

MEASURING IMPACT:  
THE STATE OF NONPROFIT EVALUATION IN THE GREATER  
ORLANDO AREA

by

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## **ABSTRACT**

Research shows that since the mid-1990s funders of the nonprofit sector have significantly increased the sophistication of their reporting requirements. Funders today want agencies to demonstrate beyond outputs and report on outcomes and the impact they have on the communities they serve. Funders are monitoring community impact by requiring more complex reports from the agencies they fund. These changes have meant that agencies must become proficient in data collection, management, and analyses practices in order to accurately respond to funders' report requests. Nonprofits, however, find these requirements difficult to conceptualize and even more difficult to attain. Managing and analyzing the data necessary to create the required reports proves a formidable task. This research shows that among many obstacles reported, a lack of communication between agency and funders about their intended goals leads to some frustration from both sides, ultimately making it exceptionally difficult to attain the ultimate goal of the new reporting requirements: to measure community-level impact.

This study utilizes qualitative interviews with 8 human service nonprofit agencies and one funding agency in the greater Orlando area to investigate what agencies report are their major obstacles when trying to meet funders' new reporting requirements and what a funder's response to these concerns is. Agency interviews were analyzed for the most common themes and concerns reported. The interviews explore the way nonprofits are responding to the new requirements from donors and what they think could be done differently to better capture valuable data that would speak to issues at the community level.

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## CHAPTER 1: INTRODUCTION

There is a growing pressure for non-profits of all types to provide evidence of their impact on the communities they serve (Savedoff 2011, Ebrahim and Rangan 2010). In the last 20 years, funders have begun requiring evidence of the way their awards are impacting communities. Funders want tangible proof in the form of research and impact reports that describe in detail what effect their contributions are having on the clients agencies are assisting, as well as on the greater community being served. This proof exists when outcomes, rather than simply outputs are measured. This project aims to (1) describe the most commonly reported obstacles to impact evaluation, as cited by a variety of human service agencies in the greater Orlando area and (2) identify why agencies feel these obstacles persist.

Non-profits tend to report on outputs, not outcomes. An *output* is the product(s) produced by a program's activities. For example, the number of plates served to the hungry, the number of pamphlets handed out in a community, the number of clients who attend educational meetings and the like are examples of outputs (United Way 1996). But outputs by themselves are not outcomes (Urban Institute Key Steps 2003). An *outcome*, as described by Rossi, et al. is some condition in a specific population that is expected to *change* as a result of the program being implemented, or as a result of the outputs (2004). A decrease in the rate of crime in a city, an increase in the number of high school graduates, a decrease in the rate of obesity, or an increase in the number of homeless people who find stable housing are examples of outcomes that may result from outputs like after school care, health care advocacy, case management, or other program activities.

The number of meals served in a soup kitchen, which is defined as an output, can be counted with relative ease. But when trying to measure outcomes, the task becomes significantly

more challenging. How can we know if an outcome is truly the result of an output? When we think about the 6,000 nonprofits in the greater Orlando area, each of which are serving hundreds, and often times, thousands of clients per year, it becomes imperative that agencies make an effort to measure the effect of their services on the community in which they are being provided (outcomes), in addition to the outputs being measured to be sure the agency is serving those in need in the best way possible (National Center for Charitable Statistics “Number of Nonprofit Organizations in Florida”).

Much of the time, however, these agencies meet many challenges when it comes to evaluating their programs. Lack of funding allocated to measuring impact and little to no knowledge of what a valid evaluation looks like or how to conduct one are some of the obstacles that limit the amount of evaluation currently done among nonprofits (Royse and Dignan 2008, Lackey 2006, Savedoff et al. 2006). Additionally, there is often a discrepancy between what donors are requiring in terms of outcomes measurement and the amount of support donors provide to accomplish such measurements, whether in the form of additional funding or by providing personnel or technical assistance to conduct the evaluation (Smith 2011, Savedoff 2006). While outcomes-based reports are being required more frequently in order for an organization to win financial support, the literature describes a shortage in funding allotted by the donor to conduct evaluations (Benjamin 2008, Savedoff et al. 2006). Either no funds for evaluation are provided at all, or the funds that are allocated are inadequate.

With few resources to measure anything beyond simple outputs, it may be unreasonable to expect organizations to produce sophisticated or even simple outcomes-based reports. Still, despite the challenges, the obstacles to measuring impact must be addressed.

## **CHAPTER 2: LITERATURE REVIEW**

### **Nonprofits in the U.S. and Locally**

In 2010, there were approximately 2.3 million registered nonprofits in the United States. Those organizations contributed \$804.8 billion to the U.S. economy, totaling 5.5 percent of the country's GDP, or gross domestic product. Of the 30 types of nonprofit organizations identified by the Internal Revenue Code, public charities, identified by the code 501(c)(3), are the most common type of nonprofit. Revenue for public charities in 2010 totaled \$1.51 trillion and is collected in organizations like universities or hospitals mostly from fees for goods and services. These fees make up 73.5 percent of the \$1.51 trillion of public charity revenues. Another 13.2 percent of the total revenue is made up of "other contributions" and government grants. Private contributions to public charities made up 13.3 percent, or \$107 billion, of total public charity revenue in 2010 (Blackwood, Roeger, and Pettijohn 2012). They are organizations eligible to receive tax-deductible contributions and are restricted from using profits for private interests (IRS.gov).

In Florida, there were over 75,000 nonprofits in 2009 according to the National Center for Charitable Statistics, a national clearinghouse for data on nonprofits. Guidestar.org, an online nonprofit database reports that 5,820 organizations that fall under a nonprofit category are located in the Orlando area. This includes organizations located in Orange, Seminole and Osceola County. This total includes such nonprofit entities as church-based programs and completely volunteer-run operations, not just officially registered nonprofits (<http://www.guidestar.org/SearchResults>).

Nonprofits are categorized using the NTEE (National Taxonomy of Exempt Entities) system. Both the IRS and the National Center for Charitable Statistics use it to classify nonprofit

organizations. It categorizes organizations first into one of ten broad categories, then into a variety of more detailed categories. The organizations in this study are all categorized primarily as “Human Services” (“P”, according to the NTEE) (National Center for Charitable Statistics).

### **A History of Giving: Philanthropy and the U.S.**

The term “philanthropy”, as we know it today, originated from ancient and universal practices termed then only as benevolence, charity, and altruism, among many other terms. These practices were common throughout all civilizations and religions and have taken on a variety of forms throughout history. From saving a child to preserving a tree, tithing to rescuing a dog, people have practiced “philanthropy” since the beginning of time (Payton and Moody 2008).

Alexis de Tocqueville noted in 1835 that a general doctrine was already in place in America that led men to further their self-interest by helping their fellow man (1835). With this attitude of charity in place, the U.S. was prepared to receive the riches the coming decades would bring. In the 1870s, there were one hundred millionaires in the U.S. By 1916, there were over 40,000 millionaires with fortunes for John D. Rockefeller and Henry Ford reaching into the billions. The culture of philanthropy in the U.S. began here. Never before had individuals had so much money to give away. And never before had donors conceived of their donation in such a broad sense. Now, philanthropy had goals of finding long-term solutions and identifying the roots of social issues and they had the means to do it. Zunz states, “Charity had been for the needy; philanthropy was to be for mankind” (2012).

