



# Funder Engagement

## Learning from L4G Co-funders

Fund for Shared Insight | February 2021

### Introduction

Since 2016, Fund for Shared Insight (Shared Insight) has supported direct-service nonprofits in implementing high-quality, systematic, client-centered feedback loops through Listen4Good (L4G), its signature initiative. In addition, L4G is one of many ways in which Shared Insight engages foundations to fund feedback practice among their grantees and incorporate high-quality listening and feedback practices within their own organizations. Shared Insight hopes that by engaging foundations, “more funders will promote high-quality feedback and listening for nonprofits and for themselves” and will “use feedback to incorporate the perspectives of the people and communities they seek to help in their work.”<sup>1</sup>

In addition to exploring co-funders’ motivations and processes to engage in L4G, ORS Impact analyzed the extent to which funders are making changes in their thinking, organizational culture, and practices around feedback, noting which co-funders report that L4G influenced those changes. Furthermore, using data from a larger sample than previously available, ORS Impact tested the hypothesis that increased

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<sup>1</sup> Fund for Shared Insight Theory of Change: <https://www.fundforsharedinsight.org/what-we-do/>

frequency of engagement with L4G leads to more changes or to more *meaningful* changes among funders. This report summarizes findings from this analysis.

## Methodology and Sample

ORS Impact interviewed 27 co-funders who nominated nonprofits in the 2018 Round 2 and 2019 L4G cohorts about their experience with L4G and their foundations' listening and feedback practices. We narrowed our sample to focus on staffed foundations<sup>2</sup> and conducted interviews with one representative from each foundation—the staff member who nominated the grantee to participate in L4G (or the staff closest to L4G work if the nominating staff member was not available). In our analysis, we coded the interview data and identified prevalent themes across interviews, noting similarities, contradictions, and/or complementary perceptions across the full sample and by different types of funders; we also compared results to those of past cohorts. Specifically, we documented whether co-funders were engaging with L4G for the first time (16 new funders) or returning co-funders who had co-funded in past cohorts (11 returning funders) and used those groupings to test whether frequency of funding leads to different outcomes.

## Findings

Although ORS Impact has interviewed L4G co-funders in the past<sup>3</sup>, the small number of interviews and their similar levels of engagement with Shared Insight had limited our analysis of the data. However, for this report, we combined interviews from two sets of co-funders to increase the sample size and we documented whether co-funders were engaging with L4G for the first time (new funders) or returning co-funders who had co-funded in past cohorts (returning funders). These factors allowed us to test whether increased frequency of engagement with L4G (new vs. returning) leads to more changes, more *meaningful* changes, or different experiences among funders. Specifically, we searched for differences in the following areas:

- Motivation for participating in L4G and selection criteria for nominating grantees;
- Level of connection with nominated grantees' feedback work;
- Reported changes in thinking, practice, or culture around feedback;
- Plans to continue supporting and using feedback; and,
- Extent to which they would recommend L4G.

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<sup>2</sup> As with past cohorts, we focused on staffed foundations (non-individual donors) because they represent the main type of funding partner Shared Insight seeks to work with in L4G.

<sup>3</sup> See [The 2018 Listen4Good Co-funder Experience](#), [The 2017 Listen4Good Co-funder Experience](#), and [The 2016 Listen4Good Co-funder Experience](#) for reference.

It is important to note that these interviews took place amidst the COVID-19 pandemic and that funders recognized that the pandemic has influenced how they connect with grantees. In many cases, we heard that funders were prioritizing COVID-19 relief conversations over other grant-related engagements, seeking more intentional outreach and candid conversations with grantees related to priorities during the pandemic.

## Returning Funders have Different Experiences with L4G than New Funders.

Among the indicators we analyzed, we found differences<sup>4</sup> between returning and new funders in three areas: level of connection to grantees' work, reported changes in funders' feedback work, and motivation for participating in L4G.

### Returning funders were more closely connected with their nominees' feedback work.

Interview data suggest that returning funders were more likely to have heard from their grantees about what they were learning from their clients and/or from their engagement with L4G: 81% (9)<sup>5</sup> of returning funders reported having heard from their grantees compared to 38% (6) of new funders. Most returning funders mentioned hearing what their grantees were learning from their clients and changes they had made or were planning to make based on what they were hearing. One funder also reported hearing a higher-level learning—that L4G had been particularly beneficial around client voice informing their grantee's strategy moving forward.

