The Impact of Capacity-Building – A Longitudinal Evaluation

To fulfill their vital missions over time and grow strong as organizations, nonprofits must build their internal capacity. But what metrics show that capacity-building efforts actually make organizations more sustainable? Which investments to build nonprofit capacity – from nonprofits themselves, from intermediaries, or from funders – make a real and lasting difference?

In 2015, Cause Effective commissioned a longitudinal three-year retrospective study to answer these questions. After almost 35 years of deepening practice in fundraising, governance and special events consulting, we wanted to learn more about our clients' long-term growth, as well as which interventions and resulting behaviors would enable them to thrive in the future.[1]

The answers that respondents gave about their key areas of progress were positive, and remarkably consistent. Their responses also revealed a gap in measuring improvement: they commonly reported an inability to answer certain questions because they lacked data on their own performance. As a result, two of the study's main findings intertwine in a way that has particular relevance for the field of capacity-building:

- Capacity-building consulting can result in substantive long-term impact

- Challenges in data collection make it hard for nonprofits to measure this lasting change

Our findings and conclusions about next steps follow.

I. Capacity-building consulting can result in substantive long-term impact

Every nonprofit responding to the survey showed statistically significant progress over time:

- Across the board, clients indicated an average 25% gain in fundraising, governance and/or special events capacity.

- Board members increased their involvement in fundraising by 50%, including activities such as introducing potential donors to the organization and asking others for money, and organizations experienced 48% more giving by their board members themselves.

- Work on special events had the greatest impact on organizations with the smallest budgets; in-depth fundraising consultancies were more impactful with larger-budget organizations; and governance interventions were equally successful across the spectrum. Small, intensive interventions proved quite effective; and the nature of a group's mission made no difference in the degree of improvement.

- The payment source – whether a funder provided the capacity-building support or a nonprofit paid for it directly – did not affect the nonprofit's gain from the consulting.

- The payoff was largest when consultancies included a coaching component for board or staff leaders (as compared to less personalized workshops, trainings, materials provision or direct service alone) – no matter the size of the consulting engagement. We surmise from this data that a sustained focus on individual behavioral change through in-depth coaching, that is grounded within clearly-stated organizational goals, leads to the most enduring transformation.

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[1] Independent evaluator Usable Knowledge surveyed a pool of 167 nonprofits that consulted with Cause Effective from 2012 to 2015. 67 (40%) nonprofits answered an in-depth online survey; 18 of these groups were interviewed.

II. <u>The challenges of data collection make it hard for nonprofits to measure lasting change</u>

- All participating organizations identified a consistent gap between the need to invest in organizational change and their ability to measure the progress (and impact) of that change.

- Qualitative interviews demonstrated that clients had achieved statistically significant growth in their fundraising, governance, and special events performance, but that measuring the increments of institutional change was exceedingly difficult. Thus, even as Cause Effective's clients made progress, they were unable to track the markers that would define what and how much change was taking place.

- To sustain change beyond the period of our consultancies, clients need metrics to provide feedback and chart benchmarks that lead to a sustained commitment to institutional growth. We believe that clear goals and milestones for internal systems are essential to motivate a nonprofit to persist toward specific and meaningful improvements in its capacities for fundraising, governance and running successful special events.

- Without setting goals and milestones as a team, board and staff members at individual nonprofits are unlikely to feel motivated, monitor interim steps toward increased capacity, or assess themselves by all but the most gross standards of governance/fundraising/special events success (such as total dollars raised). All of the *processes* that lead to strong boards and stable organizations can get short shrift without clear outcomes to aim, organize and systematically drive thoughtful action.

- This study identifies the gap that prevents organizations from being able prioritize rigorous goal-setting and monitoring their growth in capacity for governance and fundraising (though many do just that when defining and tracking program outcomes). Surmounting this gap is not strictly a matter of will: better tools and training to elucidate the indicators of strengthened governance and fundraising capacity are crucial to support nonprofits as they begin down this path.

This report highlights a longstanding concern about the lasting power of capacity-building: If nonprofits anecdotally cite their gains resulting from a fundraising/governance consultancy but don't measure their achievements except through the most rough gauges, how will they maintain their commitment to change or know how much progress they are making once a capacity-builder is no longer by their side?

In response, Cause Effective has begun to refine its Theory of Change, identifying 125 specific indicators of progress tied to each facet of our capacity-building process. Cause Effective's next goal will be to build and test a data management system to assess improvement in real time as the work takes place.

In addition, we are developing tools to partner with our clients to increase their own ability to set goals and mark progress toward enhanced fundraising, governance, and special events capacity. Employing data as a lever for achieving behavioral change is generally accepted practice in the field of education – why shouldn't nonprofit capacity-builders also have the ability to use data in tandem with clients to leverage organizational change?

As colleagues in the sector reflect on how to measure the effectiveness of their own practice, and funders consider how to measure the ROI of their capacity-building programs, we know that we join with many others interested in using new tools for data collection and analysis in order to make capacity-building more evidence- and outcome-based. We invite our colleagues interested in furthering this work to collaborate in sharing approaches so we may advance to the next level together.