With these millionaires came a rise in the standard of living in the 1920s and a subsequent increase in disposable income for many. Giving had become democratic and was



now the duty of both the “well-to-do” and the “common man” (Zunz 2012). In her chapter on “Why We Give”, Lilian Brandt explains one reason to give was that it was “the thing to do” and that social circles came to expect it of each other (1921). Giving had become a part of daily life by the beginning of the 20<sup>th</sup> century in the U.S., a financial decision being built into the planned budgets of families across the country. The federal government also recognized the importance and new popularity of charitable giving and enacted Section 170 of the Internal Revenue Code in 1917 that encouraged benevolent acts by making charitable giving tax deductible (Lindsey 2003).

Today, giving remains an important part of American society. It is responsible for promoting the growth of the American nonprofit sector to the notable size it is today (Zunz 2012, Eisenberg 1997). In 2010, the IRS reported \$169.8 billion in charitable deductions on itemized tax returns (33 percent of taxpayers file itemized tax returns). Estimates that include non-itemized tax returns (67 percent of taxpayers) would put the national charitable deductions total closer to \$211.77 billion (Urban Institute, “Profiles of Individual Charitable Contributions by State”). Individuals are the largest source of charitable donations. They comprise 73 percent of total charitable giving. Measuring charitable giving as a percentage of GDP places the U.S. as number one, giving 1.85 percent of GDP. Israel and Canada fall in second and third place, giving 1.34 and 1.17 percent of their GDP, respectively. Research shows that those developed nations with strong welfare systems rank much further down the list: Sweden at 18<sup>th</sup>, France at 21<sup>st</sup> and Germany at 32<sup>nd</sup> (Eaves 2008).

The practice of giving, according to the above figures, is an inherent part of U.S. culture. But why have donors continued to give throughout history with little concern about the overall

impact of their generous donations? An explanation lies, perhaps, in Bourdieu's theory of practice.

### **Bourdieu's Theory of Practice and the Habit of Charitable Giving**

Bourdieu's theory of practice helps explain the discrepancy between the prevalent culture of charitable actions among Americans (i.e. donating, volunteering) and the scarcity of evaluations conducted by these organizations (Lackey 2008). His concept of *habitus*, an action done repeatedly without questioning why it is done, provides a term to identify further the way organizations have kept evaluation a low priority in the past (Bourdieu 1990). Donors and organizations alike have a history of optimistically *expecting* society to be bettered from contributions but not *requiring* it as an outcome. As outcomes have not been required, there has been correspondingly low interest in attempting to measure change. The need for evaluation within nonprofits of every size and type is a critical issue plaguing the industry and it is important to understand from where the non-profit sector's outcomes expectations or lack of them stem (Ebrahim and Rangan 2010, Benjamin 2008, Campbell 2002).

### **Evaluation**

Program evaluation is used to assess programs in their natural environment. These assessments help organizations decide whether to keep, expand, or discontinue a program. Evaluations are critical to making scientifically informed choices about the effectiveness of a program (Rossi, Freeman and Lipsey 2004). Evaluation studies were born out of studies evaluating programs in health that aimed to reduce mortality and morbidity and educational programs that aimed to increase student performance. In the 1930s, social scientists began

applying evaluation to social programs. This is evident in A.S. Stephan's discussion of the need for evaluation of the new housing projects implemented by Roosevelt's New Deal (1935).

At the end of World War II, numerous federal programs were implemented to meet the needs of a booming economy. Programs involving health care, housing, and education all required some form of success measurement so that by the 1950s evaluation was common. The War on Poverty in the 1960s was the first time the U.S. government took a systematic look at a program being implemented and tried to answer the question, "Are we getting our money's worth?" This was evaluation practice in its early days. By the 1970s, evaluation practice became more common, the need for training arose, and the field of evaluation study emerged (Rossi, Freeman and Lipsey 2004).

### **Evaluation and Nonprofits Today**

Evaluation has become a hot topic in the nonprofit sector. It is proving to be the best way to improve nonprofit accountability to donors, an issue facing the sector in recent decades (Savedoff et al. 2011, Ebrahim and Rangan 2010, Benjamin 2008, Lackey 2006, Campbell 2002, Eisenberg 1997). The demand for evaluation has been increasing over the years (Martin and Kettner 1997; Ebrahim and Rangan 2010). The literature describes a renewed push for program evaluation with the implementation of the *Government Performance & Results Act* (GPRA), passed into law in 1993, which requires reports on the outcomes of federal departments. It is reported to have led to an increase in outcomes measurements required for nonprofits that receive federal funding (Lackey 2006, Martin and Kettner 1997).

Brown and Moore report an increase in required accountability reporting for NGOs from donors (2001). The presidents of both the William and Flora Hewlett Foundation and the

ClimateWorks Foundation (with assets in the billions and millions, respectively) are quoted saying that in order to achieve great goals, donors must view impact as the “the essential core of strategic philanthropy” (Ebrahim and Rangan 2010). United Way of America (with over 1,200 offices around the U.S.) has encouraged its member organizations to urge the participating agencies to evaluate outcomes and not just outputs (Lackey 2006). United Way’s foundational report, “Measuring Program Outcomes” cites clearly that the reason for their new push for outcomes evaluation is “to see if programs really make a difference in the lives of people” and “more importantly...to help programs improve services” (1996). All of this new enthusiasm within the nonprofit culture for outcomes reports puts pressure on nonprofits of all kinds to report on outcomes and no longer only report on outputs.

Another report describes an increase in public desire for accountability due to recent scandals plaguing the nonprofit sector (Ebrahim and Rangan 2003). Some major scandals include the leader of the United Way of America being charged with 23 counts of felony and defrauding the organization of over a million dollars in 1991 (Barringer 1992). The American Red Cross prosecuted two executives for stealing over \$1 million in 2008 (“Disaster Strikes in Red Cross Backyard”). Also in 2008, the Nature Conservancy received \$10 million for land in the Adirondacks that the organization had paid only \$6.5 million for three years earlier (Houlgin 2009). For these reasons, government action, philanthropic push for accountability, and the public’s desire for accountability as a result of scandal, there has been an increasing expectation for outcome reporting by nonprofits in the last 20 years (Boris 2012, Brock, Buteau and Herring 2012, Campbell 2002, Najam 1996, Kearns 1994).

An increase in the demand for evaluation has resulted in reactions from both human services agencies and scholars. Agencies have responded to the demand for evaluation with

mixed feelings. They often understand the importance of evaluating the programs they implement (Brock, Buteau and Herring 2012, Smith and Hevener 2011). But they are also left to figure out how to do the evaluations on their own and they often have trouble fulfilling the requested report requirements (Boris 2012, Brock, Buteau and Herring 2012, Savedoff et al. 2006, Campbell 2002). For example, the St. Joseph's Carpenter Society in New Jersey wants to show the impact they have on the communities they serve with reports that go beyond anecdotes. They report that, "unlike their larger counterparts, smaller community development organizations are usually at a disadvantage in undertaking such an evaluation." They report that measuring outcomes for their agency is difficult due to a lack of funds and a lack of expertise in outcomes-based measurement. They feel if their organization and budget were bigger, they would be able to better measure the impact they have on their community (Smith and Hevener 2011).