### Most co-funders reported recent changes in their foundations' thinking, culture, and/or feedback practices, but returning funders reported more concrete changes and were more likely to report L4G's influence on those changes.

Overall, 78% ( $n = 21$ ) of funders reported making changes related to feedback, which is comparable to past findings.<sup>6</sup> Among those that reported changes, 57% (12) were new and 43% (9) were returning.

While new and returning funders were equally likely to report changes, returning funders were more likely to report concrete changes in practices, versus changes in culture or thinking that might lead to changes in practices later on<sup>7</sup>. In addition, returning funders (67%  $n = 6$ ) were more likely to mention that

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<sup>4</sup> Because this is qualitative data and the sample size is still too small, we did not test for statistical significance.

<sup>5</sup> Throughout this report numbers within parentheses denote the number of co-funders reporting a specific theme.

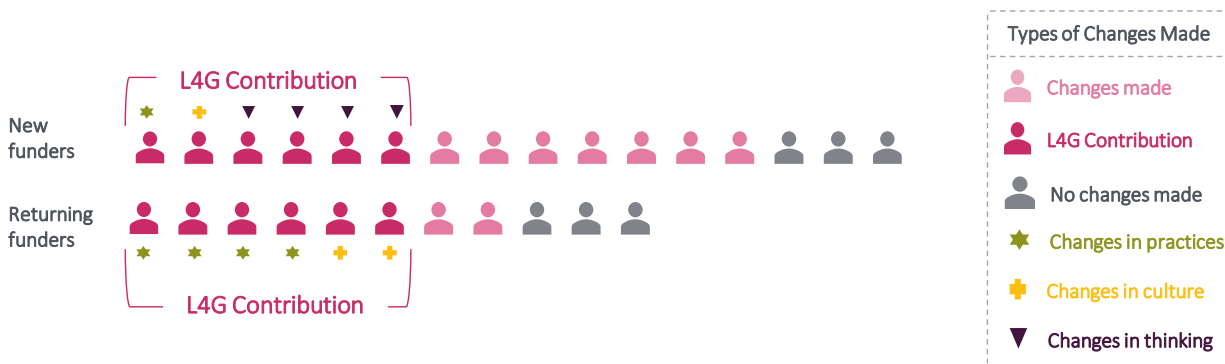
<sup>6</sup> 2018—Eight (80%) co-funders reported changes in their foundation's practice around listening to grantees and/or constituents; 2017—13 (50%) reported recent changes.

<sup>7</sup> We defined changes in thinking as changes in one staff person's thinking related to listening and feedback practice while changes in culture were changes at a team level and or at an organization level.

L4G contributed to these changes compared to new funders (50%, n = 6). Changes to which L4G contributed among returning funders were around practices (5) and culture (2). Examples of changes in practice involved changes on grantee applications with additional questions about whether or how grantees are collecting feedback from clients (3) and how they are using client voice to inform internal processes (2).

On the other hand, changes to which L4G contributed among new funders were in all three areas: thinking (4), culture (2), and practices (1) around feedback. Changes in thinking included rethinking the why/what data was collected (1), seeing grantees as partners in the foundation’s goal setting and decision making (1), rethinking the funder-grantee relationship (1), and reinforcing funders’ thinking that feedback practice is systematically possible and should be maintained (1). As far as changes in culture, a few new funders were able to more strongly connect feedback practice to equity, diversity, and inclusion; they note that having a deeper understanding of the needs of the communities they serve enables them to know how to best meet the needs. Figure 1 illustrates the total number of new and returning funders we interviewed and indicates how many made changes in their foundations’ practices, culture and thinking. In addition, it exhibits those to which L4G contributed.

**Figure 1 | Changes Made by Funders and L4G Contribution**



Both new and returning funders mentioned additional benefits of L4G including: their organization’s increased buy-in into the power of feedback (3), the opportunity to participate in a new/better way of getting feedback (2), increased funder knowledge and understanding regarding feedback and the capacity needed to do it well (2), and more activity around closing the loop with clients (1).

