Assessment and Learning

Identifying Methods to Measure Success

How do you know you're making a difference?

NATIONAL CENTER FOR
FAMILY PHILANTHROPY

About this Series

This primer is the fifth in a series of seven about the Family Giving Lifecycle. The Lifecycle framework is comprised of seven inflection points and orients donors toward effective outcomes at each stage.

The Lifecycle framework encompasses the breadth and inflection points of family philanthropy and orients donors to effectiveness for the purpose of promoting better outcomes. The Lifecycle framework applies to families at all stages of their philanthropy[1], whether they are a wealth creator just starting out or a multi-generational family foundation improving their work. It is important for donors and their families to revisit the seven inflection points over time as they evolve and learn.

In each primer you'll find: basic information to get started or refresh yourself on the topic, ways to improve when you have the time and will, tips for involving your family, worksheets to guide your thinking, and a few select resources to advance your practice.

The full series of primers and related resources are available here. The National Center for Family Philanthropy (NCFP) also provides workshops related to the primers. To learn more, please contact us.

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[1] ***Philanthropy*** *is "voluntary action for the public good." It can be informal and/or formal and include giving, granting, volunteering, investing for social/environmental impact, building social enterprises, advocacy, and/or other actions.* ***Family philanthropy*** *is when multiple branches and/or generations of a family (self-defined) take those actions together.*

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Overview

There are few certainties in philanthropy, but one is undeniable: good intentions are not enough. Nor are detailed plans and processes. You must spend time reflecting on fundamental questions about progress and impact, and adapt your practices based on lessons learned.

Your ***social impact*** is the intentional net benefit to the public of your actions. Your impact may be small or big, help a few or many, or be tangible or hard to measure. Your ***philanthropic strategy*** is your roadmap for how you'll achieve social impact with your resources, social impact vehicles, tools, and activities.

In this primer, you'll develop an **assessment plan** to define and measure the progress and success of your partners, your philanthropic strategy, and the governance and operations of your social impact vehicles. Effective philanthropy is a process of continual learning. A structured learning agenda and assessment plan will strengthen your philanthropic purpose, strategy, impact, and family engagement.

In the primer, you will find:

I. The Fundamentals

Your assessment plan will answer five questions: What are you assessing? What principles guide your plan? Who will be involved? What are your goals? How will you assess these goals?

See pages 5–9 and Worksheets 1 and 2 to develop an assessment plan.

II. Extending the Fundamentals

As you advance in your philanthropic journey, consider creating a purposeful learning culture and strengthening assessment processes in three performance areas: your partners, your philanthropic strategy, and your governance and operations.

See pages 10–17 and Worksheet 3 to strengthen your assessment plan and learning culture.

III. Involving Your Family

As you look ahead to involving family members, consider who will act as a Chief Learning Officer and your family's learning agenda goals.

See page 18 for information about the chief learning officer role.

IV. Looking Ahead

You will adapt your assessment plan as you evolve your social impact strategy and involve others in your philanthropy.

For hints on looking ahead and helpful resources, see page 19.

I. The Fundamentals

As you continue your philanthropic journey, you may find yourself asking, how is this going? Am I making the difference I want to make? Do I need to change course in my philanthropic strategy? Am I improving as a philanthropist?

Remember, you're not on a wandering journey. Instead, you look to be intentional, thoughtful, and purposeful about this journey. You are here to make a difference in your neighborhood, community, nation, or someplace else that is near and dear to your heart.

So, it's time to create an **assessment plan** to document your goals and how you'll measure progress and success in those goals. The same guidance from developing your philanthropic strategy applies to creating an assessment plan: your plan is meant to be iterative. You can start with a simple version, revise your expectations based on experience, and then add more details and activities.

Your plan should answer the following questions: What are you assessing? What principles guide your plan? Who will be involved? What are your goals? How will you work?

Action Item: *Choices you've made about purpose, governance, philanthropic vehicles, and social impact strategies and tools will affect your assessment planning. Worksheet 1 helps you document those decisions.*

What are You Assessing?

A complete plan will address three **performance areas**:

1. **Internal:** What is the effectiveness of your operations and investments? What is the progress you are making on strategies for governance and family involvement? How are you learning and growing as a philanthropist?
2. **Philanthropic strategy:** How are you progressing on the mission or social impact goals you've set? How do you monitor and assess the performance of your activities and programs?
3. **Partners:** What is the progress of grantee organizations, coalitions, or other partner organizations with whom you engage? What is the effectiveness of their work and the results they achieve? What else is needed to promote success?

What Principles Guide Your Plan?

Root the decisions in your assessment plan in your philanthropic purpose—your motivations, values, and principles. For example, values such as empowerment and teamwork could lead you to collaborate closely with nonprofits and ensure that they have the resources needed to assess their work effectively. On the other hand, a personal value of privacy may lead you to a plan in which a limited number of people are involved and you don't share the results publicly.

An important question to ask yourself is, "to whom is my (our) philanthropy accountable?" Donors have a spectrum of views on this question, ranging from "only the founding donor's intent" to "our customers" to "the people served by grantees." Social impact vehicles such as private foundations and LLCs have the freedom to work independently and with limited external accountability. Some donors value this freedom while critics and other donors see the absence of accountability and lack of public input as problematic. As you consider your assessment plan, in addition to your philanthropic purpose, your sense of the people and entities to whom you are accountable is another important factor that will guide your decisions about what information is collected and how it is used.

