# How to Evaluate Impact

California COMMUNITY Foundation

At some point in your philanthropic journey, the time comes to step back and assess what all your giving and all your work has done in the world. What has been your impact? Is it the impact you hoped or expected?

This process of evaluating the impact you are having with your philanthropy can be challenging, but it can also be enormously rewarding, teaching you not only about philanthropy and non-profit work but about yourself.

It is best to enter into this process with a sense of curiosity and a desire to learn. What you find may or may not meet your expectations, but it may also cause your expectations and even your goals to shift.

**You will learn more about the possibilities and challenges of making real-world change.**

### Define Your Goals

To know how successfully you are hitting your target, you first have to know what you're aiming for. What problem or problems are you trying to address? What organizations can you fund or work with to address them? What would success look like, and over what period of time? How much money do you expect it to take? This would be a good time to write a mission statement for your philanthropy. If you already have, go back and reread it, and possibly refine it.

Some donors embark on giving with clear answers in mind for all these questions. Others start with a more flexible or intuitive approach, giving to organizations and causes that spark their interest or tug on their heartstrings. Both approaches are valid, but in either case, you cannot know if you are creating meaningful impact unless you decide what type and level of impact would be meaningful.

## Gather Information About Impact

The next step is assessing what kind of impact your donations have produced, which will typically mean engaging with the non-profits to whom you have donated to better understand what they have done.

To start with, find out what kind of information is readily available. Some are publicly accessible, such as the 990 tax filings available through services such as Guidestar. Nonprofits may also make information readily available through annual reports or other publications, or through meetings and conferences where they provide updates on their work, discuss it, and answer questions from donors, partners, and others in the field.

Be open to both qualitative and quantitative information. Numbers are useful for assessing finances as well as measuring target outcomes such as number of clients served or quantity of acreage protected. Qualitative information depends more on stories, descriptive impressions and the like, but it may be no less valuable for its ability to capture factors that are difficult to reduce to numbers. If an organization's goal is to build community or help young people build self-confidence, there may be no single number that can capture these outcomes, and yet they are still worth pursuing, and worth assessing.

It is also important to determine the most relevant measure or measures of impact. Is the organization aiming for a broad or a narrow impact? Is the purpose to provide immediate assistance to individuals or to invest in systems change? Different goals require different definitions of success. The same is true when examining costs to determine effectiveness — are you truly accounting for the full cost of what it costs for the organization to not only run programs but fund all aspects of its operations?

## Working in Partnership to Improve and Maximize Impact

As you learn more about the non-profits that you support, be sure to inquire if there are things they would like to work on to increase their impact, or obstacles that prevent them from doing so. If so, this discussion may lead to opportunities for you to help them reach the next level of impact.

Above all, treat the evaluation process as a chance to build trust and partnership between yourself and the organizations that you support. Be willing to learn from their experience and approach your research with the attitude that you and the organization are accountable to one another and desire to attain the same goals.

## Additional Resources

- The Trust-Based Philanthropy Project has excellent resources for approaching the evaluation process in a collaborative way, including an analysis tool that is designed to be rigorous but not time-consuming.
- This article, from The Bridgespan Group, offers guidelines for self-assessment as well as evaluating grantees.
- This excellent pamphlet from The Philanthropy Initiative includes a list of potential categories to consider in conducting an evaluation.
- The National Center of Family Philanthropy has various resources on evaluation.
- 21/64 specializes in multigenerational philanthropy and offers tools, workshops and trainings.

Please feel free to contact your Relationship Manager or the Donor Relations Team at **donorrelations@calfund.org** if you have questions about evaluating impact. We are here to help.

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