# # #

Cause Effective Evaluation

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TABLE OF CONTENTS

TABLE OF FIGURES

EXECUTIVE SUMMARY

- Overview

  - In May of 2015, Cause Effective asked Usable Knowledge to conduct an independent evaluation of its work with clients over the past three years and develop a plan for assessing its impacts going forward. The goal of the project was to provide an independent evaluation of the organization's effectiveness and develop an instrument and a strategy for measuring outcomes in the future.

  - Following a review of a number existing capacity building instruments, a custom survey was designed to measure objective improvements in client capacity as well as clients' subjective assessment of improvement across the three areas in which Cause Effective provides service, governance, fundraising and special events. The survey was administered to 167 organizations that worked with Cause Effective between July 2012 and June 2015. The overall response rate was forty percent. Thirty groups were contacted for a follow-up telephone interview designed to capture qualitative information about their expertise with Cause Effective and the impacts of the work that was done. Interviews were conducted with eighteen groups.

- Key Findings for Cause Effective

  - All the organizations in the study reported gains of about 25% in their subjective assessment of organizational capacity. These gains were all statistically significant and were judged to be of moderate size. Coach-on-Call and customized consultancies showed the largest gains. There was however, little association with other factors such as number of consulting hours provided, nonprofit mission area or funding source.

  - All the groups in the study experienced increases in revenue of about twenty-percent following their work with Cause Effective. Respondents also experienced significant gains on the percent change in total dollars contributed by board members (48%), the percent change in number of board members who introduced potential donors to the organization (50%) and the percent change in the number of board members who actively solicited gifts (40%).

  - Interviewees were uniformly positive in their comments about Cause Effective. They told us both about the new skills that were developed as the result of the consultancy and were able, in many instances, to specify the organizational improvements that resulted from the work. They attributed the success of the work to Cause Effective's expertise and broad knowledge of governance, fundraising and special events best practices as well as their position as outsiders which enabled them to address board members and other stakeholders more effectively.

- **Key Findings for the Nonprofit and Funder Community**

  - The body of this report discusses a number of the methodological challenges we faced over the course of the study. In a word, they all relate to the fact that few nonprofit organizations consistently collect and archive quantitative data about their governance, fundraising, and special events performance. While this presents a problem for researchers, it also means that nonprofit groups are failing to systematically measure their fundraising and governance work and assess them over time. We believe this is a mistake. Metrics keep organizations on track and enable thoughtful comparisons when internal practices or external circumstances change; without them, it is difficult to innovate or adapt to new challenges. As we note in the concluding section of this report, both are key to long term organizational sustainability.

INTRODUCTION

Cause Effective's mission is to improve the capacity of nonprofit organizations to build sustainable communities of supporters. Founded in 1981, it offers a range of training and consulting services designed to help clients raise more money from individuals, activate their boards and produce successful special events so that they can achieve long-term community change. Cause Effective's services include one-shot public trainings, customized trainings, single consulting engagements, a Coach-On-Call program and customized in-depth consulting engagements focused on transforming organizational culture around fundraising and governance. In May of 2015, Cause Effective asked Usable Knowledge to develop a plan for assessing the impacts of its work and positioning it to collect the data required for evaluating its impacts going forward. The purpose of this work was twofold. First, Cause Effective sought an independent assessment of its work designed to highlight its successes and identify areas for improvement. Second, it wished to specify, through research, a set of best practices— that mix of services and client needs and existing capacities— that lead to long lasting organizational transformation.

The project unfolded over a ten-month period and included an analysis of the evaluation strategies and tools Cause Effective has used in the past; a scan of the capacity building literature aimed at surfacing existing tools related to Cause Effective's work; the development of a survey instrument designed to assess the governance, fundraising, and special events capacity of the organization's clients; and conducting a series of interviews with past clients. This document describes the results of this work and concludes with a set of recommendations for Cause Effective and a discussion of lessons learned for the field overall.

REVIEW AND REDESIGN OF EXISTING EVALUATION STRATEGIES AND TOOLS

Existing Evaluation Tools

At the time of our review, Cause Effective had experience with eight internally developed tools for assessing its work. These included instruments designed to assess the outcomes of specific grants, a new client intake form, a closeout survey and interview script, a form designed to collect data for the organization's annual program report, and a data collection form designed to gather information for Cause Effective's CRM system. While these instruments covered a wide range of issues related to the organization's work, they were also characterized by a good deal of redundancy and it was unclear whether they were being administered consistently or that the data being collected was accessible and analyzable. Most were based on open-ended questions or simple yes/no choices and except for the client intake form, none employed Likert type questions designed to measure the degree to which respondents 'agreed or disagreed with statements about their work.