Funders require applicants to produce what can be complicated statistical reports while not providing them the support they need to do such reporting. This issue has been discussed in numerous works (Boris 2012, Brock, Buteau and Herring 2012, Benjamin 2008, Campbell 2002). In their article *Room for Improvement: Foundations' Support of Nonprofit Performance Assessment*, scholars at The Center for Effective Philanthropy express the desire of nonprofits for "more help" in assessing their organization's efforts than they are currently receiving. This study utilizes surveys completed by three hundred nonprofit leaders from across the country. The authors found that 32 percent of respondents wanted more help when conducting evaluations from the donors than they were currently receiving (Brock, Buteau and Herring 2012). While 32 percent is by no means a majority, it is clear that a need for evaluation assistance exists.

While support for conducting evaluations for nonprofits from donors is limited, criticism about the lack of accountability within nonprofits is common. In 2004, the Senate Finance Committee issued a draft paper citing a lack of nonprofit governance. Many states have implemented regulations from some of the provisions of the act. For example, California requires nonprofits reporting gross revenues of over \$2 million to have an audit committee under the California Nonprofit Integrity Act of 2004 (Ostrower and Bobowick 2005).

What is it that inhibits organizations from conducting the exemplary evaluations which funders, politicians and many agencies themselves all desire? The answer to this question is highly debated as evidenced by the hundreds of articles and books written across disciplines within the last 25 years attempting to answer this very question. But among the countless reasons listed in the existing literature for the countless different types of nonprofits, there are two major reasons described by Lackey that hinder successful evaluations: “a lack of general knowledge about what constitutes a good evaluation” and “the late stage in which evaluators are brought into the process” (2006).

### **Identifying a Quality Evaluation**

To begin, Lackey describes how a lack of knowledge about what a quality evaluation looks like often leads to poor evaluations when they are done (1996). First, there is often confusion within organizations about who should do the evaluation. Organizations feel they can produce the desired evaluation in-house (Savedoff et al. 2006). But that is usually not desired or encouraged. An outside source that has training in social science research techniques from a firm or university would provide the highest quality assessment (Rossi, Freeman and Lipsey 2004).

In-house evaluations often look like staff popularity contests, Lackey explains. Yet these are sometimes the heart and soul of an organization's outcomes measurements (1996).

Even when an organization has chosen to hire an outside source to conduct the evaluation, there is confusion on what a quality evaluator looks like. There are a number of places from which an organization can hire evaluators. Universities are full of scholars who may have some type of social science research training. But Rossi, Freeman and Lipsey point out that despite their training, evaluators must have "a great deal of knowledge" about the topic being evaluated. Additionally, there are many different disciplines practicing social science research each a little differently. For example, the American Evaluation Association lists eight different "Primary Disciplines" associated with evaluation practices (2004). It can be extremely difficult for an organization with no experience in social science research to know whether they are receiving a valid evaluation or even which department at the local university they should call for assistance in the first place.

Cost is also something easily misconceived by those not familiar with evaluation practices (Lackey 1996). The underestimation of the cost of evaluation, paired with the lack of evaluation funding provided by donors as discussed above, leaves many organizations with little incentive to conduct meaningful evaluations and only frustration over the difficulties and costs it presents to an agency (Smith and Hevener 2011).

### **When to Bring in Evaluators**

After an organization has decided to fund an evaluation and feels it has collected the right evaluator for the job, the next obstacles deal with the evaluation process itself. Evaluators are almost never hired at the time of a program's inception, which is the most scientifically sound

time to begin evaluating. Evaluators are often brought in long after a program has begun, making creating things like a control-group often impossible. Evaluators are left to measure the effects of the program by comparing it to itself, resulting in superficial and minimally useful evaluation data (Ebrahim and Rangan 2010, Savedoff et al. 2006, Rossi, Freeman and Lipsey 2004, Lackey 1996).



## **Project Objectives**

The purpose of this project is to obtain a snapshot of the state of nonprofit evaluation in the greater Orlando area. What the current obstacles to quality evaluation are for social service programs around the Orlando area and what can be done to improve those methods are explored through individual meetings with 8 nonprofits. The organizations are all 501(c)(3) charitable organizations, partially funded by Heart of Florida United Way.

The ultimate goal of the project is to be able to report back to funders of these and similar organizations the struggles encountered by agencies when attempting to evaluate their programs, the successes of their current evaluation practices, and what donors can do to assist their funded organizations with understanding how to conduct effective evaluations. A secondary goal, of course, is add to the literature on what can be done to aid nonprofits with their evaluation methodologies and, ultimately, improve the quality of reports returned to funders. This report gives a voice to the organizations encountering these issues, as almost all literature about the troubles surrounding evaluation come from executive arenas (CEOs, PhDs, etc.)

### **CHAPTER 3: METHODOLOGY**

Qualitative methods were used to collect the data for this analysis. 8 nonprofit agencies providing, primarily, human services in the greater Orlando area were interviewed by the same interviewer. There were 14 total staff members involved in the interviews. One major funder in the Greater Orlando area was also interviewed. The interview procedure was the same for the funder's interview.

The sample is a purposive sample of agencies chosen based on their reported need for outcomes assistance from their common funder, Heart of Florida United Way. These agencies all initially received technical assistance from a university team, supported by Heart of Florida United Way, of which I was a part. The team provided technical assistance to agencies that requested support from Heart of Florida United Way with the outcomes measurements they were using to better track their agency's programs. This allowed for the researcher to meet with the agencies once before the interviews were conducted for this project. In these initial meetings, the current outcomes-based measurements in place were observed and hypotheses were made regarding the obstacles to meeting reporting requirements of funders.

Each of the agencies deals primarily in human services, with many agencies offering emergency services. Agencies were chosen to represent a variety of services. Although all agencies fall under the emergency services category, they provide a variety of different services. The following are the principal labels of the agencies interviewed used by Guidestar.com: General Human Services (2 agencies), Aging Population Services, Visually Impaired Services, Emergency Assistance, Food Assistance, Family Services and a Domestic Violence Shelter.

Interviews were conducted with the staff member(s) whose responsibilities at the agency included preparing and/or writing reports to funders. A goal of the interviews was to gather

perspectives from a variety of viewpoints. Therefore, anyone at the agency who felt they had something to add to the discussion was welcomed to participate in the interview. This almost always included the grant writer of the agency and at least one other staff member who assisted in the agency's reporting process. The maximum number of interviewees simultaneously interviewed was 3. Those interviews with more than one agency staff lent themselves to becoming roundtable discussions allowing the interviewer to remain even more on the periphery of the conversation. All of the primary interviewees, those I requested specifically to be in the interview, were upper management staff. Other staff members included front line and other upper management staff with varying positions. The interviews averaged 30 minutes in length and were conducted on site of the interviewees' place of employment. Interviews were confidential and audio recorded.