**Leveraging funds was an important motivating factor for new funders, while returning funders were more motivated by the potential benefits to their grantees.**

Close to three quarters of all funders (20) cited benefits to their grantees as motivation for participating in L4G. Other benefits cited included benefits to their foundations and/or benefits to the field as key motivating factors. Moreover, leveraging funds for nonprofits was a main motivation for 31% of new funders (5) compared to 9% of returning funders (1). Returning funders participated because they saw an

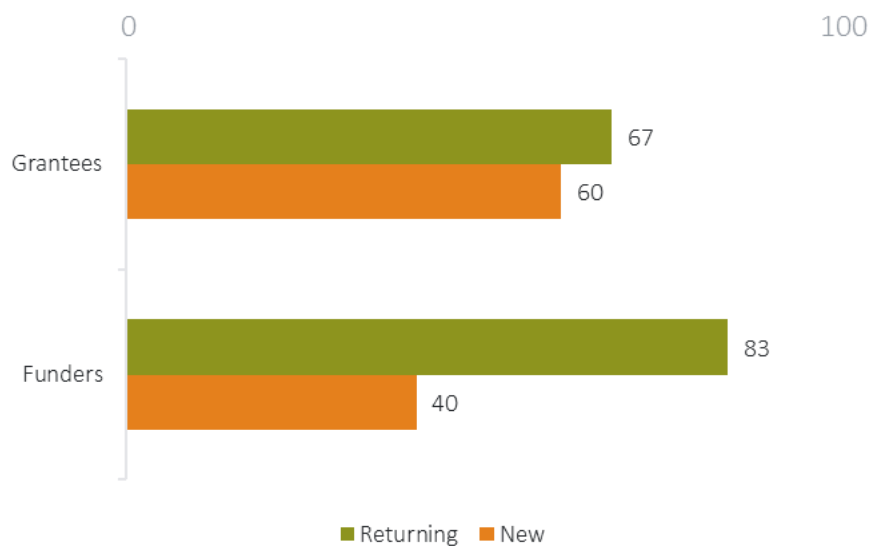
opportunity for foundations to learn more about feedback practice from their grantees (6), that L4G would improve nonprofits' effectiveness or supported processes already in place (3), and because they saw it as a way to improve the feedback field (2).

### Returning funders are more likely to recommend L4G to nonprofits and other funders than new funders.

When all funders were asked how likely they are to recommend L4G to other funders on a scale of 0 (very unlikely) to 10 (very likely), 17 co-funders gave a 9–10 rating, 9 gave a 7-8 rating, and one gave a 0–6 rating, resulting in a Net Promoter Score (NPS) of 59. Returning funders (12) were more likely to recommend L4G to other funders and had an NPS score of 83<sup>8</sup> compared to new funders (15) who had an NPS score of 40<sup>9</sup>.

As for recommending L4G to other grantees, 18 co-funders gave a 9–10 rating, 9 gave a 7-8 rating, and there were no detractors resulting in an NPS of 67. Similarly, returning funders were more likely to recommend L4G to other grantees and had an NPS score of 67<sup>10</sup> compared to new funders who had an NPS of 60<sup>11</sup>. Funders further commented that L4G is not suitable for all grantees or nonprofits, so they would assess fit before recommending, which affected their likelihood of recommending and thus the NPS. Figure 2 illustrates these NPS scores.

Figure 2 | NPS for Returning and New Funders Recommending L4G to other Grantees and Funders.<sup>12</sup>



<sup>8</sup> 10 promoters (9-10 rating), 2 neutrals (7-8 rating) and 0 detractors (0-6 rating).

<sup>9</sup> 7 promoters (9-10 rating), 6 neutrals (7-8 rating) and 1 detractor (0-6 rating).

<sup>10</sup> 8 promoters (9-10 rating), 4 neutrals (7-8 rating) and 0 detractors (0-6 rating).

<sup>11</sup> 9 promoters (9-10 rating), 6 neutrals (7-8 rating) and 0 detractors (0-6 rating).

<sup>12</sup> The NPS has a possible range of -100 to 100, but we show 0-100 for simplicity.

## Similarities between New and Returning Funders

There were three areas where new and returning co-funders reported similar results: how they initiate involvement in L4G; their plans to continue feedback work in the future; and their perception of the connection between EDI and feedback.