The new evaluation tool developed as part of this project was designed to address these issues. First, it was important to collect all the required data in a single instrument. Second, the new instrument had to be consistently deployed according to milestones established for Cause Effective's engagements. Third, the instrument had to be sensitive enough to capture changes in the fundraising, governance and special events capacity of Cause Effective's clients. In an effort to

identify best practices, Usable Knowledge examined seven established instruments for assessing organizational capacity. These included The TCC Group's Shared Measurement Project; The McKinsey Capacity Assessment Grid; an organizational assessment tool developed by Innovation Network (available with registration via the organization's Point K portal); The Organizational Mapping Tool developed by Sen Associates; a self-assessment tool developed by the Nonprofit Association of Oregon; an unpublished survey developed by the YMCA; and, an instrument created by GlobalGiving, Inc. Unfortunately none were relevant to the Cause Effective evaluation. Several failed to include items about fundraising or special events and none utilized scales sensitive enough to show change over time. While useful as tools to stimulate discussion during a self-assessment, they proved to be of little value to an evaluation study. For this reason, we opted to create a custom instrument designed to capture the specific kinds of capacity change Cause Effective seeks to bring about.

The Assessment Instrument

The assessment instrument developed for this project covered the three focal areas of Cause Effective's work, governance, fundraising, and special events, and included both objective measures of organizational performance and subjective assessments of organizational capacity. Performance measures included items related to the board's role in fundraising (e.g., contributions, solicitation within members' personal networks, etc.), board committee work and funding diversity. On the subjective side there were eleven items related to governance, eight related to fundraising and five related to special events. All the items consisted of positively worded statements about respondents' organizations and utilized a ten-point scale anchored with "Not at all true about our organization" at the low end and "Completely true about our organization" at the high end. This kind of aspirational wording, in which the endpoints express "ideal" states rather than states that an organization might realistically be able to achieve, provides a number of advantages. For example, they lessen the possibility of a ceiling or floor effect, they tend to be more sensitive to changes than typical five point scales, and they enable the creation of an index which allows for an analysis of percentage change over time. A version of the instrument appears in Appendix B.

THE THREE YEAR RETROSPECTIVE STUDY

§ Overview

As noted above, the purpose of the three year retrospective study was to document Cause Effective's successes and identify areas for improvement. The research had two components, a survey of clients the organization worked with between July 1, 2012 and June 30th 2015 and a set of follow-up interviews drawn from the group of survey respondents. This section provides an explanation of the methodology used in the survey as well as a discussion of its main findings.

Survey Methodology

Following a review of Cause Effective's client list we identified 167 groups appropriate for contact. The survey was conducted online between October 21st and December 21, 2015. A total of eight requests for participation were emailed to contacts in each organization—usually a key board member, the organization's executive director or an individual in its development department—

identified by Cause Effective as being the most likely to have the knowledge necessary to complete the questionnaire. In addition to email contacts, nonrespondents were contacted twice by telephone. Sixty-seven (40%) of the sample at least opened and attempted the survey though a number abandoned it before beginning its more substantive sections. For example, eleven (16% of those who started the survey) failed to complete any of the subjective questions. Perhaps reflecting the more challenging nature of this section of the survey (described above) 46% failed to respond to the performance items.

Though typical of studies of this kind, we were somewhat disappointed in the response rate given the intensity of the outreach effort. The fact that few organizations collect, and even fewer maintain, records related to fundraising or governance may in part be responsible for these difficulties[1]. The fact that the study asked, in many instances, about work that was performed as far back as 2012, surely played a role as well. While a forty-percent overall response rate does not compromise an overall analysis of the data, it does make it difficult and in some cases impossible to generate sub-group comparisons. For example, it might be possible to analyze the effects of organizational size on outcomes but not the effects of organizational size and mission area together. We highlight these challenges and our approach to dealing with them in the next section.

- Description of the Sample

The tables below provide a description of the organizations in the study and the kinds of projects Cause Effective completed with them during the study period. Table 1 shows the mission areas of the organizations responding to the survey and provides a sense of their relative sizes. Education,

	N	Percent	Median budget	Min budget	Max budget
Arts and culture	19	28.8	$ 150,428	$ 21,400	$ 4,812,993
Community and economic development	10	15.2	$ 2,066,341	$ 784,663	$ 24,883,244
Civil rights and social advocacy	12	18.2	$ 1,580,202	$ 631,226	$ 17,332,213
Education, youth, families & human services	21	31.8	$ 2,450,886	$ 41,176	$ 32,340,564
Other	4	6.1	$ 754,028	$ 17,913	$ 1,490,143

Table 1 - Client Service Areas

youth, families & human services groups made up the largest portion of Cause Effective's clients followed by arts and culture and civil rights and social advocacy organizations. Arts and culture groups had the smallest median annual budgets while education, youth, families & human services had the largest. As the table shows however, within each category there was a wide range of variation.

Table 2 shows the nature of respondents' engagements during the study period. The percentage sum to more than one hundred because a number of groups reported working on multiple projects. As the table shows, fundraising made up the largest proportion of respondents' engagements followed by board and governance related work. Special event work has been de-emphasized over time and now accounts for only sixteen percent of the Cause Effective's work.

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[1] We discuss this issue in more detail later in this report.

	N	Percent
Board/governance	36	57%
Fundraising	41	65%
Special events/ Anniversaries	10	16%

Table 2 - Project Type

Cause Effective provides services to its clients in a variety of different ways. Table 3 shows the range of engagement types represented in the sample. The category names loosely describe the nature of the work though it is important to note that as with any consulting project, there may be overlap in terms of the approach taken. For example, a custom consultancy may include both a training component and facilitation of a retreat.