Interviewees were encouraged to speak freely about their outcomes and reporting experiences and were asked only a few core questions to initiate the conversation. Core questions included their experience with any changes in outcomes reporting over their years working in the nonprofit sector and how their agency reacted to those changes. The rest of the discussion was open-ended. The participants were sometimes asked to describe in more detail or clarify topics that they, themselves, had introduced. These probes were questions used to keep the interview focused on how issues within the agency make it hard, particularly, to report back to funders. If it seemed like the interviewees were discussing more general agency frustrations, the probes were used to direct the conversation back to the reporting difficulties specifically. For example, if the topic of software frustrations came up but was being discussed in terms of general frustrations unaffiliated with the reporting process, the interviewer would probe into how the agency's software problems relate to their efforts to create reports for funders.

Once the interviews were completed, they were transcribed and analyzed for common themes. The ideas reported in the below Findings section are all concerns reported by at least two agencies.

## CHAPTER 4: FINDINGS

### Agencies' Reactions to Changes in Reporting Requirements

At the start of each interview, staff were asked if they had seen a change in the reporting requirements asked for by funders. Each agency described the changes they felt they had seen over the last, approximately, decade in reporting requirements: "...They (funders) are all requiring outcomes. I think before we only had one or two (funders asking for outcomes) and they were very basic (outcomes) but now they want numbers showing that we're changing things like recidivism." Another agency described in further detail: "I'd say over the last 3 years everyone has moved towards an outcomes-based...People want to...find a way to compare. (Funders ask,) 'Why would I give it to you rather than you?'" A third agency with a staff member of 16 years agreed that it is "everyone" who has changed their reporting requirements and that the funders' desire for "more and more data" has been the biggest change. One of their funders "initially, years ago, would ask for very minimal output: how many clients did you serve, how many times did you provide this service (and) as the years went by it would expand just a bit." Today, funders want "hard data, which is hard to do."

Agencies reported their initial responses to changes in requirements. One agency explained they "...evolve(d) as the funders evolved." Another agency agreed that changes have been "more incremental...as far as reporting from our larger funders." Another agency felt the change was more rapid, going "from one extreme to another overnight." One agency lamented, "They just don't trust us anymore. You can't rest on the laurels of your reputation." Almost all agencies reported they have had a "mentality shift" that they were now going to "fight for every dollar" in spite of the frustration with having to prove their worth. Because "when it comes down to it, you're in competition with someone else who wants the same grant you do."

Some reactions described in more detail why agencies were frustrated overall with changes in requirements. “I think there’s too much of an emphasis on numbers served and not the actual change you’re making in the client’s life...They’re just seeing that 80% of your clients improved on this assessment so they’re kind of missing the big picture.” Another agency agreed. They felt as though outcomes were all about numbers. “There’s no story behind the numbers, to the point that it’s kind of ridiculous.” This reaction, of course, opposes the changes described in the literature encouraging agencies to prove their impact with more comprehensive data and fewer anecdotes.

### **What New Requirements Mean for Agencies**

With the onset of these new requirements, agencies reported having to become experts in data collection, management, and analysis in order to provide donors with the more sophisticated reports being requested. Data management takes expertise and time of which most nonprofit agencies reported they were in short supply. The following section, organized into three major categories (Data Collection Concerns, Data Management Concerns, and Data Analysis Concerns) describes the overarching frustrations that agencies reported with respect to collecting, managing, and analyzing data for the purpose of reporting to funders. And more importantly, exploring how well these agencies are able to report back to funders directly reflects whether agencies are able to determine what difference, if any, they are making in the lives of the clients and communities they serve.

## Data Collection Concerns

Data collection is the first step in determining the impact an agency is making on its clients. Agencies reported having trouble collecting the data needed to determine if there was a lasting effect on clients or any effect at all. This, in turn, meant agencies encountered challenges when writing reports back to funders due to this lack of good data. Agencies reported it can be hard to convince people to give you the information you need. One agency reported, “We really learned the value of incentives to attract and retain people.” They bought donuts and bagels and asked that clients take a survey before they entered the class being offered. The survey being discussed is one they need to eventually write a report to prove their impact to a funder and apply for funding.

Then, even when the clients are convinced to participate, the process of collecting the data may turn out to be more difficult than predicted, as was the case with an agency trying to collect data on families. Because the agency failed to pretest the survey, a small but important step, they were unprepared for the difficulties they encountered when administering the survey. The clients had trouble understanding the questions so agency staff was forced to administer the survey “by reading to the clients...(and) what we thought would take 10-15 minutes...was taking 45 minutes.” They had also intended to obtain information on each child in the family but once in the field realized that they would only have time to collect data on one child randomly chosen by the parents.

Clients are also often in stressful situations that have brought them to asking for help from agencies like the ones being interviewed for this project. “Think about it. You come in. You’re stressed. You can’t pay half your bills and I ask you to fill out this form. What are the odds you are filling out every single line? Slim. And some of these people can’t even read or

write.” It is also highly possible that clients exit the agency without warning, making any data collection upon the client’s exit impossible. One agency described their difficulties with gathering post-test data for clients exiting a program: “Client was angry, parents were angry. We have no post-test data on them. There literally was a heated argument in the lobby.” Another agency described how “it’s hard for us to follow up” with their clients who are often in very transitional housing situations. Follow-up on clients has, of course, always been a challenge for agencies in the human services nonprofit sector, but the issue of follow-up is much more pressing now for agencies with funders demanding follow-up data collection on all clients, including those that may be difficult to contact.

Most agencies reported collecting some data only because it was required of them by a funder. One agency explained, “Do I need that (data required by the funder)? No. But I do because I need to complete that application.” Another agency explained their disillusion with collecting client satisfaction surveys, surveys they know nearly all of their funders want to see in the agencies’ reports: If we had the choice, “maybe we wouldn’t ask the 3 questions on the client satisfaction survey because we assume, ‘Well, we helped you and we know we helped you and you’re going to answer yes anyway so...’” Another agency reported collecting data on client income solely to report the information back to a funder. The agency explained it does not use income to determine anything regarding client services offered. They explained they must verify every source of income for a client. This was becoming costly when with nearly every client, for example, after verifying at a variety of different places for a variety of different income sources, “We have to verify income with the Social Security office who charges \$39 per verification.” Another agency reported handing out a survey required of them by a funder that asked about client income as well, when the only data used by the agency from that report was the data



describing client health and urgency of need to determine if the client is eligible for their services. They felt the income questions on the required survey were useless, as they were not utilizing income information to determine anything regarding services rendered to the client.

### **New Frontline Obligations**

Frontline staff, what each agency calls their direct services staff, is most often made responsible for collecting data to report back to funders. Almost every agency reported adding responsibilities to frontline staff. This extra work consisted of filing additional reports daily, data entry, or filling out forms that were needed to complete funding requirements. Adding these responsibilities to the frontline staff "...means they're doing another task that they wouldn't have been doing. They *would've* been doing something more appropriate to their everyday role."