**Most funders, both new and returning, initiated the involvement with Listen4Good with grantees and considered specific grantee characteristics in determining who to fund.**

About three quarters (21) of interviewees indicated that their foundations-initiated engagement with L4G, while the remaining 6 reported requests from grantees to fund their participation. Similar to previous rounds, most funders (25) considered specific grantee characteristics when making the decision on whether to support an organization's participation in L4G. Among new funders, four organizations cited that L4G aligned with the work their grantees were already doing and that L4G would provide the necessary support to improve their programs. Some characteristics considered by both new and repeat funders included: L4G alignment with what the grantee was already doing, grantee's interest/proposal to participate in feedback practice, high capacity to implement the program, and being a direct services organization.

**Most funders reported plans to continue their feedback work internally and with their grantees. Many also reported additional feedback work outside of L4G.**

Most (24) funders reported being somewhat likely or very likely<sup>13</sup> to support and encourage high-quality feedback practice among grantees and most (20) also expect to increase the extent to which they would use constituent feedback in decision making in their foundation in the next few years. In addition, about 50% of funders plan to engage in additional feedback work outside of L4G in the future. The table below gives some examples of additional feedback work.

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<sup>13</sup> Ratings of 3 or 4 on a 4-point scale.

**Table 1 | Examples of additional feedback work outside of L4G**

Internal use by foundations	Support for grantees' feedback work
<ul style="list-style-type: none"> <li>• Co-design larger projects.</li> <li>• Explore participatory evaluations where residents are more involved in the process, training and building their clients understanding/capacity around feedback.</li> <li>• Gather more feedback from constituents/communities served.</li> <li>• Utilize more internal resources around feedback.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue/expand on feedback work started by L4G with grantees.</li> <li>• Support more advanced coaching/professional assistance (outside of L4G) for organizations that are further along in doing feedback.</li> </ul>

Most co-funders see a relationship between feedback practice and equity, diversity, and inclusion, and most connections revolve around inclusion of different voices through feedback.

In addition to exploring co-funders' experiences with L4G, we asked them if they saw a connection between feedback and EDI and what that connection looked like for their foundations. Most co-funders (70%) saw an explicit relationship between EDI and feedback; however, the points of connection differed among the group and mostly centered around inclusion of voices through feedback. Specifically, eight out of the 20 co-funders who reported seeing a connection mentioned an explicit link to inclusion through consciously centering clients and valuing their experience on the ground (4), including input in strategy development (1), raising voices least heard (1), supporting nonprofits to live out that value (1), and ensuring representative feedback (1). Six other funders emphasized how feedback relates to equity by elucidating general conceptual connections (3), identifying different experiences by population subgroups (2), and raising questions about who receives funding from philanthropy (1). Finally, two other funders made a conceptual connection but mentioned that it was difficult to operationalize.

### Shared Insight's Core Funders' Experience with L4G

Core funder engagement in L4G continues to largely depend on Shared Insight representatives. While more program officers are getting involved with L4G from each core funder, it is unclear how effective current models for engaging them in

## L4G are for creating deeper knowledge and engagement with feedback in their grant-making work.

Within this sample of interviewees, there were four core funders who also acted as co-funders by nominating L4G organizations, which gave us a window into how core funders are walking the walk by embedding L4G and feedback work more broadly into their foundations. Across the four representatives from core funders that we interviewed; we continue to hear examples of how core funders have attempted to use L4G as a mechanism to engage more of their colleagues in feedback work.

Similar to findings from past cohorts, all four core funder representatives reflected on a "hub and spoke" model, where the person sitting at the Shared Insight table acts as a hub for both feedback-related knowledge and L4G engagement and then engages other colleagues in the process as opportunities arise. This model has been evident, even in who we interview: in this round, we interviewed hub staff for two core funders, while for the other two core funders, we interviewed program officers who had engaged through their foundations' hub in all cases, interviewees spoke about a similar type of model.

