

On March 11, 2010, Principal Associate **Ricardo Millett delivered the Mary E. Corcoran Endowed Lecture** at the Minnesota Evaluation Studies Institute 2010 conference

The Role of Evaluation in Foundations and the Quest for Effectiveness

Thank you for this opportunity to visit with you. My profound thanks also to the Minnesota Evaluation Institute for inviting me to share my point of view on the core question posed in this, its 15th Annual Conference: If Social Betterment Is the Goal, Are Evaluators Leading the Way?

We all know that the evaluation profession strives for ‘objectivity’ in its work. I have been a practicing evaluator for over 35 years. So you know with 100% certainty that any answer I share on this question will be indeed ‘objective,’ impartial, valid, and reliable, or at least as close to the truth as reasonably permitted by the standards of evaluation practice (and, of course, by that self-serving frailty of the human condition—the need to be loved and accepted).

Most of my work in evaluation has been as a practicing ‘philanthropoid.’ By my definition, ‘philanthropoids’ are tragic, Don Quixote-type figures bravely championing ‘social betterment’ by attacking windmills thought to be levers of social change ... only to find out in the end that they were only windmills. However, we are also relentless—we get back on our horse and set out to find yet another windmill, hoping to achieve better results in our next battle.

Philanthropoids are indeed a hopeful force in our society with vast potential to lead the way to ‘social betterment.’ So another way to frame the 15th-anniversary question is are this: Are we ‘philanthropoids’ assisting foundations’ goals of social betterment? Are we helping them become more effective in emerging victorious from their windmill battles? I’m here to tell you that the ‘objective, valid, and reliable answer is a resounding “Maybe!” Or if you prefer...“It depends”...Or if you are as optimistic as I am...“Perhaps, but we are closer today than we were yesterday.”

Let me be clear from the onset that I am a passionate advocate for social betterment. I am deeply concerned about the increasing disparities we are witnessing in our society as the income, opportunities, education, morbidity, mortality, incarceration, drop-out ... you name the gap ... gets wider and wider. I was attracted to the philanthropic sector because in large measure it has an implicit commitment to social betterment. I chose to pursue a profession in social science research and evaluation because of its promise to inform social betterment strategies. For me, the issue of social betterment is first and foremost personal and secondly professional. Too many of the ‘faces at the bottom of the well’ in our society (and indeed in societies throughout the Americas, Europe, Africa, and the Middle East) look like me. I bring this reality to my work as a philanthropoid and as an evaluation practitioner.

Now that I’ve been clear about my biases up front, you know where I am coming from.

'Program effectiveness.' This more than any other issue has grabbed my attention in recent years. During the last five years I have seen an increased focus on the issue of 'foundation effectiveness.' Program 'outcomes,' 'impacts,' and 'results' have surfaced more in foundation literature than ever before, suggesting a shift in thinking about how social betterment can be achieved. This attention to assessing and documenting outcome provides a great opportunity for the application of evaluation to social betterment efforts. Indeed, some of us see it as an opportunity to shift philanthropy away from a dominant focus on 'charity,' where we simply try to assist those who presumably don't compete as well as others, to a more proactive acknowledgment that the playing field is stacked against those who are overwhelmingly represented at the bottom of the well. 'Philanthropic effectiveness' is often used to raise questions regarding whether foundations are using their resources to optimize return on grant investment. This has opened the door to advocacy and special group associations to push the foundation community to be more responsive to their issues. For example, Mary Ellen Capek and Molly book, *Effective Philanthropy* emphasizes how foundations could achieve greater impact by focusing on 'deep diversity and gender equity.' They note that the lack of evaluation thinking and the dominance of 'normative thinking,' meaning traditional White male thinking that dominates the sector and its leadership. This approach had reinforced organizational cultural norms that stymie innovation in problem analysis, staffing, board recruitment, and, ultimately, grant making.

Marc Braverman and colleagues edited and published a book called *Foundations and Evaluation: Contexts and Practices for Effective Philanthropy*. They concluded that foundations have not systematically or rigorously applied evaluation logic or methods to their grant-making operations. As a result, they have difficulty discerning impact that could inform better strategies.