Another agency is concerned with the burden it puts on their staff because "...after *all* this data is collected from these surveys, who does the data entry? The counselors (frontline staff)." As the point is so often put, "I didn't get into this line of work to fill out forms, I did it to *help people!*"

Agencies were frustrated when they were forced to require frontline staff to collect data. They felt funders were not sympathetic to the number of responsibilities frontline staff already have. "A lot of folks haven't been on the frontlines..." one agency explained, so they do not understand the "barriers and issues" faced by the staff daily. Another upper management staff added, "Those ladies (case workers) push paper all day." This particular upper management staff was worried that by adding any more responsibilities to a case worker's plate "...I'd push my best case worker over the deep end. I'd lose her...They're here to serve people. They're not paper pushers." Another agency agreed that there was "...lots of time investment with the time

the case manager...asking all those questions (needed to collect data for funders).” While only one agency reported ever documenting the time it took her staff to collect, manage, and analyze data for the purpose of reporting to funders, these agencies interviewed described *feeling* that these report requirements were highly time consuming for them and their staff.

Demanding frontline staff to collect data from clients brought up concerns regarding data integrity as well. It seemed that agencies were uninterested in making data input training a priority. “Your data is only as good as the person who is actually taking it and who is inputting it.” At one point this agency had multiple volunteers inputting the data. She described the problems they had with the data input. “One volunteer would use ‘SPM’ to indicate ‘single parent male’. Another volunteer would come in and use ‘PM’, ‘parental male.’” Now they use the same volunteer and have solved this coding issue but “she only comes 2-3 days a week. So she comes in and has a stack of papers to input...and I have to say for example, “I know it’s Christmas but I need this data. I need you to be caught up.”

Many agencies continued to inadvertently confirm that training staff on data collection and supervising data entry and management was not a priority. One agency explained they currently had “three different people collecting data so attendance (at their classes) has not been accurate.” One agency added, “I know it is possible (at other organizations) that two people are using a clipboard, one’s using a computer and one’s probably just estimating...” Another agency reported that they had a staff that was in charge of collecting all the data from the frontline staff and monitoring data collection. But that position no longer exists. This staff member explained that now, “I have to just trust that everybody’s doing what they’re supposed to do” in terms of data collection.

## **Data Collection and Cost**

Regarding the financial cost of collecting data needed for funder requirements, agencies reported being expected by funders to “absorb” these costs into their budgets. Concerning the cost of having staff collect data for funders, one agency lamented that funders were “never going to pay us extra salary for her (staff dealing with data) because she already has a salary.” It was expected that data collection would be absorbed into her responsibilities. One agency stated that most funders expected agencies to “fit it into” the budget. Another agency said they were expected by funders to “...figure it out.” They explained the mentality is that “I (funder) am going to give you \$100,000 and at the end of the year this is what I need from you (agency).” One agency described that they have “gotten in the habit of writing in our budget ‘program evaluation’ as a line item so we can recoup some of that money because having to report all the outcomes is a cost to the agency...That’s worked in several cases though it’s hard to quantify those costs.” And technically, as one agency explained, funders were not paying for data collection as an item per se. Funders were including funding for things like clerical work or data entry in the total amount awarded to the agency. This agency knew that no matter how many new responsibilities a staff member was required to take on to complete the reports to funders, the agency’s budget was fixed and they were “only going to pay (staff) for so many hours.” Though this agency wished they could pay staff for the extra responsibilities or extra hours worked, they felt they could not afford to do so. This meant that frontline staff in charge of data collection and management would be forced to absorb the new responsibilities into their jobs without compensation.

## Data Management Concerns

After data are collected they must be stored and organized in a way that makes it possible to utilize them. The following section discusses the issues pertaining to data management, which are overwhelmingly tied to technological shortcomings and, specifically, software limitations. Funders requiring “more and more data” means that agencies need to “get so much more sophisticated” when organizing their collected data.

Most agencies reported using multiple databases that they created themselves, as well as databases provided by funders. The databases created by agencies themselves ranged from simple Microsoft Excel spreadsheets to sophisticated software programs costing upwards of \$10,000. One agency described their Excel spreadsheet: “It has everything about the client...if we ever lost that spreadsheet it would be a nightmare...is there an easier way? Yeah, if we had a form (database) that had everything you needed, but even then my case workers would have to sit there and input that into an even longer form.” Another agency reported using “...an Access database customized for us.” On the more advanced end, one agency reported hiring an outside firm to develop software specific to their needs.

Despite the variety of databases being utilized, every agency reported nearly the exact same issues with their software despite its cost or sophistication: in terms of money and time, databases were described as costly to create and maintain, not user friendly, and they require that the agencies have a staff person fluent in software management to run them, and the databases (those required and those not required) do not communicate with each other.

Being accountable and keeping up good data is “a good thing...but it is very expensive.” “Your ways of recording had to get so much more sophisticated” one agency explained regarding new requirements from funders. This particular agency tracked up to 19,000 clients. “So 18,000

to 19,000 clients...I have to have a system that is going to follow every interaction I have with these individuals.” Even an agency that reported investing in a costly and sophisticated software system explained that there were functions that they would like to have available on the software but you might “pay \$5,000-\$10,000” to add them to the software. One agency previously funded a staff to manage data but they were laid off. “They were invaluable. They knew the database the best (but) when someone’s looking at layoffs you can imagine (a data person) is seen as more of a luxury.”

Agencies reported that staff turnover created extra costs when trying to maintain a database. Agencies explained they often have only a few people at any point trained on the software used to manage the data. This means if that person left abruptly, as is often the case, the agency is left with a database that may have been useful to them initially but is now a frustration because no one is able to use it the way it was set up to be used initially. One agency described this issue. “All 2 or 3 people who knew how to get into the databases were laid off so we don’t have the administrator code. The database we use has been a real challenge.” It is a cost up front as well. One agency explained they pay extra fees every year to be able to send any staff at any time to be trained to use the software. It would have been less expensive to train just one or two staff members but this agency was concerned that with the high rate of staff turnover common in the nonprofit sector they could lose those staff trained to use software leaving them stuck with software no one knew how to use.

And again, no funds provided for “technical assistance” was a reported frustration for agencies. “Somebody had to develop that (database) but nobody gave us money...Fortunately, we have a person who understands those systems and is able to hear what we’re saying about the process we go through with clients.” If there is funding for any “technical assistance,” it is

minimal, one agency reported. “Funding for technical assistance is small...more like for someone to fix the software on the computer if it breaks or to buy a license.” Another agency was explained that although they have an IT staff member, “every agency isn’t going to have an IT Department that can develop these things (databases)...so having some technical assistance to develop (databases) would help a lot of agencies.”

Regarding the inability of software and databases to communicate with each other, every agency reported using *at least* two databases. They all reported that they are keeping data for themselves in a database they can access easily and are additionally, as required by a funder, most often a government department, inputting data into a database provided by that entity. One agency explained that with “almost any social service agency you can assume they are double entering almost every piece of data.” Another agency added, “We had new software but it meant at the end of the day having to enter all the information into the new database as well as ones required by our funders. It was a replication of everything we were doing.” One agency inputs data into a database required by a funder while also utilizing a Microsoft Access database. They reported the Access database was difficult to use, however. The staff in charge of creating this Access database was no longer employed at the agency. To get around using the Access software this agency had their staff turn in hard copies of much of the data collected and it is then tallied by hand. The interviewee understood that “...in the future it needs to be electronic” but for now they find it easier “to look at hard copies and say ‘Ok. These are the results.’”

