

Good grantmaking: assessing the impact of your grants

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One of the leading, and in my view best, of the writers about the nature of grantmaking, Denis McInay, has structured his entire book, *How Foundations Work: What Grantseekers Need to Know About the Many Faces of Foundations*, around six roles he claims grantmakers embody.

Grantmaking, he asserts, is a singular profession, and its practitioners all combine the skills of
Judge
Editor
Citizen
Activist
Entrepreneur
Partner

This way of thinking about grantmaking will be pleasing, flattering and not unfamiliar to us. It suggests that our work is challenging and important. We are comfortable with this conception of grantmaking and know where it comes from. After all, the rhetoric about the work of philanthropy, and the demands it makes of those involved in it, is full of talk about challenges, fundamental causes, innovation, social change, entrepreneurship, and the like. I am as prone as anyone to make these claims, and to enjoy the glow of being amongst that privileged group who others describe in this way. I have read - and indeed written - many annual reports, which describe the remarkable accomplishments of grant making in these terms, particularly for those foundations and donors (and they are the majority) who regard themselves as agents of social improvement.

But today, in a more - and perhaps excessively - sober and self-critical mood I want to challenge, or at least discomfort, that perhaps slightly self-congratulatory image.

Instead, all too often, I think we actually combine somewhat different and less distinguished roles: roles more like bursar, auditor, and propagandist. And this very different way of understanding what we actually do is both a cause and a reflection of how we go about one of the key responsibilities of good grantmaking, a responsibility whose importance is frequently professed and whose practice poorly executed. I refer to evaluation, and its close relatives, accountability, reporting and critical reflection.

Evaluation is difficult and often unappealing for many reasons. To quote from the US Council on Foundations,

Although the idea that evaluation is important is generally accepted to be true in theory, many foundation people are not convinced that evaluation is useful or practical for them in particular. One reason foundation staff may resist evaluation is that much of the excitement of foundation work comes from the creative activities of grant-making. In contrast, evaluation diverts staff energies away from making new grants and may even yield information that could reflect negatively on staff judgement. Further, foundations typically try to keep their staffs small, so adding or increasing evaluation functions can be a burden on already pressed staff. Much of the success of a foundation's evaluation hinges on there already being a clear understanding among staff of the evaluation's purposes, processes, and priorities.

Other concerns may be that evaluation is a burden on grantees and may interfere with the projects themselves; that evaluation is costly and its benefits not apparent; that evaluations often take too long, can be too academic, and are not practical enough.¹

All these make it difficult to evaluate rigorously, comprehensively and convincingly. Instead we tend to fall back on those lesser forms of evaluation that lead me to describe grantmakers as (sometimes) more akin to bursars, auditors and propagandists.

Let me explain.

Most commonly, the way foundations describe their activities is found in their Annual Reports. The information most readily found in these reports is a list of how much was given to whom. We are all familiar with this sort of list:

'\$25,000 to the XYZ Community group to develop a range of community education programs.

\$56,785 to Save the World Inc to undertake research towards an action plan to assist people of influence be more ethically aware.

\$45,000 to offer young people with challenging behaviours an outdoor recreation, esteem-building program.

\$200,000 to the Ingrown Toenail Treatment Center for a state of the art treatment tool.'

This sort of reporting arises out of the grantmaker's role as *bursar* – as dispenser of funds - and therefore the person who, quite properly, has to explain how funds were distributed. Don't misunderstand me: such information is essential, but, notwithstanding that it is the basis of many smartly – and expensively - designed Annual Reports, the conclusions that can be drawn from it are extremely limited. It will tell a little about the character of the grantmaking it records, but not much at all about its objectives, accomplishments, successes and failures – let alone the risks we proclaim it is philanthropy's distinctive duty to take on.

Sometimes, Annual Reports will go further. They will describe how the funds were used: leaflets were produced and a community theatre event staged dealing with threats to the local environment; a researcher was employed for six months and a report produced; 18 young people participated in 3 5-day camps.

¹. Council on Foundations, *Evaluation for Foundations*, Jossey-Bass, San Francisco, 1993. Other commentators have made similar criticisms of foundations' failure to evaluate their grants in rather harsher terms, and with less attention to the reasons for the failure. Nielsen (op. cit., p. 299) complains that 'foundations repetitiously insist on the risky and experimental character of much of their work, and yet their reports suggest oddly enough that the risks almost never result in losses and the experiments never fail'.