If you're unsure about which principles should guide your assessment plan, consider using this list by Grantmakers for Effective Organizations:

1. **It's about improvement, not just proof.** Track both the results of past investments and how you and your partners can do a better job.
2. **It's about contribution, not attribution.** Learn about the range of factors in your goal and consider how specific interventions can contribute to change.
3. **It's about learning with others, not alone.** Embrace working with different types of partners to gather information and draw lessons from their work.
4. **It's about going beyond the individual grant.** Think about foundation-wide performance and clarify and adjust your mission, goals, and objectives.
5. **It's about embracing failure.** Good assessment processes help you and your partners test hypotheses about what works to accelerate change and thoughtfully learn from mistakes.

Action Item: *NCFP's Philanthropic Purpose Primer helps you define your motivations, values, and principles.*

Philanthropy Trend: Equitable Evaluation

More donors and funders are improving racial equity, diversity, and inclusion in their philanthropic policies and practices. They're learning that many traditional mindsets and practices in evaluation can marginalize, minimize, and disrespect people of color and those with less privilege.

NCFP and those donors turn to the Equitable Evaluation Initiative for guidance in challenging those traditions and creating fairer, more equitable assessment plans and processes.

The Initiative's free resources can improve the chances that your plan:

- Honors different cultures' views of which information, stories, and sources are most valid
- Empowers participants to collect, interpret, and use data (when possible)
- Considers how historical and structural decisions (e.g., systemic biases and inequities) have contributed to the problems you hope to address with your philanthropy

Who Will be Involved?

Assessment plans have multiple stakeholders. Internally, they include donors, board and committee members, family members, and employees. Externally, they include organizations using your resources, beneficiaries of those organizations, residents of communities you support, experts, and other donors and funders who could learn from your work. An assessment plan can also anticipate the potential examination of your philanthropy by regulators, journalists, researchers, and others.

Think about these questions as you clarify the people involved in your assessment processes:

- **Who sets the strategy?** Who is responsible for defining and revising the social impact strategy of the organization?
- **Who prioritizes the goals and indicators?** Who will hold your board and staff accountable? How are external and internal goals and measures assessed? Will partners such as grantees set their benchmarks?
- **Who does the assessment work?** Staff? Partners? Consultants? Will residents of a community have a role in collecting data or evaluating quality and results?
- **Who can use the information collected?** Will the data and stories you collect only be available to internal decision-makers? Will you share summaries with some partners? Will you make information available on a website?

> ***Action Item:*** *NCFP's* Governance Primer *helps you clarify the people in your philanthropy, the roles they should take, and the level of transparency that supports your philanthropic purpose.*

What are Your Goals?

What do you want to learn and how do you want to use the information you collect? Clear goals allow you and your partners to target the use of the resources you're dedicating to evaluation.

There are four overarching goals for assessment: inform strategy, facilitate improvements, monitor results, and understand impact. The goals complement each other and work together in a cycle of continuous improvement.

The chart on the next page shows example questions in the intersections of the three performance areas and four goals.[2]

[2] *Adapted from information in* Four Essentials for Evaluation*, Grantmakers for Effective Organizations, 2012, and* Impact, Measurement, and Evaluation*, NCFP, 2021*

Assessing Performance Areas Against Goals

Goals	Performance Areas: Internal Assessment	Performance Areas: Philanthropic Strategy	Performance Areas: Partners
Inform strategy *What do we want to accomplish?*	What are successful practices in the preparation of younger generations, staff, or volunteer leaders? What baselines and success measures make sense for developing a more welcoming, equitable, and efficient workplace?	How will our strategy be successful? What assumptions or hypotheses do we have? Are we making good decisions? About what do we need to learn more?	What are the trends in data? How are changes in the policies of government agencies and other funders impacting our partners?
Facilitate improvements *How are we and/or our partners doing? Can we do better?*	How did staff and board members rate the effectiveness of our board meetings? Have we become more equitable in our hiring and purchasing practices?	How can we improve the efficiency of our grants program? How do key stakeholders perceive us, and how do their perceptions inform our work?	What exactly is causing impact? Which approaches are working best? Was the quality and efficiency of the program high enough?
Monitor results *Are we doing what we said we would do?*	Did our investment advisor meet the goals in our Investment Policy Statement? Have we met our communications goals? Are our staff meeting their performance goals?	What are the outcomes of our leadership activities (e.g., convening, strategic communications, or capacity building)?	Did our partners do what they proposed? Why or why not? What are the outputs (people served, acres preserved, units produced)?
Evaluate impact *What's the longer-term impact?*	Are our shared values and principles showing up in staff decisions? Did changes to our investment strategy produce the desired results?	To what longer-term impact are we contributing? Are we choosing the right mix of partners–making the right portfolio of grants –to make progress? Do all our grants and activities add up to something bigger?	Are our partners stronger and more effective? Are people or places better off months or years later? Are changes to policies and practices creating a higher return on investment?

Tip: *The nonprofits and collaboratives benefiting from your philanthropy should be setting similar goals for assessing their work. Use the four goals to guide discussions with partners both before and after you commit your resources. Or use them as the basis of a report form.*

Action Item: *Use the* [Impact Strategies and Tools Primer] *to develop or refine your philanthropic strategy and the* [Succession and Legacy Primer] *to define goals for preparing younger generations.*

How Will You Work?

There are dozens of **evaluation methods**—the activities and tools used to collect information needed to make decisions in your performance areas and goals. To start simply, consider the following questions about the three types of methods listed in the chart below:

- **Observation:** What can you, your family, or staff and advisors observe on your own? These methods can cost nothing or little, provide timely feedback, and add qualitative insights into the context and progress of your social impact goals.
- **Self-reporting:** What data, experiences, and insights can the people involved share? Depending on what you're assessing, those people could be participants in an advocacy coalition, nonprofits or social enterprises seeking funding, clients of program you funded, or residents of a community.
- **Research:** What existing data about changes in populations or communities can you collect from government agencies or research groups? Are there other funders or experts who have evaluated the quality, effectiveness, and impact of organizations? Or, do you want to pay for new research and evaluations?

