

Survey: Foundations Often Rely on Anecdotes to Assess Impact

December 24, 2009 — While 78% of foundation officials think their foundation is effective in creating impact, only 8% could describe the specific types of information or pieces of data that lead them to believe they are likely to achieve at least some of their goals, according to a recently completed national survey.

“Respondents do report using a variety of data sources to inform their sense of progress against strategy but not necessarily defined performance indicators or metrics. Instead, they more often rely on anecdotal information such as conversations with stakeholders and site visits,” according to the survey conducted by [The Center for Effective Philanthropy](#) in Cambridge.

The center based its findings on responses it collected from 191 foundation leaders and staffers at 155 foundations with \$100 million or more in assets.

Twenty-six percent of survey respondents reported they use indicators, metrics, or other tools to assess all of their strategies. An additional 39% use indicators, metrics, or other tools to assess some of their strategies.

“It is tempting—and many critics of foundations have succumbed to the temptation—to criticize foundations for the lack of better performance data. But our research over the past eight years suggests that such critiques should at least be accompanied by an acknowledgment of how much more complex performance assessment is for foundations than it is for other types of institutions,” the report noted.

The report outlined three key challenges that foundations face in assessing strategies to achieve their goals:

1. Many of the outcomes they are working toward are extremely difficult to quantify; results are not easily aggregated across different programs; and, given many potential forces affecting the complex problems foundations often seek to address, a causal connection between foundation efforts and progress can be difficult to demonstrate.
2. Given the significant technical challenges in foundation performance assessment, adequate resources are required, but some program officers said they do not have time to devote to the process while others said they are unable to engage in assessment because it is not valued by other key players in their organization.
3. Program staff also cite a lack of skill, time, or knowledge on the part of the grantees they fund to be able to collect the data the foundation needs to assess its performance.

Although foundation CEOs are generally satisfied with the level of board involvement in most areas of foundation work, 41% of CEOs said they want more board involvement in assessing strategy, and 42% said they want more board involvement in assessing impact, the survey found.