	N	Percent
One-time training /retreat	3	4.8
Coach-On-Call	11	17.7
Workshop/ Consulting Cohort Group	13	21.0
Customized consultancy	35	56.5
Total	62	100.0

Table 3 - Consulting Type

The number of consulting hours clients received is reported in Table 4 below. It is based on data provided by Cause Effective for each organization in the sample. Because of the wide range of values reported, a simple mean or median figure does not provide an accurate picture of the organization's work. Instead we divided the data into three groups as shown and report the median hours for each. This enables a more accurate picture of the range of work Cause Effective has done.

	N	Hours
Lowest third	15	5.1
Middle third	17	21.1
Upper third	16	89.5

Table 4 - Consulting Hours Received

Table 5 shows how organizations in the sample funded their work with Cause Effective.

	N	Valid Percent
The project was self-funded	20	32.3
The work was funded by a third-party	42	67.7
Total	62	100.0

Table 5 - Funding Source

Table 6 provides a measure of the sizes (based on revenue reported on their most recently available 990 PF). Like the measures of consulting hours received, there was a tremendous range of revenue figures and for the same reasons, we report the data in sized categories.

	N	Median Income
Lowest	11	$ 110,928
Middle	17	$ 1,080,510
Highest	12	$ 2,891,895
All organizations combined	49	$ 1,280,597

Table 6 - Client Organization Revenue

Table 7 shows organization revenue by project type (with outliers removed). The smallest groups were more likely to engage with Cause Effective in a workshop or consulting cohort than mid-sized and larger groups which were more likely to hire Cause Effective for a customized consultancy.

	One-time Training		Coach-On-Call		Workshop/ Consulting Cohort Group		Custom Consultancy	
	N	Row %	N	Row %	N	Row %	N	Row %
Lowest third revenue	0	0%	2	18%	7	64%	2	18%
Middle third revenue	1	6%	3	19%	1	6%	11	69%
Upper third revenue	0	0%	1	8%	1	8%	10	83%

Table 7 - Organization Revenue by Project Type

▪ Findings from the Subjective Items

The twenty-four subjective items in the survey were collapsed to form three separate indices prior to analysis. Eleven items made up the governance index, eight items made up the fundraising index and five were included in the special events index. Table 8 below shows the average responses for each index. These gains which average about twenty-five percent were all statistically significant and showed a moderate effect size, a measure of their meaningfulness.

	N	% Difference
Governance	33	22%
Fundraising	33	28%
Events	9	26%

Table 8 - Change in Subjective Assessment of Capacity by Project Type

Table 9 shows the same data as the table above except with consulting type included. As the table shows, customized consultancies and Coach-On-Call consultancies showed the biggest gains in self-reported assessments of capacity. Unfortunately, the cell counts are too small to calculate statistical significance when the data is disaggregated in this way.

		N	% Difference
Governance	One-time Training	1	0%
	Coach-On-Call	5	27%
	Workshop/ Consulting Cohort Group	10	18%
	Customized Consultancy	17	25%
Fundraising	One-time Training	2	16%
	Coach-On-Call	6	25%
	Workshop/ Consulting Cohort Group	6	8%
	Customized Consultancy	21	25%
Special Events	One-time Training	0	-
	Coach-On-Call	0	-
	Workshop/ Consulting Cohort Group	0	-
	Customized Consultancy	9	26%

Table 9 - Change in Capacity Assessment by Project Type and Consulting Type

Due to size constraints we have placed a table showing individual item responses in Appendix A. In the governance area, the greatest gains were observed in the items that asked about board members' ability to clearly state their organization's mission, vision and goals; the degree to which the board recruits new members based on a strategic assessment of board needs; and the relationship between the board and the organization's executive director and staff. In the fundraising domain, the greatest gains were seen in creating and executing an annual fundraising plan and on increases in the number of people soliciting funds for the organization. For special events, the largest gains were seen in an item that asked about the degree to which the organization assesses the events it sponsors according to their ability to achieve key organizational goals and also its ability to maximize opportunities provided by anniversaries to position itself with stakeholders.

As shows Table 10, there is no clear relationship between organization size (as measured by 990 PF revenue) and outcomes. Larger organizations (those in the top third) had slightly better gains than the others but the differences were modest, especially in the governance area. The small number of groups receiving consulting about special events makes it difficult to draw any

conclusions about outcomes for that segment. We conclude from this that Cause Effective is equally effective at working with organizations regardless of their size.

Organization Size/Revenue	Governance		Fundraising		Special Events	
	% Increase	N	% Increase	N	% Increase	N
Lowest third	25%	10	13%	7	42%	2
Middle third	22%	5	24%	14	25%	3
Upper third	26%	6	30%	7	8%	2

Table 10 - Change in Capacity Assessment by Organization Size

Table 11 shows subjective outcomes by consulting hours with outliers removed[2]. As the table illustrates, there appears to be no clear relationship between respondents' perceptions of improvements in capacity and the number of hours of consulting they received. Similarly, there was no relationship between subjective assessment of capacity and funding source (self-funded versus third-party funded).