If you're early in your philanthropic journey, you'll likely trust your partners' choices of methods. You might also work through an intermediary organization such as a funder collaborative or donor-advised fund sponsor that has evaluation processes in place. You'll dedicate more resources to assessment if your philanthropic strategy focuses on one or more of the tools for learning. Those tools include research, reporting and media coverage, learning networks, and evaluation capacity building.

If you'd like help thinking through your assessment methods and plans, you can find evaluation experts through these organizations:

- Local universities, United Ways, or community foundations that host nonprofit capacity-building programs or community research and planning activities
- State associations of nonprofits or regional philanthropy membership associations
- National Network of Consultants to Grantmakers
- American Evaluation Association

COMMON ASSESSMENT AREAS

OBSERVATION	SELF-REPORTING	RESEARCH
Interactive	**Individual**	**Less work and cost**
• Watch how people are interacting at meetings	• Qualitative ratings by participants	• Public data sources
• Personal interviews	• Stories, photo, videos	• Ratings services or peer assessments
• Phone check-ins	• Journals kept by participants	• Pre- and post-tests by evaluators
• Site visits, seeing it in person	• Surveys (in-person, online…)	• Case studies by experts
• Advisory groups	• Written reports	**More work and cost**
Hands-off	**Group**	• Commissioning new data collection and dashboards
• Tracking media, social media, websites, public records	• Focus groups	• Benchmarking to best practices
• Hiring storytellers or photojournalists	• Peer convenings and learning networks	• Piloting and testing using Human Centered Design methods
		• Randomized control trials

Action item: *Ready to draft your assessment plan? You can develop a simple plan using some or all of Worksheet 2. Then, use the Extending the Fundamentals section to strengthen your plan as you have time and resources.*

II. Extending the Fundamentals

"In my experience, people who improve, innovate, and adapt are curious souls and self-learners. An organization's culture should encourage people to ask questions, seek advice, do research, improve what they do and how they do it, help each other, push each other's thinking, probe, nudge, adapt, look at things from different vantage points. All of these behaviors lead to improvement and innovation for the organization and the individuals who are part of it."

– Mario Morino, donor and founder of Venture Philanthropy Partners

You can implement a useful assessment plan based on brief answers to the questions in the Fundamentals section. When you're ready to dedicate more time and resources, use this section to flesh out your assessment processes and develop a purposeful culture of learning.

Creating a Culture of Learning

All the stages of your family giving lifecycle have a better chance of success when you create an intentional learning culture. A **learning culture** within a philanthropic group or social impact vehicle has these components:

1. **Professional development.** It invests time and money in its people—ranging from individual professional development and coaching to group attendance of conferences and site visits. It reinforces a 'growth mindset'—the belief that people can develop new talents, continuously improve their work, and successfully work through setbacks.
2. **Continuous improvement mindset.** It rewards curiosity and constant improvement in volunteers' and staff members' job descriptions and performance reviews. Its assessment plans and evaluation processes focus more on learning than reporting.
3. **Safe environment.** It ensures a safe environment for honest appraisal, constructive feedback, respectful dissent, and learning from mistakes. That safe environment applies both to people within the organization and external partners such as grant applicants and the communities the philanthropy serves.
4. **Integrated approach.** It applies a learning lens to the whole organization—governance practices, philanthropic strategy, grantee relations, communications, succession, use of technology and data sets, and more.
5. **An eye on equity.** It ensures that people of different identities and backgrounds feel they can contribute effectively and raise identity-based concerns without negative consequences.

If you're early in your philanthropic journey, creating a learning culture may seem like a tall order. But it is easy to start with simple, repeatable steps. They include:

- **Ensuring each meeting agenda has time for learning and reflection.** The chart on page 8 provides goals and performance areas that you can revisit regularly. Typical learning agenda items are discussing goals and assessments, watching videos, inviting grantees and experts to provide perspectives, and visiting organizations and communities you have funded.

- **Inviting each person involved in your philanthropy to attend at least one professional development opportunity annually.** Also, consider creating a process where they can report important ideas or action items to the group.
- **Asking advisors or experts to coach your decision-makers.** They can help you gain skills in fundamental issues such as conflict of interest, fiduciary responsibility, and accountability.

> ***Action item:*** *Use Worksheet 3 to start or strengthen the learning culture in your philanthropic vehicles.*

Evaluating Partners and Impact

You'll likely begin your assessment plan by evaluating your **partners** and the progress they're making on social impact goals. Those partners include recipients of grants, scholarships or prizes, or impact investments. Your partners may also be participants in activities you lead or on which you collaborate, such as advocacy coalitions, capacity building programs, or responsible purchasing programs. Use the five-step process below to develop a plan to assess your partners.

1. **Define Success.** You've likely defined success through a vision statement, mission statement, or one or more social impact goals. Each social impact goal states a priority (a specific population, place, issue, institution, and/or ideal) and the change you want to see or something you hope to preserve or protect in that priority. It may be more aspirational or more measurable, depending on your goal and ambition.

   Your definition of success may primarily focus on **impact**—changes in the lives of people or animals or the health and productivity of communities and ecosystems. However, it might also include defining success in these approaches that support impact:

   Influence: changing the system of underlying conditions, practices, and policies perpetuating a problem.

   Leverage: changing the commitments of other individuals' and organizations' resources—money, people, facilities, and more—and aligning those resources toward a common goal and standard measures of success.

   Learning: changing knowledge about how to approach problems and implement solutions more effectively.