Grantmakers for Effectiveness Organizations (GEO) has emerged as a major player and promoter of 'philanthropic effectiveness' practices. In some respects, this is because GEO reflects a merger between foundation evaluators and program officers. This coalition of core roles and functions helped GEO focus on many of the internal management, leadership, and programming staffing issues that historically got in the way the application of evaluation tools in the grant-making process. Admittedly, GEO champions a perspective on 'effectiveness' that is very close to my own; namely, that foundation effectiveness is primarily a function of the partnership relationship between grantor and grantee. This relationship can create the conditions for increasing social betterment results. Therefore, concerns of 'effectiveness' must focus on improving the performance of both grantor and grantee. I will address this more a little later. It is important to note at this point, however, that one critical evolutionary product of merger between GEN and GEO is the 'Change Agent Project,' which holds great promise to identify and recommend practical research and evaluation strategies to support grantees as change agents.

The Center for Effective Philanthropy (CEP), founded by Michael Porter and Mark Kramer, brought a decidedly 'business case' orientation to the issue of foundation effectiveness. Although controversial at the time, their seminal article in the *Harvard Business Review* was widely credited as the analytical foundation underlying the 'effective philanthropy' issues. Dennis Praeger's earlier work on raising the value of philanthropy should also be credited for framing the 'effectiveness' challenges for the foundation community. Under CEP's board leadership and the able captainship of Phil Buchanan, CEP has taken these concepts to very practical ends and products. Their effort to collect and produce

empirical data on the insights of grantees, governing boards, stakeholders, and applicants is increasingly becoming a standard of practice in the field of assessing effectiveness. They are mining a rich database of thousands of foundation practitioners at all levels to assess effectiveness at various organizational levels. CEP assessment tools are being used more and more by foundations to increase their effectiveness. (mention the names here?)

All these efforts, and others, are the basis of my resounding answer, 'Maybe,' or even hopefully a 'Yes,' that evaluation logic *can* play a sustaining role in leading improved philanthropic efforts at social betterment. However, there are social forces that present formidable challenges to foundation effectiveness. (We, too, have our right-wingers, nay-sayers, and tea-and-crumpets baggers).

Among these forces is the convention of professional evaluation practice itself. Among the 70,000-or-so foundations, far too many believe that program evaluation is too costly in terms of time, effort, and money. Some say that evaluation is too esoteric and impractical for the work that foundations and non-profits do to promote social betterment. Many are still stuck in the attribution paradigm. Foundation board members in particular, sometimes think of evaluation as a tool that can provide concrete quantifiable indications of return on investment. Their understanding of evaluation is limited to this so-called gold standard. The reality is that the great majority of programs supported by philanthropic grants are not suitable for the hypothetical-deductive methodology that has dominated evaluation practices. Most foundation programs are supported in response to a grant request or program activity initiated by the foundation itself. They are mostly short-lived and experimental in nature. Evaluation methods that try to make summative cause-and-effect judgments on such programs often fail to generate cost-effective, practical data that can be useful to social betterment efforts.

The real evaluation pay-off to social betterment comes from methods that enhance documentation of contributions, not attributions, to desired outcomes. In short, the pay-off comes from evaluation methods designed to enhance a philanthropic strategic learning agenda that informs the foundation's understanding of how to improve programming that better approximates desired social betterment results.

Although the tag line in the title of my presentation suggests that at some level the philanthropic community is on a quest to achieve greater effectiveness, it is difficult to establish what really motivates decision making in foundations. In the business community, the profit motive motivates decisions; if businesses effectively implement sound decisions, they will maximize their profits. In philanthropy, it is more difficult to discern a single set of motivations that are potential drivers of social betterment effectiveness.

In its most general sense, social betterment implies taking some action to reduce the conditions that generate poverty and the negative outcomes it produces. But this is not the mission statement explicitly embraced by the entire philanthropic community. Many foundations do not explicitly reference a desire to achieve 'human betterment.' My comments are directed to those that do. Such comments may be of value, because it is not always clear how foundations go about the task of social betterment and how they measure and document the results of their efforts to impact social betterment. How do they

understand the problem of social and economic inequities? Given this understanding of the problem, what strategic design do they employ in their grant making to effect social betterment? How do they assess and learn from their effort so that they can recalibrate and improve efforts in subsequent attempts? More important, what role are we as professional evaluators playing in helping them find practical answers to these questions?