Consulting Hours	Governance Score		Fundraising Score		Special Events Score	
	% Increase	N	% Increase	N	% Increase	N
Lowest third (Average = 5 hours)	18%	7	33%	5	20%	1
Middle third (Average = 21 hours)	22%	12	18%	8	64%	1
Upper third (Average = 90 hours)	20%	5	25%	9	19%	4

Table 11 - Change in Capacity Assessment by Consulting Hours

▪ Findings from the Performance Items

In addition to the subjective assessment of organizational capacity, the survey included eleven items designed to measure changes in board and fundraising performance. Unfortunately, the response rate on these items was lower than for the subjective questions. As we indicated earlier, we attribute the fall off in response to the difficulty respondents had retrieving the information required to answer our questions, as well as broader questions about whether they collect it and archive it.

Perhaps the most important measure of fundraising performance is the change in organizational revenue over time. As Table 12 shows, all the groups in the study experienced gains in revenue following their work with Cause Effective. Median change overall was twenty percent. It is important to understand however that it is not strictly possible to attribute these increases to Cause Effective's work. Nonprofits operate in a dynamic environment and are subject to larger trends in giving related to the economy (which was growing during most of the study period) and to shifts in funding from other sources, notably the government which accounted for about thirty-four percent of the revenue for organizations in this study.

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[2] With outliers included, the results were paradoxical; that is the groups receiving *both* the highest and the lowest number of consulting hours out-performed the non-outliers.

Organization Size	Median $ Increase	Median % Increase
Lowest third	$ 58,836	32%
Middle third	$ 148,657	15%
Upper third	$ 384,604	5%
Overall	$ 80,000	20%

Table 12 - Gains in Revenue by Organization Size

Ten additional performance related items were also analyzed. As Table 13 shows, positive changes were observed for: percent change in total dollars contributed by board members, percent change in number of board members who introduced potential donors to the organization, percent change in number of board members who contributed funds and percent change in number of board members who actively solicited gifts.

	Median
Percent change in total dollars contributed by board members	48%
Percent change in number of board members who introduced potential donors to the organization	50%
Percent change in number of board members who contributed funds	8%
Percent change in number of board members who actively solicited gifts	40%

Table 13 - Changes in Other Performance Indicators

Changes in the number of board members who introduced potential donors to the organization were close to equal across all three organizational size categories. That said, mid-sized groups did show the largest increase in number of board members who actively solicited gifts within their networks and in total dollars contributed by board members. The smallest groups however had the greatest increase in the number of board members who contributed funds to the organization.

▪ The Interviews

In addition to the survey, we conducted a series of interviews with a sample of Cause Effective clients in order to learn, in more detail, about the changes in fundraising and governance capacity they achieved and the impacts of those changes on their services. The sample was drawn from the pool of survey respondents. The interviews were designed to elicit a narrative describing the organization's capacity prior to their work with Cause Effective, the experience of working with Cause Effective during the consultation, and the changes (if any) in fundraising and governance that occurred after the project concluded. Following a campaign of email and telephone outreach, we were able to secure eighteen interviews.

Groups in the interviewee pool came to their work with Cause Effective through a variety of different channels. Some had prior consulting experience with the organization, others came with sponsorship from their funders, and a number found Cause Effective on their own, based on prior exposure to the organization at a seminar or workshop. Often the decision to work with the organization came about as the result of the departure of a board chair or new ideas brought in as a result of a change in leadership.

Cause Effective's consultants are viewed by clients as experts in the field with broad knowledge of governance, fundraising and special events best practices. Such expertise was key in making their recommendations credible to stakeholders. This, coupled with its outsider perspective and its supportive consulting approach was cited by clients to be at the heart of Cause Effective's success. As one interviewee put it Cause Effective has the "ability to deliver messages in a way staff and board members can hear them… to say things that an executive director cannot." We heard consistently that Cause Effective staff were able to quickly gain the trust of those they worked with— board members in particular— and that they exceled at managing situations when incumbent staff or board members did not fully accept their recommendations. In the words of one respondent, they were "skilled at being pushy without being pushy." Another characterized Cause Effective as "the most effective consultant brought in by [the funder]." Cause Effective's approach left the organizations it worked with feeling empowered and "able to pick up the ball."

Part of each interview focused on what was accomplished as a result of interviewees' work with Cause Effective— what was different and how it affected their organizations going forward. Several respondents talked about the skills they developed around recruiting and onboarding new board members and about engaging their boards in fundraising. Others told us about renewed efforts at cultivating individual donors from outside their boards. In general, there was a sense that board members had become more active following the work with Cause Effective. More members were participating. Working with Cause Effective helped groups become better organized around fundraising and governance and, we were told, nudged them forward in directions they were already moving.

We heard very few negative comments from interview participants about their work with Cause Effective. One respondent was disappointed that the organization provided only training and facilitation and failed to handle the execution of a specific development effort. Several were disappointed that much of the knowledge and energy brought to their group left with the departure of a key board or staff member who had been closely involved in the work. This sentiment is common in many kinds of capacity building efforts. Until new ways of doing business have been institutionalized, organizational improvements often depend on the initiative of key individuals who have been converted to new ways of thinking and operating.