   Your definition of success need not be singular nor static. Instead, it may focus on several issues, communities, or projects. And it will likely evolve, often because of feedback from your partners or new context you learn about the issues and communities you support.

2. **Align Your Resources and Actions.** Your **philanthropic strategy** aligns your governance, resources, philanthropic vehicles, and social impact tools to your social impact goals. You create it to connect your decisions to your philanthropic purpose and the external context of the issues you're addressing. The *Impact Vehicles and Structures Primer* and *Impact Strategies and Tools Primer* can provide more information.

3. **Set Realistic Expectations.** Philanthropists can become frustrated because they're unable to witness meaningful change during the lifecycle of their grant—or even for many years to follow. Making enduring progress in complex issues requires patience and an understanding that transformation isn't often linear. Consider these tips to avoid frustration:

    Shift your focus from the long term to the near term. Within almost every issue—from education to poverty alleviation—there are intermediate indicators of success. The most effective partners will be able to identify interim progress measures and short-term outcomes of their work.

    Be realistic about your capacity. Make sure you factor in the time and resources you have available, the scale of the change you hope to see, and your willingness to take risks along the way.

    Negotiate measures up-front. Discuss potential progress and success measures with your partners before you commit your resources. You'll want to learn what measures are standard in their field of work, what systems they have in place for measurement and improvement, and what they wish to improve. You can ask for their evaluation plan, and then if needed, suggest improvements.

    Be a good partner. When in doubt, keep things straightforward. And ensure your expectations don't create an undue burden on your partner. For example, you can ask for simpler reports from smaller organizations, eliminate reporting for small grants, or pay for more intensive assessment processes. The Trust-Based Philanthropy Project offers good advice and templates to use.

    Stay flexible. You and your partner will likely encounter unexpected challenges out of your control, also called *externalities.* They include such risks as changes in a sector, shifts in political will and public policies, environmental or natural disasters, economic downturns, or the loss or gain of other partners and suppliers. Discussing "what if" scenarios with partners lets them know you're open to dealing with unforeseen circumstances and how to respond. Depending on the circumstance, you may need to extend the timeline of an activity, change the terms or measures, or entirely repurpose a grant.

4. **Monitor Progress and Evaluate Results.** The Fundamentals section states that you can use one or more methods to monitor progress and evaluate results. For example, suppose you and a nonprofit organization have negotiated specific measures. In that case, our grant award letter can request to discuss them in interim meetings or reports and in final reports after a grant or activity concludes.

    If you don't have specific measures in mind, or you want a broader perspective, ask your partners these four fundamental questions[3]:

    How much did you do? This measures activities and uses of resources. Your partners have the most control over this measure, though it is the least important measure of long-term success.

    How well did you do it? This assesses quality, continuous improvement, and customer feedback mechanisms.

[3] *The four questions and performance measures matrix come from the Results-Based Accountability movement which provides a common-sense framework for measuring progress and success in addressing complex social problems.*

How much change did you produce? This measures the outcomes or near-term results of their work.

Is anyone better off in the long run? This is the most important measure of long-term success. However, many factors are out of your and your partners' control (e.g., a natural disaster, changes in the economy, or the success or failure of other organizations working on the same issue). Therefore, it is best to think in terms of *contributing* to progress rather than *attributing* exact results to a grant or program.

Smaller or newer organizations may only be able to provide simple answers to the four questions. Organizations with more experience or highly focused goals should be able to provide more substantial answers. The matrix below lists example measures for each of the questions.

Performance Measures Matrix

	QUANTITY	QUALITY
ENDS	**1. How much did we do?** • Inputs (resources used) and activities in a logic chart • # programs delivered • Attendance counts or customers served	**2. How well did we do it?** • Customer satisfaction • % activities meeting a standard • Efficiency or unit costs • Staff qualifications, ratios, morale • Wait lists, wait time
MEANS	**3. How much change did we produce?** • Outcomes in a logic chart • #s knowledge/skills improved • #s attitudes/beliefs changed • #s behaviors modified • #s circumstances improved	**4. What quality of change did we produce?** • % of target population reached with outcomes in Box 3 • Cost/benefit ratios • Return on investment • Long-term effectiveness and impact

Presuming your partners feel comfortable being completely honest with you, it will be rare that everything goes exactly as planned and all benchmarks are achieved. As we noted before, maintaining a culture of learning and flexibility will serve you and your partners well.

There may be times when a project is significantly off-target. This can be especially true when an organization takes on new initiatives or works with new populations or geographies. In these situations, use the following approach:

While monitoring the work, give your partner the space to experiment, adapt, and even potentially fail. This space can be critical to their progress. Sometimes patience and trust are all that are required. At other times, you may need to intervene and request a course correction, pause and adjust the project, or end the project early. While such conversations with a partner can be tough, everyone will benefit from developing a learning mindset.

After the work concludes, don't just compare outcomes to the original expectations or only focus on data. The data won't tell the whole story. Ask your partner to share its conclusions and discuss what, if anything, it will do differently. This can help both you and your partner refine your assumptions, strategies, and tactics—all of which can each lead to better results over the long term

5. **Consider Sharing Your Learning.** Once you have assessed your partners' progress and results, consider sharing what you and they have learned with others working on the same issue, population, or geography. Sharing the information is an essential part of the influence, leverage, and learning approaches listed earlier. Common avenues for sharing include:

    Gathering partners to discuss their experiences and insights. These meetings can enrich your relationship with them and reveal unexpected trends or challenges that you can address collectively.

    Discussing your conclusions with other donors and funders. Many donors and funders casually share their takeaways with their peers to increase knowledge, awareness, and potential for collaboration. Some funders publish evaluation reports on their websites, through philanthropic membership organizations, or on IssueLab by Candid, a free research site.