According to a recent CEP report, while most believe it is important to have an explicit strategy to manage and inform their grant-making decisions, relatively few foundations have actually developed one (Essentials of Foundation Strategy; 2009). The lack of a strategy, of course, lessens the potential of evaluation. Moreover, the absence of an explicit strategy makes whatever investment may be made in program evaluation a scattershot effort at best. (This situation reminds me of the one of Yogi Berra's sayings: 'If you don't know where you are going, anywhere will get you there.' We have our own saying among program evaluators: "The bane of a good evaluation is poor programming.")

It is commonly observed that there is a comparative absence of investment in reliable evaluative practice among private foundations today. This is an increasing problem for organized philanthropy.

In this era of increasing public and media scrutiny and calls for improved institutional accountability, private foundations are pressed to be more results-oriented. U.S. foundations are facing more challenges to their historically unfettered stewardship of social investment resources both at home and abroad. In effect, we are witnessing unprecedented calls for philanthropic performance that justifies philanthropy's privileged, tax-exempt position in society.¹

About two years ago, The Independent Sector put together a panel to assess the Senate Finance Committee's call for increased oversight, and increased accountability of organized philanthropy. One of their major recommendations was that foundations must do a better job at evaluating and documenting their accomplishments based on clear goals and objectives. To address the lack of evaluation utilization in the foundation community, the panel report proposed to launch a sectorwide effort to provide information and training on methods for program evaluation that would enable the philanthropic community to better document its programs and results. (needs to be 2 sentences, not one) I don't know what became of this proposal, but a concrete response did come from the Urban Institute and The Center for What Works. They have collaborated in recent years on a project to identify and archive samples of commonly used outcome measures in the non-profit community, and developed 'outcome sequence charts' (for 'intermediate' and 'end' outcomes). This beginning effort to build a common outcome framework to measure non-profit performance holds promise to greatly reduce the anxiety, cost, and skill gaps among practitioners of social betterment in the non-profit community. It also may provide them with credible, widely usable outcome Indicators.

Joel Fleishman, in his recent book *"The Foundations, A Great American Secret: How Private Wealth Is Changing the World,"* urged the philanthropic community to be more 'transparent' with their decision-making and grant-making processes. He warns that if the foundation community does not act, and act

soon, to be more transparent, more federal regulation may be inevitable. Fleishman's argues for more evaluation and performance data use in the foundation world. He does this, however, with little concern for increasing the social betterment output of foundations, since he is already convinced that as a whole they are indeed changing the world for the better. Instead, he focuses on safeguarding the independence of the foundation community from the interference of government and politicians. Interestingly, the California State Assembly did not share Fleishman's assessment. As you may know there was serious support for the Greenlining legal action aimed at forcing the state's largest foundations to provide public data on the racial, ethnic, and gender compositions of their boards and staff, as well as on how much their grant making supports organizations managed by or serving minority groups.

This gets to the core of an underlying frustration with philanthropy. I am among those who believe that philanthropy is not living up to its potential to be a beacon for program and policy pathways that lead to social betterment. No other sector in our society has the potential, the resources, and the opportunity to inform program and policy development that might be more effective in achieving the social and economic impacts we desire. I recognize that some think it is arguable that philanthropy has an obligation, a social contract if you will, that commits it to a goal of social betterment. Even the title of the conference conditions this expectation with the words 'If ... betterment is the goal.' A growing number of friendly and not-so-friendly organizations are lining up behind this question of where philanthropy should or should not stand on actively promoting social betterment. My own position is that philanthropy does have an obligation and responsibility to support social betterment, if only to justify its privileged tax status. Against this criterion the fact that more people (predictably Black and Latino) are falling into the fault lines of social inequities suggests that philanthropy is not measuring up to its social contract. Dr. Martin Luther King, Jr., said it best: "Philanthropy is commendable, but it must not cause the philanthropist to overlook the circumstances of economic injustice that made philanthropy necessary."