DISCUSSION

▪ Summary

The key takeaway from our retrospective analysis of Cause Effective's work over the past three years is that the nonprofit groups that utilized its services reported significant increases in their governance, fundraising and special events capacity. Sample size and other considerations made it difficult to discover whether and how client factors, such as organization size or mission area, or engagement factors such as consulting approach or hours of service received, affected these outcomes. In spite of these challenges however, it was clear that outcomes were positive in nearly every case. Smaller organizations benefitted as did larger ones. Arts and culture groups benefitted as did groups dedicated to community economic development. Organizations that got services through Cause Effective's Coach-On-Call program benefited along with those who participated in a Workshop/ Consulting Cohort group. While we would have liked to have seen a clear

correlation between factors such as dosage (number of consulting hours) or consulting approach, there is no mistaking the fact that Cause Effective's clients report improvements in capacity following their work with the organizations in the study[3].

We also observed positive changes in a number of objective measures of organizational performance. Operating revenue rose, and according to some of our metrics, boards were functioning more effectively. Our ability to interpret the performance data however was compromised by a good deal of missing data and by questions that arose about the accuracy of what we did collect. A fundamental part of any kind of data analysis is the computation of summary statistics such as arithmetic means or medians. They form the basis of all analytical work yet their usefulness is compromised when a data set is characterized by extreme values. In examining the percent change in organizational income for example, one group reported a decline in income of over ninety percent. Another reported an increase of over five hundred percent. These outliers (and others) were excluded from our analysis.

▪ Key Take-Aways

The instrumentation developed for this study represents one of its major accomplishments in that will enable Cause Effective to evaluate and track its impacts going forward. The challenges we faced in the look-back study were related to its retrospective nature. Recall for many of the items (particularly those related to organizational performance) was difficult at best and undoubtedly impacted the response rate. The organization however has now integrated data collection into its client onboarding process, has instituted a protocol for post engagement follow-up and has developed an approach for archiving this data in order to use it for a future retrospective study. The challenges Cause Effective faces with regard to evaluation are now two-fold. It needs to maintain these systems and keep them up-to-date and, critically, it needs to develop the expertise to analyze this data in ways that will be meaningful for future stakeholders. As we learned in this project, this requires sophisticated analytical decision making skills and an ability to execute decisions using a range of analytical techniques. We would urge Cause Effective to develop (or hire) such capacity internally, or commit to outsourcing it as its store of data increases over time.

More broadly, we believe that the underlying problem with collecting performance data relates to the fact that few organizations have built systems to capture and archive it over time. While this presents a problem for researchers, it also suggests that nonprofit groups are not systematically assessing the effects of their fundraising and governance work or analyzing it over time. They may be able to report that this year's gala raised more money than last year's but not that board members solicited twenty-five percent more potential donors or that such solicitation was more productive in terms of revenue per contact. Appropriate metrics keep organizations on track and enable thoughtful comparisons when fundraising and governance practices are changed, yet by and large, they are not collected and not analyzed systematically.

Over the past fifteen years the independent sector has experienced a tremendous increase in program assessment and evaluation. It is a requirement for the vast majority of government grants

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[3] It is important to note that the survey used a ten-point scale capable of distinguishing real change. First, such an approach virtually eliminates the possibility of a ceiling effect (in which even small improvements are scored as "greatly improved"). Second, the survey was anchored with highly aspirational, and nearly impossible to achieve statements that essentially asked whether respondents had achieved nearly all their goals in a given area. In laymen's terms, it was a difficult test to pass.

and plays an important role in foundation grantmaking as well. Nonprofit executive directors can tell you how their programs are performing, yet are often unable to report key metrics of internal organizational performance. While the groups interviewed for this study reported that their governance, fundraising and special events capacity had improved, in most cases they did not have the clear and accurate data needed to document their perceptions. We believe this needs to change. The collection of performance data is critical not only because it supports a determination of best practices but also because it provides an indicator of organizational sustainability. Interest in sustainability—among grantmakers in particular— is where interest in program evaluation was fifteen years ago. It will, and it should, become increasingly important going forward and nonprofit groups that are able to document it will fare better as they compete for recognition and funding in the future.