Evaluating Your Philanthropic Strategy

The second part of your assessment plan addresses your philanthropic strategy—your roadmap for intentionally aligning your resources and actions toward your vision and goals. The strategy framework in the graphic above is meant to be flexible and iterative. (Use the *Impact Strategies and Tools Primer* to develop and refine your strategy).

Implementing an ongoing **learning agenda** is an effective way to assess your strategy. A learning agenda includes a few questions to guide your thinking, activities to answer them, and processes to apply what you've learned.

1. **Questions to Guide Your Thinking.** It is essential to maintain a well-rounded perspective on the context in which you're working and the roles you choose to play. Start with these questions to guide your research and conversations with your partners:
    - What progress and success measures are most important to track? What are the trends in that data?
    - What are the stories behind those trends? Why is progress speeding up, slowing down, or stalled?
    - Who has a role in doing better in the social impact goal?
    - Which approaches or strategies are working or are promising? Which are not working?
    - How can I be most helpful with my resources (time, talent, ties, testimony, and treasure)? What are the opportunities for me to make a difference?

    As you implement social impact tools and processes (e.g., grants, advocacy initiatives, capacity building programs), start with the same four questions you're asking of your partners:

    How much did we do? Examine trends in measures such as numbers of applicants or participants, requests approved, or education programs delivered. Do those measures meet your expectations? Is it the right mix of participants?

    How well did we do it? Strive to obtain honest feedback about the quality and usefulness of your work and if participants thought it was worth their time.

    How much change did we support? What are the changes in your partners—the nonprofits, social enterprises, businesses, or people with whom you've worked? Are they more capable and effective because of your support?

    Is anyone better off in the long run? If you look back over two or three years of your work and funding, do you see progress in the social impact goals you've set? Do you see the change you desire in publicly available data or the reports from your partners?

2. **Activities to Answer the Questions.** To build a discipline of continuous improvement, develop a repeatable calendar of collecting and discussing the answers to the questions above. You might tackle a few at each board or family meeting. And, you might step back every two or three years to dedicate a more extended session or retreat to revisiting the whole strategy.

    You can start cheaply and simply by discussing the questions with the people most actively involved in your philanthropy. Over time, begin to include others (see "Who Will Be Involved?" in the Fundamentals section) and consider using a graduate assistant, researcher, or consultant to provide more in-depth data and story collection and analysis.

3. **Applying What You Learned.** Not everything in your strategy will go as planned. Just like your partners, you'll encounter unanticipated obstacles and opportunities externally in your philanthropic priorities and internally in your social impact vehicle, board, family members, and staff. You'll increase the effectiveness of your philanthropic strategy if you ensure the healthy learning culture described at the beginning of this Extending the Fundamentals section.

Internal Evaluation and Renewal

The final part of your assessment plan turns inward to take stock of your governance and operations. The process of ongoing reflection and renewal offers the chance to anticipate change. And anticipation often allows you to operate from a position of strength.

At a philosophical level, the assessment and renewal process invites you and others to wrestle with such questions as:

- To whom are we most accountable in our philanthropy? Is that answer changing over time?
- What are we trying to maintain—what still works for the people involved?
- What is most important about our philanthropic vehicle, and to whom?
- What are our responsibilities and roles in supporting our social impact goals?
- What do we want our philanthropic vehicle to continue to be in the future?
- Are our values and principles sustaining us as we move forward?

On a practical level, consider assessing six areas of performance:

1. **Philanthropic purpose**—how the people involved use stated values, principles, vision, and mission to guide conduct and decision-making; how you're honoring donor intent.
2. **Governance**—the capabilities and level of involvement of decision-makers, their ability to work together, and their fulfillment of their assigned duties; the recruitment and preparation of a diverse mix of future leaders.
3. **Team**—the capabilities and work of paid staff, consultants, and advisors serving the philanthropic vehicle; their ability to create and manage effective operations.
4. **Accountability**—compliance with legal and regulatory requirements; ensuring reporting to and involvement of key stakeholders.
5. **Financial**—meeting fiduciary standards and fulfilling stewardship principles; developing and overseeing goals and policies for operating budgets, investments, real estate holdings, and other resources.
6. **Family and legacy**—preparing younger generations for their future roles; involving family and other stakeholders in an evolving legacy of impact; creating an environment for healthy family involvement and succession.

As with assessing your partners and philanthropic strategies, you can evaluate your governance and operations in many ways and scale the work to the time and resources you have available. Philanthropists often use one or more of these methods:

- A few simple questions at each board or family meeting
- Annual checklists of items to review
- Regular retreats or strategy sessions
- Surveys and self-evaluations tools
- Asking external consultants to review the organization and people involved

Worksheet 2 offers sample questions for your conversations. In addition, some leaders of philanthropic vehicles use standard assessment tools. The tools allow them to compare their results to peers and receive guidance on addressing issues they wish to improve.
Some of the common assessments are:

- Pursuit of Excellence Board Self-Assessment (NCFP)—helps a family foundation board assess strengths and shared areas of concern in five areas: legacy/vision/mission, governance, family dynamics and roles, program, and administration and accountability. Families can customize the survey to home in on specific areas of interest.
- Foundation Board Assessment Program (Board Source)—enables a private or community foundation board to assess its effectiveness in seven areas of responsibility and assess its chief executive. It offers similar assessment tools for nonprofits, associations, and independent schools.
- Foundation Core Capacity Assessment Tool (TCC Group)—helps any type of foundation measure its capacity in five areas: leadership, adaptive, management, technical, and organizational culture. TCC Group offers a similar assessment for nonprofits.
- B Impact Assessment (B Labs)—the free online tool enables businesses and social enterprises of any size to measure its impact on its workers, community, environment, and customers. B Labs tailors the assessment questions for different sectors and sizes of businesses
- The Performance Imperative (Leap of Reason)—a free set of principles, user guides, worksheets, and self-reporting tools to help nonprofits and public agencies achieve high performance in seven organizational disciplines.