This analysis is that of the *auditor* – and it too is important. By accounting for the expenditures made it reassures donors, trustees, colleagues, other grantseekers, taxpayers, regulatory authorities and the community that the funds were spent as intended. Hopefully these descriptions of how funds were used pick up the very rare instance of fraud, although given that these reports are usually based on self-report by the grant recipient, a determined crook might not find it too hard to give the trusting grant maker the slip. Presumably these descriptions also pick up the more common and innocent instances of projects not proceeding to plan, whether because of mismanagement, slippage, insufficient funds, changed circumstances or whatever. Almost always the description as to how the funds were used will be provided by the recipient agency willingly, and as a condition of grant, and will tell, or imply, a good news story of success. But what is interesting in this is that I cannot specifically recall a single instance of a report telling of a calculated risk that didn't deliver, let alone of project failure.

The two types of account described so far – what the money was directed at, and what it was spent on – are usually the basis of the funder's larger description of its mission, role and achievements, and their proud recital in the Annual Report. And it is here where the grantmaker risks slipping into the third role – that of *propagandist* - or if that term is a little strong, of publicist, spin-doctor, wishful thinker or whatever...

For what these forms of analysis and reporting omit is the most meaningful of the types of information needed for proper evaluation. They confuse, and often substitute, inputs and outputs for outcomes. And they ignore altogether impacts. Inputs are what the funder provided: usually an amount of money, some times with some (wanted or unwanted) advice. Easy to measure, but only part of the story. Outputs are what the money bought: a part time salary, a vehicle, a share of agency overheads (more often than is acknowledged). A further part of the story, but no more than that.

The real story, and usually the hardest to tell and the most rarely told, is in the *outcome*. What did the leaflets and theatre produced by the community education initiative lead to? How many people came? Were they the unconverted? Did they change their minds – and their practices? Was the environment less damaged than it otherwise would have been? What did the research report show? Did it find its way to the appropriate decision-makers? Did they act on it? If so, did matters change as a result in the way intended?

The understanding of *outcomes* is hard stuff, practically and intellectually. The evaluative methods may be costly, intrusive or may not exist. The goals that were intended to be met by the outcomes may be too many, too intangible or too ambitious. Effects spin out over different time frames, and change over time. Time frames may extend into the distant future. Six months after their participation in an outdoor program, kids may still be off drugs; two years after they may be back. Effects may have included unanticipated consequences as well as those which were desired. The environmental educational program may have spawned a group of enthusiasts whose activism led to the government withdrawing its support for the agency. What may seem to be an effect may be an unrelated consequence of a different event. The reform which occurred after the publication of a report may have resulted from a change of government, not from the recommendations of the research undertaken with the grant.

Even more elusive are *impacts*. Did the successful educational program, as perhaps measured by the response of the participants to a survey, lead to changed behaviour on a scale large enough to change anything? Did a well-regarded advocacy campaign, or a successful social intervention, impact on the larger system which social-change philanthropy usually targets?

So the sort of analysis, description or evaluation, which offers an alternative to the roles of bursar, auditor or propagandist, and instead makes us more like the activist, judge, entrepreneur that we would like to be, is not easy. Sometimes only a formal professional evaluation will do, sometimes anecdotal description is enough. Sometimes there is clear concrete data sufficient to pronounce on an outcome, sometimes a range of indicators

highlight different ways of interpreting a multi-faceted phenomenon. Sometimes all that is needed is to ask the right question and to look for the answer in the right places. Sometimes – and let us acknowledge this - the answer simply cannot be reliably found, and an attempt at evaluation is indeed spurious and wasteful.

Understanding what information tools are available and suitable, when they are affordable and appropriate (in the context of the particular program) and when they are not, are essential to genuinely reflective and self-critical grantmaking. But what is certain is that to the extent that we can be less prone to spin or wishful thinking and more able to assess our grantmaking in terms of real outcomes, we will better achieve our objectives. Intellectual and emotional honesty and clarity (for grantmaking is a classic mix of head and heart) remain the key.

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