APPENDIX A- RESPONSES TO SUBJECTIVE SURVEY QUESTIONS

		N	Change	Greater than 25% Change
Governance	Our board chair and Executive Director communicate regularly on matters of strategic importance to the organization.	33	37%	✔
	Staff support allows the board to effectively realize its full potential.	33	28%	✔
	Our organization recruits new board members based on a strategic assessment of board composition needs.	34	27%	✔
	All our board members can clearly state our mission, vision, and goals.	34	25%	✔
	Our board chair strategically manages the board toward high performance.	34	24%	
	Our board chair orients all new board members in a way that ensures that they assume their responsibilities to the fullest potential.	34	23%	
	The frequency with which our full board and committees meet allows our board to fully address the issues and opportunities we face.	34	23%	
	Our board governance and/or nominating committee assures that our board operates at a very high level.	34	22%	
	Our board members consistently perform their roles in a highly effective way.	34	18%	
	Our board regularly evaluates its overall effectiveness.	34	17%	
	Our board members consistently hold each other accountable for living up to their commitments.	34	14%	
Fundraising	Our organization has an annual fundraising plan that consistently guides our fundraising activities.	38	28%	✔
	Our organization regularly uses a wide range of methods to communicate our message to different audiences	38	27%	✔
	We engage our donors through all the stages of the development cycle on a regular basis.	37	26%	✔
	More people are soliciting funds on behalf of our organization than did last year.	37	26%	✔
	Our board provides a strong leadership role for fundraising.	37	22%	
	Our board is highly successful at getting others to invest time, money, and/or resources in our organization.	38	19%	
	Our organization's funding streams are diversified.	38	15%	
	We have a highly effective board fundraising committee.	37	13%	
Special Events	Our organization maximizes the opportunities provided by anniversaries to position itself with internal and external stakeholders.	9	36%	✔
	Special events are regularly assessed and adjusted according to their ability to achieve key organizational goals.	9	27%	✔
	People beyond board and staff help make all our special events successful.	9	24%	
	Our organization's special events produce results that are well worth the effort we invest in them.	9	22%	
	Special events are planned and executed to regularly and effectively meet set objectives.	9	22%	

Introduction

Thank you very much for navigating to the Cause Effective Evaluation Survey Page. Depending upon the extent of your work with Cause Effective, the survey should take about 15 minutes to complete. A number of questions ask for percentage responses and if you're not sure of the correct amounts, estimates are fine. If for any reason you need to pause the survey, please be sure to click the SAVE button at the bottom of the page and follow the instructions that are provided.

Please rest assured that this survey is completely confidential. Only aggregated responses will be reported back to Cause Effective and under no circumstances will your individual answers be reported to your funders or anyone else.

Thanks again!

NOTE: Any redundancies in the printed version of the survey do not appear in the online version due to skip logic.

First, we'd like to ask you a few questions about your organization.

In what year was your organization founded? _____

What is your organization's primary mission area?

☐ Arts and culture

☐ Community development

☐ Economic development

☐ Health and human services

☐ Civil rights and social advocacy

☐ Education, youth and families

☐ Other

In this section we are interested in information about your organization's fundraising efforts and also about your board. In the space below, please enter the correct value for the fiscal year PRIOR to your work with Cause Effective AND for the LAST fiscal year. If you need to pause the survey, please click the SAVE button below. You will be able to return to this page using the link you received in the survey invitation email.

IMPORTANT NOTE: If you are unable to access the data needed to answer the questions on this page or the next, please feel free to skip the forward with the survey.

	Prior to Working with Cause Effective	After Working with Cause Effective
Total development staff headcount (FTEs):	_____	_____
Number of board members	_____	_____
Number of new board members added to the board	_____	_____
Number of new officers added by the board in the previous year	_____	_____
Percentage of board meetings in the previous year in which a quorum was met	_____	_____
Number of functioning board committees	_____	_____
Total dollars contributed by board members **(<u>DO NOT INCLUDE a $ SIGN</u>)**	_____	_____
Number of board members who contributed funds	_____	_____
Number of board members who actively solicited gifts	_____	_____
Number of board members who introduced potential donors to the work of the organization	_____	_____

In this section we are interested in learning about the sources of your organization's operating income. In the space below, please enter the percentage from each source for the **fiscal year PRIOR** to your work with Cause Effective AND for the **MOST RECENT fiscal year**. If you are not sure of the correct percentage, please estimate to the best of your ability.

	Prior to Working with Cause Effective	After Working with Cause Effective
Total income (DO NOT INCLUDE a $ SIGN)	_____	_____
Percent income raised from government contracts	_____	_____
Percent income raised from private foundation grants	_____	_____
Percent income raised from corporations and corporate foundations (other than from events)	_____	_____
Percent income raised from individuals (other than from events)	_____	_____
Percent income raised directly from events	_____	_____
Percent income raised from memberships	_____	_____
Percent income raised from earned income (e.g., program fees, sales of products)	_____	_____
Other	_____	_____
Total percent	_____	_____

What was the primary focus of your work with Cause Effective? (Check all that apply)

- [ ] Board/governance
- [ ] Fundraising
- [ ] Special events/ Anniversaries

How was your work with Cause Effective funded?

- [ ] The project was self-funded
- [ ] The work was funded by a third-party

Which organization/organizations funded the work?

- ☐ Ford Foundation
- ☐ Hispanic Federation
- ☐ M & T Bank
- ☐ Mertz-Gilmore Foundation
- ☐ New York City Department of Cultural Affairs
- ☐ New York Community Trust
- ☐ New York Foundation
- ☐ New York Women's Foundation
- ☐ Novo Foundation
- ☐ NYC Council Communities of Color Nonprofit Stabilization Fund
- ☐ Open Society Foundation
- ☐ Robert Sterling Clark Foundation
- ☐ Rockefeller Brothers Fund
- ☐ United Way of New York City
- ☐ Other

Please
specify _____

What was the project type?

- [ ] One-time training /retreat
- [ ] Coach-On-Call
- [ ] Customized consultancy

What was the project type?