Future Evaluation and Transparency Plans[4]

Among those with paid non-family staff running day-to-day operations:

In the next 4 years, foundation has plans to...	HAVE PAID NON-FAMILY STAFF	DO NOT HAVE PAID NON-FAMILY STAFF
Expand reporting about the foundation	45%	16%
Report demographics of your board, staff, and/or grantees	53%	20%
Initiate/expand data collection on outcomes or impacts	41%	12%
Initiate/expand evaluations of grantees or clusters of grantees	26%	11%
Initiate/expand opportunities for grantees to provide feedback	38%	20%
None of the above	20%	56%

[4] *Trends 2020, National Center for Family Philanthropy, 2019*

IV. Involving Your Family

The expression “people are our most valuable asset” comes from the business world, but very much applies to your family’s philanthropy. Investing time and resources in a healthy learning culture in your family ensures they feel welcomed and prepared to be involved in your philanthropic vehicles and strategies. And, they’ll be able to adapt what they learn from your assessment plan to their personal giving and volunteering.

> ***Tip:*** *See the* [Governance Primer]() *for more insights into developing family culture and resiliency.*

The most successful family enterprises, including family philanthropy vehicles, actively and intentionally invest in the lifelong learning of family members. Their learning agendas improve knowledge, skills, and behaviors in key topics such as:

- The family’s purpose and legacy
- Intentional generosity and assessing the impact of that generosity
- Financial literacy and the purposeful use of family resources
- Communications, relationships, and group decision-making
- Emotional intelligence and resiliency
- Leadership and governance

Who stewards this learning culture and learning agenda? In many cases, it is a family patriarch or matriarch or a member of a second generation who has a passion for education. Families with businesses, family offices, or staffed philanthropic entities are also creating the position of chief learning officer. As a volunteer or paid staff member, the chief learning officer is tasked with a) helping family members of all generations be successful lifelong learners, and b) implementing the learning agenda described above. The person in this role also identifies, nurtures, and celebrates the unique strengths and capabilities each family member brings. A family can also look for someone with assessment skills to play a dual role in learning and evaluation.

The current generation of family leadership may see itself as holding primary responsibility for assessment and shared family learning. However, we strongly encourage you to include younger family members in your assessment planning and processes. You can discuss the importance of setting goals and assessing progress toward them, thoughtfully considering donations and other actions, and watching for trends and stories that guide philanthropic decisions. You can also invite them to visit organizations with you, review social media and websites, and read reports. Most importantly, ask them to discuss what they want to learn about making a difference.

