hawaii Community Foundation	Robert Wood Johnson Foundation
Hogg Foundation for Mental Health	Rockefeller Foundation
Ivey Foundation	S.D. Bechtel Jr. Foundation
John S. and James L. Knight Foundation	Sierra Health Foundation
John Templeton Foundation	Skoll Foundation

---

[1] We anticipate repeating interviews in 2017. While we may not interview the exact same individuals, we believe this sampling frame will allow us to construct a comparable set of interviewees in the future who have similar characteristics.

Surdna Foundation

The Atkinson Charitable Foundation

The Atlantic Philanthropies

The Boston Foundation

The California Endowment

The Duke Endowment

The F.B. Heron Foundation

The James Irvine Foundation

The MasterCard Foundation

The Skillman Foundation

The Wallace Foundation

Walton Family Foundation

William Penn Foundation

Foundation Website Review

Method of Data Collection and Analysis: Each website was reviewed in order to answer the question: How and to what extent are foundations being more open with respect to sharing their work, decision processes, and lessons?

The codebook in the table below describes the specific ways we analyzed the websites regarding their grant process, funding strategies, grantee work, research and lessons learned. Data was recorded in a spreadsheet and frequencies were tabulated to determine the extent of foundation openness.

Sample: The sample of foundations for the website review was drawn from the same list as described above for the key informant interviews. Using a random number generator we selected 15 foundations included in the interviews and 15 that were not included in the interviews. The purpose of this stratified sample was to help us determine alignment between what we heard about openness and what we saw demonstrated on the websites.

Review of Other Data Sources

Glass Pockets: Glass Pockets, a tool of the Foundation Center, allows visitors to their site to view up to 23 indicators of transparency and compare these data across all the foundations that are members of Glass Pockets. The indicators of transparency are based on what a foundation makes available on their website, and they are marked as being either present or not present.

ORS Impact chose four indicators that most aligned with similar indicators that we tracked during the openness website review: if they shared their grantmaking process, if they shared their grantmaking strategies/priorities, if they had a searchable grants database or categorized grants list, and if they had a "knowledge center".

We compared the overall Glass Pockets population to 1) the sample of Glass Pockets foundations that we interviewed and 2) the sample of Glass Pockets foundations that we selected for openness website review. We interviewed and/or reviewed the websites of 18 out of the total 74 Glass Pockets foundations, and we both interviewed and reviewed websites for nine of those 18.

Center for Effective Philanthropy, "Hearing from Those We Seek to Help": Excerpts taken directly from CEP report. Full report can be found here: http://www.effectivephilanthropy.org/wp-content/uploads/2014/10/CEP-Hearing-from-Those-We-Seek-to-Help.pdf

Appendix B: Strengths and Limitations of Approach

In all evaluation designs, choices must be made that maximize the strengths of different methods while still recognizing limitations. Below, we lay out our thoughts about the key strengths and limitations for each of the methods employed in the baseline measurement effort for Shared Insight, as well as the design as a whole.

Data Source/ Measurement Approach	Strengths	Limitations
Sector Priority Assessment and **Foundation Website Review**	+ Less biased way to assess priorities of organizations compared to interview data + Can easily be repeated in the future to see if new areas emerge or if deepened alignment across areas that intersect with Shared Insight occurs. + For Foundation Openness, can be triangulated with interview data.	− Website content may be lagging and not reflect more recent priorities − The sample of organizations selected will provide a snapshot of key players but is not generalizable to the priorities of the entire sector
Media Analysis	+ Provides a way to assess public "dialogue" of the sector through multiple media (conferences, blogs, publications, reports). + Timeframe of one year should capture major sector events that would re-occur in the future. + Time period chosen before Fund for Shared Insight official launch.	− Timing chosen could pick up some early "chatter" associated with the work of creating Shared Insight. − Search terms that align with Shared Insight's focus may obscure related conversations using different terminology − Twitter was excluded from the analysis because it is not a source of new content; however, it is a place to amplify existing content. It may be worth continuing to think about its place in this process as we move forward.
Interviews	+ Qualitative interviews will allow us to probe more deeply into formal and informal practices of foundations related to openness and feedback loops than a survey would allow. + Open-ended interviews decrease the likelihood that we miss important information that mis-worded close-ended questions could overlook. + The sampling frame can be repeated to allow comparisons over time. + The sampling frame represents foundations who could be well-positioned to make positive changes in three years that would have larger influence on non-profit practice and the practice of other foundations.	− Interview data won't be generalizable to philanthropy writ large. − Shared Insight's Theory of Change doesn't yet have a strong assumption or point of view about who will change first; choosing foundations that meet the criteria of the Evaluation Roundtable will provide reasonable data about these kinds of foundations but does so at the cost of other selection criteria (smaller sizes, identified leaders, etc.)

Data Source/ Measurement Approach	Strengths	Limitations
Review of Other Data Sources: CEP's Grantee Panel Survey Results	+ The Grantee Voice Panel represents a full range of non-profits, with a full range of expenses. Respondents to the survey being used did not differ from nonrespondent organizations by annual expenses, issue area, or location of the nonprofit. They also did not differ by the proportion of revenues coming in the form of foundation funding or the number of foundations funding the nonprofit. The staff sizes differed slightly between these two groups. + Using existing data is efficient for the evaluation and reduces burden in the sector. + CEP's survey is more representative of the nonprofit sector than any effort we could do within the scope of the baseline effort.	− Data limited to the questions asked by CEP. − Segmentation and analysis of data limited by CEP's original design.
Overall design	+ The overall design covers a range of areas of interest for Shared Insight, including discourse and practices related to feedback loops and openness. + The design can be implemented in a short timeframe, resulting in information that can inform ongoing work and the next round of RFPs. + A variety of methods are being used, without over-reliance on one type and using secondary data when feasible. + Areas selected for measurement should be sensitive to change in the timeframe of the evaluation.	− Most methods/sources are directional rather than generalizable. − Many areas for measurement rely on a single data method or source rather than allowing for more triangulation across sources.

Appendix C: Key Informant Interview Protocol

1. To start out, I would like to ask you about your role at the foundation and your tenure there.

2. When you hear about beneficiary feedback loops, what does that mean to you?

3. When Shared Insight thinks about beneficiary feedback loops, they are specifically interested in how foundations can listen to, learn from and act on information from the people foundations seek to help. Is your foundation using beneficiary feedback loops? If so, can you share some examples?

4. Does your foundation encourage its grantees to collect beneficiary data? How do they report it back to you? How often are they funded to collect this feedback?

5. Where you would hope to see your foundation within the next three years regarding the use of feedback loops to listen to and learn from beneficiaries? What are your ideas about how your foundation might listen more to its beneficiaries?

6. What would it take to see increased use of beneficiary voice in your foundation practice? What would need to change in order to promote greater use of feedback loops?

Now I would like to ask you a few questions about foundation openness. When Shared Insight thinks about openness, it thinks about foundations sharing their work decision processes and lessons, as well as listening to others and applying and adapting others' lessons in their own work in service of effectiveness.

7. Does your foundation have any policies or position specifically around openness?

8. Can you share any examples of how your foundation promotes openness?

9. How would you say your foundation listens to and incorporates learning from other foundations and nonprofits into their own work?

10. What ideas do you have for the Fund for Shared Insight to stimulate more openness in the sector?

11. Is there anything you'd like to add or had hoped to say that I didn't ask specifically about?