We might paraphrase Dr. King today by saying that foundations must not focus on the palliative of charity at the expense of serious social change.

The fact is that we have yet to realize fully the ideals of our constitutional democracy. The data are irrefutable. The number of people who live in extreme poverty has risen sharply since 2000. Real income for Blacks, Latinos, and Native Americans living on reservations, is lower today than it was in 2000. Unemployment rates in communities of color are almost twice those of Whites; the gap between high- and low-income households is showing its greatest increase in the past 10 years; 6 out of 10 Black and Latino males are being pushed out of school. The data on police contacts, criminal convictions, and incarceration are staggering, stubborn, and persistent. For me, this is the context that frames the importance of the social betterment and evaluation question.

Dr. King's admonition suggests that organized philanthropy has not realized its potential to address the ever-increasing chasm between those accumulating more income, wealth, and access to power and privilege and those whom Derrick Bell characterized as the 'faces at the bottom of the well.' The 'injustice' to which Dr. King referred is not simply a consequence of being unlucky in the spin of the wheel of fortune, but more of finding oneself at the bottom of the well

and held there by overwhelmingly strong forces. These forces are the structural barriers, social and economic in nature, that exclude a disproportionate number of people of people from the American dream.

William Julius Wilson has recently updated his analysis of the 'race versus culture' debate in his book *More Than Race: Being Black and Poor in the Inner City*. In an enlightened analysis, he untangles the dispute and clearly focuses on the complex inter-related factors that undergird the social injustices to which King refers. Wilson concludes, "Culture matters, but I would say it does not matter nearly as much as social structure." He then challenges us all, including us philanthropoids (pods?) and evaluation practitioners to create better-informed program designs that can weaken the forces behind inequalities.

Let me now focus on one key question: Are we as evaluation practitioners leading the way to assist philanthropy to become all that it can be to promote social equity and justice? This is a tricky question, because the foundation community can at times seem totally impenetrable. No outside forces seem influential enough to lead the philanthropic community anywhere it does not want to go. I think, however, that a window of opportunity has opened that provides a great opportunity to use the logic and tools of evaluation to improve the foundation community's social betterment efforts.

The very fact that we are here today addressing this question is testimony that we at least recognize that our profession has a role to play in clearing the path for foundations' social betterment goals.

Moreover, as I suggested earlier, there is significant activity in the evaluation community that signals promising efforts if not to lead, at least to assist, the philanthropic community to improve efforts at social betterment. I offer as examples:

GEO has underscored the functionality of the grantee-grantor partnership in the social change process and developed evaluation processes that support the notion that the grantee is the primary driver of change on the ground.

CEP has experienced phenomenal success in heightening the attention to and use of comparative performance data to inform, motivate, and guide philanthropies to improved grant-making decisions.

BluePrint has provided evaluative frameworks for grantors and grantees to better assess and guide the implementation of policy advocacy for social betterment objectives

Innonet has pioneered easy-to-access-and-apply online logic model processes for grantees and advances the importance of articulation of strategy and related implementation activities, and the creation of measurable short-, mid-, long-term outcome indicators.

The Center for What Works and the Urban Institute have collaborated with foundations and grantees to collect and index outcome indicators and measurements that are commonly used. These efforts have greatly facilitated, and demystified the outcome measurement for grantees and grantors alike.

The Foundation Center has partnered with the Diversity in Philanthropy Project and the Council on Foundations to assess the evaluation competencies and technical capacities of non-profits to capture and report outcome

data on the social and economic status of minority communities and develop an infrastructure to sustain these capacities over time.

JustPhilanthropy, with support from the Ford Foundation, is helping ground the definition and operational features of philanthropic efforts that advances social justice and racial equity.

The Applied Research Center and the Philanthropic Initiative for Racial Equity continue to develop and refine assessment frameworks to help foundations evaluate how well they are ‘catalytic change racial justice change outcomes.’