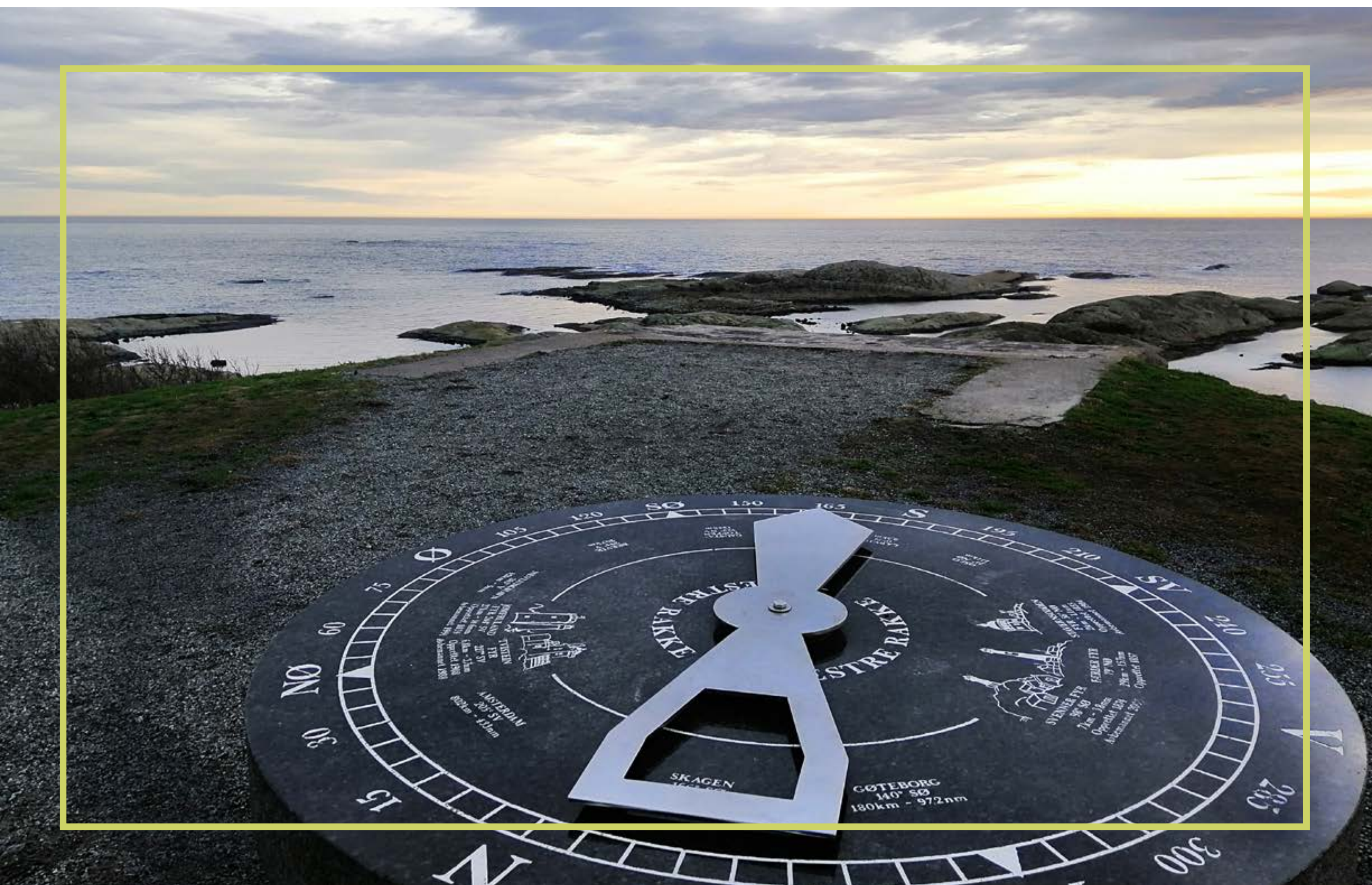
IV. Looking Ahead

Instituting a culture of learning, continuous improvement, self-reflection, and assessment is vital for the success of your philanthropic vehicle and social impact strategy. This primer is a good place to start but just begins to scratch the surface of assessment planning and tools. If you wish to explore this aspect of your philanthropic journey further, be sure to check out the resources listed below.

In summary, we talked about:

- Five essential questions to guide your assessment plan.
- Four overarching goals for assessment (inform strategy, facilitate improvements, monitor results, and understand impact).
- Three performance areas to assess (partners, philanthropic strategy, and internal).
- Developing a learning culture for your family and philanthropic vehicles.

And, you saw that you'll create your assessment plan based on decisions you make in other primers in this series, including those about purpose, governance, philanthropic vehicles, social impact strategies and tools, operations, and succession and legacy.



Resources

Need help?

See the resources below and feel free to contact NCFP to talk through your ideas, meet other donor families, or get in touch with a philanthropy advisor who can guide you and your family members through this important process.

Essential Resources

- Grantee Relationships and Power Dynamics webinar recording
- Impact, Measurement, and Evaluation webinar recording
- Listening & Feedback: A Funder Action Menu, Fund for Shared Insight
- Due Diligence: Vetting and Evaluating Organizations, Stanford Center on Philanthropy and Civil Society (PACS)

Further Exploration: National Center for Family Philanthropy Content Collections

- Grant Evaluation, Proposal Review and Site Visits
- Racial Equity, Diversity, and Inclusion
- Trust-based Philanthropy
- Stanford PACS Guide to Effective Philanthropy
- Working with Consultants
- Grantmaking and Strategy

Worksheet 1: *Preparation for Assessment*

Principles, policies, and practices you've developed throughout your Family Giving Lifecycle guide the success of your assessment plan. This worksheet helps you summarize valuable information for creating an assessment plan in Worksheet 2.

To whom is our philanthropy most accountable? How do we prioritize internal and external stakeholders? How should that affect our assessment planning and processes?

Which *values* or principles that guide our philanthropy should also guide our assessment work?
(For help with this topic, see the *Philanthropic Purpose Primer* and the Fundamentals section of this Primer)

Do our conflict of interest, privacy, or communications *policies* have language that can guide who sees the information we collect and how we'll share it. If so, that guidance includes these key ideas:
(For help with this topic, see your existing policies and the *Governance Primer*)

Have we have defined what success could look like in one or more *priorities* or *social impact goals*? If so, that definition, either aspirational or specific, is:
(For help with this topic, see your existing grant, investing, program, or other guidelines and the *Impact Strategies and Tools Primer*)

Have we have named one or more measures of success in the priorities or goals above? We could track public data sources, ask our partners to track the measures, or ask evaluators to track the measures over time. If so, those measures include:
(For help with this topic, see your existing grant, investing, program, or other guidelines and the *Impact Strategies and Tools Primer*)

How do we currently assess progress and success in our philanthropic strategy? What do we want to improve in that assessment process?

How do we currently measure progress and success in our governance and operations? What do we want to improve in assessing our policies and practices in those areas?
(For help with this topic, see the *Governance Primer* and *Operations and Management Primer*)

How do we currently measure progress and success in the preparation and involvement of our family? What do we want to improve in assessing our policies and practices?

Worksheet 2: *Assessment Plan*

This worksheet helps you develop an assessment plan for the three performance areas of your philanthropy. For inspiration, look to the charts in the Fundamentals section and the guidance in the Extending the Fundamentals section.

You can start with simple answers and, as needed, skip sections or make notes to do additional research. Depending on how you've structured your philanthropy, you may need to repeat this worksheet for different social impact vehicles, strategies, or tools.

1. Assessing our Partners

Use this section to plan the assessment of partners of one or more of your social impact tools, e.g., nonprofits receiving grants, members of a collaborative or capacity building programs you lead, or social enterprises in which you've invested.

SOCIAL IMPACT TOOL OR PROGRAM:	
SET GOALS	What is most important for us to learn from our partners?
	What is most important for our partners to learn as they use our resources?
FACILITATE IMPROVEMENTS	Who will help facilitate improvements in our partners?
	How will they do it, and when?
	What resources will we dedicate to the work?