Double data entry also occurs because agencies cannot drill out the data they input from the required databases of a funder. Agencies then must enter the data into a database of their own so they can pull the data they need for other funders, program analyses, etc. One agency described an online form they fill out for a funder: “...we never got any benefit. The computer

would calculate a score telling how urgent the client's need was..." but each data point entered was sent off to the funder and never returned in any format the agency could utilize to complete reports for other funders or use for their own program analysis. This particular funder was emailed and asked how to drill data out of the system so the agency could utilize it for their own reporting. The funder replied that agencies would need to submit a request specifying which data they wanted back and why. Then the funder would decide whether or not the data would be sent back to the agency.

Agencies may be double entering data, also, because the required database is not user friendly in other ways. One agency described a new online database required by a funder. "It was supposed to be user friendly but the database would crash or freeze so often that we were telling our staff to type in all the information into Microsoft Word first and then copy and paste it" into the required database. Another agency was inputting data for all clients into a required database. But as the case worker types notes about clients into the software they must make sure to move to the next line at a certain point in the "notes box" otherwise part of their notes would be cut off on the printout. Another agency must use separate software for notes on clients because the software provided by a funder does not give them enough room to write sufficient notes. While these seem like trivial nuisances, they make all the difference when attempting to collect good data in the often chaotic atmosphere of a nonprofit agency.

Another major frustration reported in regards to double data entry and software was that agencies cannot exchange data between software programs. "Our database doesn't speak to their database," explained an agency with a software program into which they invested significant time and money. "...And no other organizations' databases across the state can speak to theirs." All agencies described that none of the required databases are capable of importing or exporting

data in any efficient manner to another database meaning that all data is entered separately into at least two databases.

This issue was addressed in 1990. Data on homeless clients was to be made accessible between different agencies under a mandate from Congress. The mandate required agencies that were receiving funding from HUD (Housing and Urban Development) to track data on the clients receiving services provided by these HUD funds. The requirement resulted in the development of The Homeless Management Information System (HMIS), a class of database applications, one of which is MAACLink. MAACLink is an online software system that allows agencies to input data on a new client or retrieve data on a client served in the past by their agency or any other agency that is also hooked into the MAACLink system. This would ensure that the client was not receiving duplicate services, confirmed the client's eligibility to receive services, and was used to document and track the needs of low-income citizens of a community.

However, even with a database like MAACLink providing a way to share information on clients, confidentiality is still an barrier when trying to share client data. Data sharing on clients is only possible if they have signed a release form. Although, many clients now sign this release, any data collected prior to these releases being offered is off limits to agencies. And, more importantly, agencies still feel that MAACLink, like so many other software programs being used by the agencies interviewed, is unable to provide them with the data they need in a format that is convenient to use.

### **Data Analysis Concerns**

The final step in the process of completing a report for a funder is the analysis of the collected data. Agencies complained that what they are asked to report on is "definitely different



for each (funder).” That presented a challenge for those trying to complete the reports. “We have different grants running different programs with different outcomes.” Another agency added,

“We have a lot of different funding sources and keeping all of that data clean is time consuming and sometimes frustrating... We’d come with our applications and for one donor it was acceptable (to report data a certain way) but not for the other ones and you’d pull your hair out...because everyone wanted something different.”

While writing reports, agencies also met challenges addressing outcomes that they feel funders would see as “failures”. For example, one agency worried that funders “may have a different idea of what success is. If all our clients don’t succeed, a funder might question why they didn’t succeed. Whereas we see it as a success because the majority of them did the best they could.”<sup>1</sup> Another agency felt their data may “look bad” to funders because “with pre- and post-tests...we’re not using the same measure for all the populations.” Another agency dealt with the same issue: “We’re not collecting the same data on every client because every client’s needs are different...” and agencies explained this made them hesitant to report on what the numbers showed as less than “successful” programs. This was the fear agencies had that evaluation was equal to putting a letter grade on the outcome data, that if an agency was not one hundred percent successful they were failing. This, unfortunately, implies a failure to communicate funder expectations to agencies.

Interpreting what the funder was actually requesting in the reports also presented a challenge for agencies and shortcoming in the communication between funder and agency.

“Sometimes the questions...are not clear...We have to go through a bit of a translation and that can be time consuming. For me, that’s probably the most frustrating thing because for a fairly small agency we’re trying to do everything we can with every dollar we get. Every hour we get pulled away from doing those things and we have to fill out forms it’s frustrating. It’s like ‘What are we here for?’ Sometimes spending literally days filling out these forms and surveys, you know, we scratch our heads and wonder, ‘Why on earth do we need all this?’”

<sup>1</sup> Heart of Florida United Way encourages each agency to define its own outcomes in whatever terms are meaningful to them.

Another agency reported that they had trouble understanding specific terminology used by funders.

“We’ll laugh about it... ‘Is it a client or a household? Ok, it’s a household. Well, what does that mean?’ And sometimes the funder doesn’t even know what they mean. And that tends to be for each funder so you have to learn it all. Even though Funder A and Funder B use the same word they may use (different definitions)...so internally we’re counting it as one client but for that funder we count it as two clients...we drive ourselves crazy with it.”

Some funders were reported as more flexible with reporting requirements. “They’re really flexible on their outcomes because they know we just started doing it (outcomes-based reporting). They’re open to us suggesting new outcomes because they want us to show the work that we’re doing.” Other agencies felt that funders were strict with their requirements. “There are some people who will say here is your form and here is what you’re measuring and this is what we want. Don’t give us anything extra.” And most funders, two agencies explained, “won’t explain why (something) is required.” One of these agencies felt that funders should “...sit down and ask us, ‘What are your current assessments that you’re using and why?’ because we might have some pretty darn good reasons for using the tools that we’re currently using.”

In terms of cost, agencies were still frustrated with the degree to which new reporting requirements must be absorbed into the responsibilities of staff. In addition to frontline staff being responsible for collecting data, much of the upper management staff is responsible for analyzing the data and writing the reports. Again, agencies are reporting that these tasks must be absorbed into daily operations. “I never expected to be the evaluation person...” Many agencies described the way their staff inherited the responsibility of collecting and analyzing data for funders.

“We used to have a person who pretty much all they did was the reporting. Once they retired...no one was ever taught how to do (what she did). All I knew was that every month they’d give me the report. I had no idea how it was collected, where it was stored, nothing.”

At every agency, there was at least one upper management staff significantly involved in the reporting process. When asked who was affected most by changes in requirements from donors, one agency responded, “Affected most would be your management level for most of us (agencies).” Agencies reported CEOs, COOs, Office Managers, Grants Managers, and Directors, among other upper management, as the staff members that were ultimately responsible for completing reports. They were also the staff members who attended trainings on how to create these required outcomes reports, a cost in terms of time and money. The concern was that “those are your highest paid people.” Many agencies reported frustration with the number of hours spent by upper management on meeting reporting requirements.