Although this model seems to be a good way for initially engaging other staff in nominating grantees for L4G, it is unclear how effective it is for creating deeper knowledge and engagement with feedback in their work. Among the four core funders, two reported limited engagement and knowledge about feedback among program officers beyond the hub staff, and one relayed the challenges of staff turnover in sustaining the work over time. In one case, the program officer had higher knowledge that related more to the general culture of feedback and listening at the foundation than to close interaction with L4G. The level of knowledge and engagement from other staff was unclear in the fourth interview. The differences between hub staff and other staff are also evident in NPS scores, where, unsurprisingly, hub staff are all promoters, but other program officers were either neutral or were unable to answer given their low engagement to date. Finally, when considering any recent changes in feedback or listening practices among foundations, we found that all four core funders report making such changes; however, hub staff reported that L4G influenced the changes in culture and practice their foundations have made, while program officers reported changes unrelated to L4G involvement.



# Evaluators' Observations

- **Different strategies may be required to increase the number of funders engaged with feedback vs. deepening the journey of those already involved.** Our analysis suggests that there is an emergent ladder of engagement in using L4G as a funder engagement mechanism. Namely, new funders are generally at the at the first steppingstone as they are introduced to high-quality feedback and start thinking differently about how it manifests in their role as a funder. Unsurprisingly, most changes reported by these funders were in their thinking as opposed to practices. With increased frequency of engagement, returning funders engage more deeply with their grantees and see more opportunities to change their own practices around feedback. Notably, L4G might be only one factor helping move these funders along this journey, but a majority did indicate that it was an influential factor in the changes they have implemented. Shared Insight hopes to increase both the breadth of funders engaged and the depth with which they engage with feedback and listening. **Recognizing that these two goals could require different (yet related) engagement strategies, how can Shared Insight intentionally design its touchpoints to meet funders where they are and help them get to the next step in their feedback journey?**
- **L4G is a contributing factor, but funders are making changes on their own as well, pointing to external factors that are influencing greater listening practices.** While L4G was a contributing factor for most co-funders, the fact that a significant proportion reported changes outside of this engagement points to external factors influencing those changes, which we have seen in previous co-funder interviews as well. The field-level journey around EDI, the COVID-19 pandemic, and the recent political unrest in response to murders of African Americans are some of the factors that could be driving the sector toward more intentional listening and proximity between funders, grantees, and the people they seek to help. **How can Shared Insight help strengthen the connections between feedback and broader factors?**
- **Co-funders are connecting feedback with EDI, but Shared Insight can help further clarify how feedback advances equity.** While most co-funders identified a connection between feedback and EDI, most connections related to inclusion. A significant number of funders expressed conceptual links but did not offer explicit ways in which feedback can advance diversity and inclusion, let alone equity. Shared Insight has been working on a set of equity principles that seek to make this connection more explicit and provide a more nuanced understanding for both nonprofits and funders of how feedback advances equity. **How can Shared Insight leverage this work and its position in the field to help this dialogue develop further and contribute to the funders' feedback and EDI journeys?**

➤ **Core funder engagement in L4G elucidates a key challenge in changing foundation practice: engaging individuals can generate change on some level, but institutional change requires pulling multiple levers.** Our interviews with core funders provided a window into how L4G can influence funders' work. We learned that the four core funder institutions we interviewed have used a similar hub and spoke approach to spreading L4G and feedback work throughout their organizations, and we heard similar accounts of challenges with the model from both hub and spoke staff. This dynamic illustrates how challenging it is to influence foundation-level change, particularly at larger foundations. Influencing practices and specifically uptake of feedback and listening practices at the program-officer level is different than influencing organization-level change, which requires pulling multiple levers and a longer time horizon. However, we did hear examples of how core funders with strong and influential champions at the Shared Insight table have been able to expand the work beyond specific program officers or program areas. **How can Shared Insight support core funders in pulling multiple levers (and the right ones) to influence broader change within their institutions, through L4G and/or other mechanisms?**

## Conclusion

Shared Insight is leveraging L4G as a mechanism to engage funders to fund feedback practice among their grantees and incorporate high quality listening and feedback practices within their own organizations. As with past cohorts, we found that co-funders are making changes related to feedback and listening, and several report that L4G involvement has contributed to those changes. In addition, we found that returning funders are more likely to report certain outcomes. As Shared Insight continues to test different levers to influence foundation change, recognizing where funders are can inform engagement strategies to grow the number of funders and the extent to which they engage in practices that build more meaningful connections with their grantees and the people they seek to help.