I could add to this list, and I know you could as well. The evidence suggests that we as a professional community are trying to inform the philanthropic community that there are methods that can improve their capacity to respond not only to individual manifestations of social inequity but also to its systemic roots.

However, evaluation diffusion in the foundation community is still in its infancy. I would venture that 75% or more of all foundations do not apply evaluation tools in their grant-making decisions and programming processes, and if they do, it is primarily focused on their grantees’ performance. Few see ‘results/outcomes/impact’ as a function of their efforts in relation to grantees’ efforts, informed and framed by some level of strategic intentionality.

So what is wrong with this picture? Why do the majority of foundations, while perhaps convinced that having a strategy is important to social betterment, not engage us more? Are methods too obtuse and esoteric? Or are we too expensive and slow in delivering useful information for management decisions. Whatever the reason, I believe that it’s up to us to figure out what is going on and to fix it. We need to be more proactive. We need to figure out why the great majority of foundations and non-profits are not understanding or applying our tools. We need to lead the discussion about why the application of our tools can be useful.

I know that I may be calling on us to address a challenge larger than we may be prepared to embrace. I know that we have good reason to be hesitant to take on the larger issue of philanthropy’s social contract with society. Nevertheless, I really do think there is low-hanging fruit out there. Let us at least focus on the vast majority of foundations that have already accepted this banner —those that seemingly hedge toward betterment goals as stated in their mission statements. And let us learn with them, and their non-profit grantees, how best to increase the utility of program evaluation logic with tools and approaches that might yield more effective social betterment results. I am afraid that the demands from congressional leaders and others for the foundation community to be more effective and results oriented is fueling an ‘outcome mania’ that is driving us away from the very kind of evaluation applications that will be most useful to improving social betterment. It is driving a response that is more concerned about covering philanthropic efforts in the cloak of evaluation, and less concerned about generating insights into program and policy formulation that might be more effective in addressing social equity and marginalization. This is where we have to lead. We must not let our profession be used by those who are not fundamentally committed to social betterment.

Evaluation practitioners can be most helpful to a philanthropic community that is ready to incorporate into its mission statements articulated strategies that guide its grant-making decisions. Without this translation, we cannot apply the tools of our profession. Without a strategy, the foundations’ efforts will be serendipitous at

best, and not likely to address the relentless structural drivers of social and economic inequality. Second, we need to expand our application of evaluation logic and methods in practical, innovative, useful, and cost-effective ways that align with the information needs of small and medium-size foundations and the grantees with whom they work to achieve social betterment. For the majority of the foundation community the level of evidence required to inform decisions requires less methodological rigor and more informed dialogue and engagement between grantor and grantee on what is important to do and learn to achieve social betterment.

Let me so bold to suggest one way evaluators might model leading an efforts for social betterment. I suggest that MESI consider planning and implementing a project that would engage a small number of foundations that are ready to explore how they can apply evaluation tools within the constraints of their staff, budget, and relationships with their grantees. Let us do a little John Lennon ‘imagining.’ Imagine MEST identifying two to four such small to mid-size local/regional foundations. Eligible foundation candidates would have a desire and commitment to:

- adapt a clearly defined grant-making strategy;
- engage and respect grantees as partners in achieving social betterment; and
- engage in continuous learning and modeling to improve program efforts and results

MESI could enlist a group of volunteer professional evaluators and students to form a strategic philanthropy technical assistance team to work with these foundations and a group of their current and/or past grantees to translate their current mission statements into a more explicit strategy that will inform grant decisions and management.

The key proposed technical assistance would focus on strategy specification, what Dennis Praeger called a ‘coherent sense of purpose’ framed by a strategy that would guide the deployment foundation’s resources, guide its program priorities and objectives, and be informed by grantee/non-profit input. A core set of technical assistance activities would include the following steps:

- ***Convene a volunteer work group to review the foundation’s mission statement (and related documents) to establish answers to the following questions:***
 - What are the foundation’s intrinsic values and beliefs?
 - What is the vision of society underlying these values and beliefs?
 - What social betterment goal (s) does the foundation want to achieve to promote this vision?
 - What social and or economic context prevails that accelerates or hinders the attainment of this goal (s)?
 - Which resources are at the fund’s disposal that can address goal attainment?
 - What outcomes can be achieved as a direct result of the foundation’s investment and support?
 - Which potential grantee organization or projects are most capable of achieving, or likely to achieve, these outcomes?