A majority of the agencies invited funders to address the need for a more uniform reporting process with fewer variances in requirements. “Why have 10 different agencies report 10 different ways when they can report in one way and still get the answers (requested by funders)?” This agency feels that to really show what impact agencies have on solving human needs “why don’t you have the same outcomes, same requirements, same activities...” documented by every agency. This agency shared their desire for a database that would collect all of these data and make them available to all agencies and funders in order to expedite the impact analyses being done by each agency. This recommendation is explored further in the Discussion section.

### **A Funder’s Response to Changes in Reporting Requirements**

A high-level executive of one funding agency was interviewed for this study and she addressed many of the concerns of agencies discussed above. Regarding the changes to reporting requirements and funders’ increased desire for more outcomes-based evaluation and reporting,

she believed the requirements had definitely changed. “Before, people came to us and said ‘We’re doing really good work. Now give us money.’ Now we’re saying, “Here’s the work that needs to be done. You tell us how you support these bigger issue goals.” And these changes “are definitely here to stay. It’s no longer potentially a trend.” The changes came about when “we recognized that we needed to know more in order to determine the quality of work that was going on and the investments that were being made” in the agencies. However, she felt “the process is still fraught with major challenges” and that there had been “frustration on both sides” when it came to the changes.

This funder explained that her agency went through similar growing pains in the beginning of the changing requirements and that it was costly to their agency, as well, to introduce these new reporting requirements to their participating agencies. They brought in an evaluation expert to train their staff in the practice of outcomes-based evaluation. They “spent a tremendous amount of capital, financial and time-wise, on raising the capacity of organizations to do outcomes based program evaluation.” This was done through increasing technical assistance to agencies to “develop logic models...develop indicators to measure their outcomes...and (deciding) what tools they were going to use.” They then assisted the agencies with “how they were going to store and track the data...and then how they were going to compare (the data) to something.” This technical assistance being the very thing with which agencies reported they currently needed more support.

Over the years, she felt that her agency had spent “thousands of hours” training their own staff and the agencies they fund on how to correctly go about collecting, managing, and analyzing data to create more impactful reports that speak to the social problems of their clients on a higher community level rather than an individual level. Of course, high staff turnover does

not only affect agencies providing services but funding agencies as well. Staff at this funding agency come and go and each time the funder must invest resources in training new staff on how to assist their funded agencies with the outcomes-based data collection and analysis.

This funder explained their agency was sympathetic to the “difficulties” agencies dealt with when attempting to meet requirements:

“I can appreciate they’re getting imposed on them...this funder is requiring this from them and another funder is requiring that and they’re all using different databases so you end up having to have pretty sophisticated knowledge on how to manage data and reporting and that’s probably a full time job for someone at the organizations.”

But this funder believed that incurring the costs of collecting and managing data would enable agencies to, in the end, “know if the work is working or not” and that this should be “how these agencies do business.” “If you’re in the business of improving lives you have to have a way to measure it. I think it has to be built into the budget.”

Still, she reported that they are still getting “push-back” from the agencies they fund. She explained their agencies often tell them they are worried about how much their organization’s services will ever impact complex issues like the rate of high school dropouts, for example, when their agency does not serve high school students. This funder explained how difficult it had been to clarify to their agencies how they are all interdependent upon each other no matter what population an agency aims to support. Together, they should see themselves as serving a community, as a whole, and not just individual clients. She explained further that her agency understands that, for example, “a program cannot impact graduation rates alone.” But funders want to know how agencies are helping them achieve their stated goals. “What we’re wondering is how do you align with (our goals) and how are you contributing to that goal? So they’re not responsible for (making macro-level changes) but they are responsible for contributing to it.”

These new requirements “are not punitive.” But the information from these outcomes-based reports, the funder explained, is something that should be of interest to agencies’ “boards, leadership, and frontline staff” alike. This funder explained that agencies often ask “Are you going to fund us to do all this work?” She explained “the key was when the agencies realize they are not just doing all this for a funder. They should really be doing it for themselves.” This funder explained that after a few years of the new requirements being implemented “people were starting to get it. We started to hear from other funders in the community that the quality of applications was improving. And so from a macro sense I think it was very much a success.” This funder feels that her agency is moving toward making a bigger, more long-lasting impact on the community by requiring their funded agencies to look more thoroughly at the effects their services have on creating a successful community today and into the future.

## **CHAPTER 5: CONCLUSION**

The changes in reporting requirements for agencies have exasperated both agencies and funders alike. From the agencies' perspective, the rigorous requirements have meant stretching resources they feel are already limited. Agencies are concerned with burdening their frontline staff with more responsibilities. They are frustrated with the cost of collecting and managing data, both in terms of time and money. And when it comes to analyzing the data required for funders' reports, agencies have difficulty interpreting the questions funders are asking about the programs they intend to fund. Yet, in interviews with both agencies and the funder, the goals are apparently the same. Both agency and funder are aiming to assist people in need in the most efficient ways possible and both agency and funder reported that the accountability inherent in the new reporting requirements "is a good thing." What appears to be missing is communication between the agency and funder, particularly communication about how agencies are supposed to be approaching and dealing with these changes.

### **Limitations**

This research is not without its limitations. The agencies interviewed were all receiving Heart of Florida United Way funding which surely meant the concerns of the agencies aligned more than they would have had the agencies been chosen from a list of all agencies around Orlando and completely at random. Although it was mentioned at the beginning of every interview that the research was being done independent of any United Way oversight, interviewees were at times still hesitant to criticize any funders too harshly and may have held back some of their true opinions for that reason. Only one funder was interviewed. Future research would benefit from a more comprehensive exploration of the sentiments of many

different types of funders on this topic. It was at times difficult to determine if agencies' frustrations with reporting requirements were a direct result of the changing requirements from funders or if there was a stronger correlation to the lack of funding the agency received for all services, not just costs relating to reporting. There were some complaints that seemed more like frustrations with agency resource shortages, in general, than frustrations with reporting requirements.

Future research of this topic would include interviews with more than one funder and with agencies outside the United Way funding sphere. This topic could also be explored under different frameworks including investigating the dynamics of the funder/agency relationship to better understand why honest communication can be such a challenge. It would be helpful to explore this issue through an analysis of the varying types of databases used and how their use affects program outcome evaluation. This topic would also benefit from an analysis of agencies that have successfully mastered the practice of evaluation and now are utilizing reports to the benefit of their own agency.

### **Final Discussion and Recommendations**

Both funder and agency reported frustrations with the increase in reporting requirements. Yet agencies seemed to be unaware that funders were going through the same growing pains while changing their own requirements. Just like the agencies they fund, the funder described difficulty working through the details of the changes. For example, this funder struggled with determining what to expect from agencies, as well as how to evaluate their own success in implementing the new requirements. But agencies seemed to be unaware that funders were dealing with these frustrations just like them. Agencies reported feeling like funders were



requiring outcomes and reports without having a good explanation of why. Agencies felt funders were leaving them in the dark when it came to the reasons changes were being made and why specific outcomes were being required of them. This is in contradiction to the way the funder described their slow and steady approach to the changes. It may be necessary for funders to, again, attempt to clarify the importance of measuring outcomes to not only upper management staff but to all frontline staff, as well.