MONITOR SHORT-TERM RESULTS	Who will monitor results at the end of a grant, program, or another timeframe?
	How will they do it, and when?
	What resources will we dedicate to the work?
EVALUATE LONGER-TERM IMPACT	Who will evaluate the longer-term impact of partners' work? How will we look across multiple programs or years to see if partners and communities are better off?
	How will they do it, and when?
	What resources will we dedicate to the work?
SHARING WHAT WE LEARN	With whom (if anyone) will we share what our partners and we have learned?
	How will we do it, and when?
	What resources will we dedicate to the work?

2. Assessing Our Philanthropic Strategy

Use this section to plan the assessment of your philanthropic strategy—how the cumulative resources you've committed and decisions you've made are adding up over time, and how you need to adapt the strategy to changing conditions and context.

STRATEGY:	
SET GOALS	What is most important for us to learn about the context in which we're working—the conditions, policies, trends, and ecosystem of partners?
	What is most important for us to learn about the roles we've taken—our choices of resources, tools, relationships, and niches within the ecosystem?
FACILITATE IMPROVEMENTS	Who will help facilitate improvements as we implement our strategy?
	How will they do it, and when?
	What resources will we dedicate to the work?

MONITOR SHORT-TERM RESULTS	Who will monitor the quarterly or annual results of our strategy?
	How will they do it, and when?
	What resources will we dedicate to the work?
EVALUATE LONGER-TERM IMPACT	Who will evaluate the longer-term effectiveness and impact of our strategy?
	How will they do it, and when?
	What resources will we dedicate to the work?
SHARING WHAT WE LEARN	With whom (if anyone) will we share what our partners and we have learned?
	How will we do it, and when?
	What resources will we dedicate to the work?

3. Assessing Ourselves

During NCFP's 2021 Trustee Education Institute, philanthropic consultant Alexa Cortes Culwell offered a set of questions foundation boards could use to assess their work. We've edited her list slightly and you can adapt the questions for other types of philanthropic vehicles and conversations by other types of governance or oversight groups. Check the questions most important to your internal assessment process.

Philanthropic Vehicle—How is our organization performing?

- [ ] **Legacy:** Have we stayed true to our purpose and values?
- [ ] **Impact:** Have we made a difference? Are we on the right track?
- [ ] **Oversight:** Have we been responsibly stewarding our resources?
- [ ] **Innovation:** Have we developed or invited new, creative ideas?
- [ ] **Community:** Do our grantees and communities of focus experience us as good partners?
- [ ] **Transparency:** Are we communicating our work and impact effectively, including our learning and failures?
- [ ] **Agility:** Are we responsive and adaptive to unforeseen situations?

Board—How are we functioning as a governing body?

- [ ] **Roles & Responsibilities:** Have we correctly exercised the authority we've been given and delegated the rest to staff?
- [ ] **Vision:** Have we ensured our philanthropic vehicle has a philanthropic strategy or strategic plan in place to guide its work and impact? Is everyone aligned around that strategy?
- [ ] **Oversight:** Have we supplied timely feedback to our CEO or executive director? Have we conducted an annual performance evaluation and compensation review using best practices?
- [ ] **Culture:** Have we worked together as a group? And partnered effectively with staff?
- [ ] **Engaging Family:** Do we have strong practices in place for developing the next generations of leaders?
- [ ] **Composition:** Do we have the right mix of leaders reflecting a diverse range of skills and backgrounds?
- [ ] **Meetings:** Do our meeting agendas and facilitation ensure the appropriate level of participation from everyone?

Individual—How am I as a board member contributing?

- [ ] **Role:** Am I fulfilling the duties described for my position?
- [ ] **Attendance & Preparation:** Do I have strong attendance at board and committee meetings? Do I come well prepared and take part fully?
- [ ] **Learning:** Am I committed to learning in areas where I lack expertise or sufficient knowledge?
- [ ] **Communication:** Do I respond promptly to requests? Do I communicate effectively and respectfully my input and concerns?
- [ ] **Values:** Do my conduct and participation on the board reflect my personal values?

Worksheet 3: *Supporting a Learning Culture*

Families, businesses, and social impact vehicles increase their chances of success by supporting intentional learning cultures. Use this worksheet to spark your thinking about your learning culture. If you're early in your philanthropic journey or have limited resources, you'll likely skip some questions. However, even experienced and well-resourced philanthropists may need time to explore answers with their family, staff, or colleagues. As with the rest of your assessment planning, we encourage you to return to the questions and revise your answers periodically.

How do we believe ongoing learning reinforces our philanthropic purpose (motivations, values, principles, priorities)?

Should we have a chief learning officer or an equivalent set of responsibilities in another position? Is it an informal or formal position? To whom should it report?

Do we have learning or skill-building objectives in volunteer job descriptions (board, committee, or task force members)?

What budget will we make available for the professional development of volunteers (donor family, board members, committee members)? What processes should be in place to request the use of that budget?

Do we have learning or skill-building goals in staff job descriptions or performance reviews?

What budget will we make available for the professional development of employees? What processes should be in place to request the use of that budget?

What will we do to ensure a safe environment for honest and respectful debate, critique, and feedback? How will we ensure safety and respect no matter the person's age, position, gender, race, or other identity or background?

How can we reward a mindset of continuous improvement, innovation, and—as needed—safely learning from taking risks and even failing?

Credits

About the National Center for Family Philanthropy

NCFP is a network of philanthropic families committed to a world that is vibrant, equitable, and resilient. We share proven practices, work through common challenges, and learn together to strengthen our ability to effect meaningful change. Our range of programs and services support family philanthropy at its many points of inflection and help families embrace proven practices and advance momentum. Explore our resources, all rooted in a Family Giving Lifecycle by visiting www.ncfp.org.

About the Authors

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The information in this paper should not be taken as qualified legal advice. Please consult your legal advisor for questions about specific legal issues discussed in this document.