The objective of the next step is to create a space for a facilitated discussion to make the foundation mission statement evaluable and useful to set a strategic direction.

- **Conduct retrospective analysis of grant-making decisions.** The aim of data analysis is to document the patterns and directions of past grant decisions.
- **Reconvene the work group to review the findings of the retrospective analysis and the reports that informed them. Conduct a facilitated discussion to get answers to the following questions:**
 - How aligned are grantee decisions and performance with current strategy specifications and desired program outcomes?
 - Do required reports contain the information needed to assess desired, and make corrections regarding future, grant-making decisions?
 - If not, what are the information gaps? What type information is needed to inform better grant decision and grantee partnerships to improve our desired social betterment outcomes?
- **Engage work group and select grantees/non-profits in facilitated discussions to identify practical, cost-effective practices to document, measure, and report and learn from program efforts and results.**
- **Use the findings of this strategic development process to inform grant application guidelines; reporting guidelines; and capturing data on program processes that evidences achievement of desired results.**
- **Convene grantees to review and engage in ‘meaning-making’ reflection sessions on implementation practices that seem most related to achieving desired program results.**
- **Integrate meaning-making insights to inform and adjust grant making, grant application guidelines and grant decisions. Continue the learning loop.**

At the end of this project, MESI documents challenges and opportunities faced by this group of foundations and their grantees in understanding and using basic evaluation logic and tools to improve their social betterment efforts. MESI then invites other foundations to review and discuss the findings and their relevance to their own interest in evaluation and to use in improving their performance.

Assuming that MESI is not already doing projects like this, I offer these ideas only to stimulate and encourage our thinking on ways we could lead the way to more effective social betterment efforts in a manner more useful to foundation measurement and learning strategies than we do now.

This proposed approach is simple and, most important, brings into grant-making decision mix community-based, ‘authentic’ insights and experiences as a respected source of information to frame programming, measurement, and strategic implementation activities. It opens opportunities for grantors to be less anxious about the cost and or practicality of evaluation. It squarely positions evaluation logic as useful to learning what activities and processes contribute to social betterment and invites both partners in the change enterprise to learn how to improve their respective roles to achieve desired results.

Finally, it puts us, as evaluation practitioners, more in the lead in framing the discussion of evaluation methods and use in philanthropy. It takes away the noise of the drum beat calls for ‘accountability’ and ‘return on investment’ measures that engender anxiety and mask the utility of the evaluation logic and methods and enables us to focus on and optimize social betterment solutions.

So are we leading? No, not nearly as much as we should be. I think we can find inspiration to lead if we can bring ourselves to believe that evaluation should be accountable primarily to the ideals of equity and social justice, and thus to the people whose lives fall short of these ideals.

In the absence of our leadership, pressed as they are by increasing public scrutiny, foundations and non-profits will continue to borrow ideas from the business community and others to respond to the demands for accountability. They will continue to seek cover from evaluation applications, not innovative explorations of what might best address seemingly intractable solutions to social inequities.

In conclusion, philanthropy has a unique responsibility and opportunity to support experimental social betterment solutions (commonly called grants) to pressing social issues and to elevate those that evidence promise of success for further investment, examination, learning, and replication.

We must find the inspiration to meet foundations where they are. We must find ways to translate evaluation logic and methods into easy-to-understand, usable modules that focus mission on specific goals, clear strategies and measurable indicators related to goals and strategy? We need to develop evaluation approaches that capture evidence grounded in the authentic experience of grantees and the populations they serve. We need to position ourselves as leading thinkers on evaluation approaches appropriate for short-term nature of foundation grant-experiments and to improve our capacity to discern, learn from, and improve those with the greatest potential.

There is a lot that is happening that assures me that we are beginning to move in these directions. What do you think?

Thanks for listening to me. I look forward to hearing your thoughts on this 15th anniversary question The increasing number of faces at the bottom of the well depends on it.