- [ ] One-time training /retreat
- [ ] Coach-On-Call
- [ ] Workshop/ Consulting Cohort Group
- [ ] Customized consultancy

This set of questions relates to the **most recent** work you did with Cause Effective on matters related to **governance.** Please read each statement carefully and click the radio button to indicate how much WORSE or BETTER your organization is doing now compared to before the consultation.

Governance

	MUCH WORSE				SAME				MUCH BETTER
All our board members can clearly state our mission, vision, and goals.	☐	☐	☐	☐	☐	☐	☐	☐	☐
Our board members consistently perform their roles in a highly effective way.	☐	☐	☐	☐	☐	☐	☐	☐	☐
Our board regularly evaluates its overall effectiveness.	☐	☐	☐	☐	☐	☐	☐	☐	☐
Our board governance and/or nominating committee assures that our board operates at a very high level.	☐	☐	☐	☐	☐	☐	☐	☐	☐
Our organization recruits new board members based on a strategic assessment of board composition needs.	☐	☐	☐	☐	☐	☐	☐	☐	☐
Our board chair orients all new board members in a way that ensures that they assume their responsibilities to the fullest potential.	☐	☐	☐	☐	☐	☐	☐	☐	☐
Our board chair strategically manages the board toward high performance.	☐	☐	☐	☐	☐	☐	☐	☐	☐
Our board members consistently hold each other accountable for living up to their commitments.	☐	☐	☐	☐	☐	☐	☐	☐	☐
The frequency with which our full board and committees meet allows our board to fully address the issues and opportunities we have as an organization	☐	☐	☐	☐	☐	☐	☐	☐	☐

Our board chair and Executive Director communicate regularly on matters of strategic importance to the organization.

☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Staff support allows the board to effectively realize its full potential.

☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Is there anything else that your organization has accomplished in the area of governance that you can share with us, anything not captured in the questions on the previous page?

_____
_____
_____
_____
_____
_____
_____
_____
_____

This set of questions relates to the **most recent** work you did with Cause Effective on matters related to **fundraising.** Please read each statement carefully and click the radio button to indicate how much WORSE or BETTER your organization is doing now compared to before the consultation.

Fundraising

	MUCH WORSE				ABOUT THE SAME				MUCH BETTER
Our organization has an annual fundraising plan that consistently guides our fundraising activities.	☐	☐	☐	☐	☐	☐	☐	☐	☐
We engage our donors through all the stages of the development cycle including identification, cultivation, solicitation, and recognition on a regular basis.	☐	☐	☐	☐	☐	☐	☐	☐	☐
Our organization regularly uses a wide range of methods to communicate our message to different audiences (for example, one-to-one visits, mail, web, social media, events, online giving, phone drives etc.)	☐	☐	☐	☐	☐	☐	☐	☐	☐
Our organization's funding streams are diversified.	☐	☐	☐	☐	☐	☐	☐	☐	☐
Our board is highly successful at getting others to invest time, money, and/or resources in our organization.	☐	☐	☐	☐	☐	☐	☐	☐	☐
Our board provides a strong leadership role for fundraising.	☐	☐	☐	☐	☐	☐	☐	☐	☐
We have a highly effective board fundraising committee.	☐	☐	☐	☐	☐	☐	☐	☐	☐
More people are soliciting funds on behalf of our organization than did last year.	☐	☐	☐	☐	☐	☐	☐	☐	☐

Is there anything else that your organization has accomplished in the area of fund raising that you can share with us, anything not captured in the questions on the previous page?

_____

_____

_____

_____

_____

_____

_____

_____

_____

This set of questions relates to the **most recent** work you did with Cause Effective on matters related to **special events.** Please read each statement carefully and click the radio button to indicate how much WORSE or BETTER your organization is doing <u>now</u> compared to <u>before</u> the consultation.

Special Events

	MUCH WORSE				ABOUT THE SAME				MUCH BETTER
Our organization's special events produce results that are well worth the effort we invest in them.	☐	☐	☐	☐	☐	☐	☐	☐	☐
Special events are planned and executed to regularly and effectively meet set objectives.	☐	☐	☐	☐	☐	☐	☐	☐	☐
Special events are regularly assessed and adjusted according to their ability to achieve key organizational goals.	☐	☐	☐	☐	☐	☐	☐	☐	☐
People beyond board and staff help make all our special events successful.	☐	☐	☐	☐	☐	☐	☐	☐	☐
Our organization maximizes the opportunities provided by anniversaries to position itself with internal and external stakeholders.	☐	☐	☐	☐	☐	☐	☐	☐	☐

Is there anything else that your organization has accomplished in the area of special events that you can share with us, anything not captured in the questions on the previous page?

_____
_____
_____
_____
_____
_____
_____
_____
_____

Overall, what is different now, after your work with Cause Effective, in how your organization works and what it's able to do?

_____
_____
_____
_____
_____
_____
_____
_____

Usable Knowledge will be conducting a small number of interviews with selected groups in order to deepen our understanding of your work with Cause
Effective. Please enter your name and email address below in the event your organization is chosen for follow-up.

Name: _____

Your Current Organization: _____

Is this the organization that engaged Cause Effective?

☐ Yes

☐ No

Email address: _____

Thank you very much for taking the time to complete this survey. Please note that you **MUST** click the submit button below to send your responses.