This contradiction in attitudes about how the changes were approached resulted in both agency and funder defending their opinions. Agencies felt their integrity was suddenly in question. The days of “resting on your laurels” were gone, leaving agencies disillusioned with how unsympathetic they felt funders were to the difficult nature of their jobs as social service organizations. The push back from agencies left the funder frustrated that the agencies were not as concerned with general accountability as her agency had predicted. Funders felt that agencies should have welcomed more sophisticated reporting requirements as a challenge to improve services, not as a punishment as it was often perceived.

The ground for agencies and funders to approach the new requirements was rocky from the beginning. The lack of communication in the beginning of the changes regarding what requirements were, why they had changed, and how to go about implementing them left both agency and funder in a habit of not communicating concerns with each other until even today, years after the changes were implemented. Agencies explained they were often reporting only what was asked of them, no more, no less, as that is all time permits of them. Agencies described still being concerned that reporting “failures,” or “bad program results” would mean funding would be withheld. Yet the funder explained that “failures” were not “failures” so long as they were addressed appropriately in the report. Thus, this funder’s hope that these new requirements

would lead to more efficient programs with more results at a community level was approached by agencies like any other requirement funders had been asking of agencies for years. Agencies have been tolerating the changes, not embracing them.

The funders felt they were approachable when it comes to concerns regarding their new reporting requirements despite what agencies reported and are anxious to help agencies with their data collection, management, and analysis questions. In fact, the project I participated in, mentioned in the Methods section, was a project funded specifically to provide technical assistance to the agencies with their outcomes measurement and management. Agencies did understand they could contact funders with concerns, but they only felt comfortable calling with basic questions about terminology or to specify a requirement listed on the report. When asked if agencies felt they could approach funders about changing what was required of them, they explained their concern that those kinds of inquiries may disqualify them from receiving funding, or at the very least result in a funding decrease. Again, agencies are approaching these reports as just one more requirement to be completed to keep their agencies' doors open.

Regarding specific concerns voiced by agencies, the funder interviewed seemed to have clear ways of answering the concerns yet none of the agencies interviewed were aware of these responses. For example, agencies repeatedly voiced their frustration with how funders expected them to pay for the cost of collecting, managing, and analyzing data in order to report outcomes to their funders. When this issue was brought up to the funder, she immediately answered that the funds provided to the agency were intended to cover the cost of the reporting. While agency and funder may disagree on what that cost is, it was not clear to agencies that the funder *expected* them to absorb the cost of reporting.

Agencies also voiced frustration that funders seemed to be unaware of inefficiencies in the reporting process itself. Every agency, as is reported in the Findings section, is inputting data at least twice into two separate databases that are incapable of communicating with each other. When describing the ideal database, agencies referred to a universal database that could house all the information required of them. This would allow each agency to input, just once, the data required of them. It would also allow for any agency to pull data on a client that had ever received services from any agency. Agencies explained that if the new requirements from funders were intended to create a more comprehensive impact on the community, it would be helpful to have a database that held data at a community level instead of each funder holding on to their data individually. One agency took the idea of a universal database further and suggested that this database allow funders to access and pull out the data they need to make their funding decisions themselves, instead of relying on the agency to put the report together. Still, as common as this issue was, no agency reported ever raising it with any of their funders.

While nearly all agencies reported understanding the intention of funders to increase accountability, efficiency, and the impact they make on the communities they serve, the findings in this research describe a community of agencies and funders whose lines of communication are fraught with a perception by agencies that the funder is dictating impractical and unrealistic data requirements, and that they have little to no regard for the limited resources of agencies. This idea, however, was refuted by the funder. This funder felt her agency was very sensitive to the limited resources of agencies.

And funders seem to be sharing flawed sentiments, as well, that the agencies they fund are not taking the goals of their agency seriously, when agencies have reported that their frustrations are with the lack of resources, not with the goals of the funders themselves. While

there are a plethora of obstacles to reporting, this research shows that funders have resources; whether in the form of funding or in sharing expertise on good reporting practices, but more importantly, funders *are* willing to support agencies *if* they request assistance. There are many issues agencies and funders could likely resolve given the chance to communicate candidly with each other.

This perceived authoritative funder/compliant agency relationship is creating agencies that are unwilling to give honest feedback to funders regarding their reporting requirements, leading to a misuse of (or no use at all of the) data being reported. Yet, this research shows that when spoken to outside the realm of this complex agency/funder relationship, both entities' goals do align and the resources to ameliorate at least some of the issues voiced by agencies are available now. There simply needs to be more open and honest discourse about what the obstacles of collecting, managing, and analyzing data are and how funders and agencies can utilize the resources available to them now to overcome them those obstacles.

This research described a willingness from both sides to resolve the problems keeping agencies from attaining useful data. And, as stated before, more honest communication would be invaluable. However, it is necessary to point out that, throughout the interviews, agencies inadvertently described how low of a priority they have made these changes, looking at them not as healthy challenges but as obligations. As I have mentioned before, these agencies feel these new, more sophisticated reports as just one more thing to do during the day instead of a way to measure the impact they have on their clients and communities. Thus, it seems that the most significant and beneficial changes will occur only if agencies change their *attitude* towards these requirements, viewing them as a way to improve services, and in turn, the lives of their clients and not as data to be entered into a report and forgotten.

**APPENDIX: IRB APPROVAL LETTER**



University of Central Florida Institutional Review Board  
Office of Research & Commercialization  
12201 Research Parkway, Suite 501  
Orlando, Florida 32826-3246  
Telephone: 407-823-2901 or 407-882-2276  
[www.research.ucf.edu/compliance/irb.html](http://www.research.ucf.edu/compliance/irb.html)

### Approval of Exempt Human Research

From: **UCF Institutional Review Board #1  
FWA00000351, IRB00001138**

To: **Sara M. Strickhouser**

Date: **January 22, 2013**

Dear Researcher:

On 1/22/2013, the IRB approved the following activity as human participant research that is exempt from regulation:

Type of Review: Exempt Determination  
Project Title: Measuring Impact: The State of Nonprofit Evaluation in the  
Greater Orlando Area  
Investigator: Sara M Strickhouser  
IRB Number: SBE-12-09029  
Funding Agency:  
Grant Title:  
Research ID: N/A

This determination applies only to the activities described in the IRB submission and does not apply should any changes be made. If changes are made and there are questions about whether these changes affect the exempt status of the human research, please contact the IRB. When you have completed your research, please submit a Study Closure request in iRIS so that IRB records will be accurate.

In the conduct of this research, you are responsible to follow the requirements of the Investigator Manual.

On behalf of Sophia Dziegielewski, Ph.D., L.C.S.W., UCF IRB Chair, this letter is signed by:

Signature applied by Joanne Muratori on 01/22/2013 04:07:10 PM EST

A handwritten signature in black ink that reads 'Joanne Muratori'.

IRB Coordinator

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