

# VIEWS ON GROWING IMPACT FROM GRANTMAKERS AND NONPROFITS

*Select Highlights from the Evaluation of GEO's Scaling What Works Initiative*



What do grantmakers and their nonprofit grantees want to share with other funders on growing impact—how to do it, when to do it and why? Read this brief to find out.

## INTRODUCTION

Scaling a successful nonprofit's good work is not a static concept. It can be achieved in many ways, with the optimal path varying based on nonprofits' and funders' goals, experiences and circumstances. Through its *Scaling What Works* initiative, Grantmakers for Effective Organizations (GEO) aimed to shift the philanthropic field's understanding of scale from increasing the size of nonprofit programs and organizations to *growing their impact*. GEO promotes an expansive concept of growing impact, one that includes scaling through program replication and expansion, but also through spreading an idea, innovation, technology or skill; increasing adoption of a proven tool or practice; or changing behavior through policy.

Finding ways to alleviate core social problems is a key component of effective philanthropy and, in that vein, growing impact is not a new concept to the field. Yet, the concept is increasing in importance given recent and current grantmaking trends. For example, a greater focus on networks and partnerships in grantmaking promotes the growing impact approach, as does the increasing role of technology in philanthropic and nonprofit work. Furthermore, growing impact focuses more intently on improved results, which is particularly salient during economic downturns and heightened financial constraints.

### What was *Scaling What Works*?

From 2010 to 2014, *Scaling What Works* was a multi-year learning initiative of GEO to expand the number of grantmakers and public sector funders who are working together to grow the impact of high-performing nonprofit organizations. Through the Initiative, GEO offered training, networking opportunities, and a host of tools and resources to better equip grantmakers to help nonprofit organizations to plan, adapt and grow their impact. The Initiative also supported the reach and impact of the [Social Innovation Fund \(SIF\)](#), a federal government initiative that mobilizes public and private funders to grow the impact of community-based solutions, in part so that the broader philanthropic community could learn and benefit from the SIF experience.

## Where does the information in this brief come from?

From 2011 to 2014, GEO engaged [Informing Change](#) (a strategic consulting firm that partners with foundations and nonprofits to inform organizational and field-wide learning) to evaluate the progress, accomplishments and challenges of the *Scaling What Works* initiative. As part of this evaluation, Informing Change spoke with over 75 representatives of philanthropic organizations (both GEO members and non-GEO members) and more than 20 representatives of nonprofit organizations to better understand their experiences and strategies related to growing impact. This brief provides key evaluation highlights and takeaways that are most relevant to grantmakers, both those who are new to the concept of growing impact and those who are already immersed in the work.

## WHAT YOU SHOULD KNOW ABOUT GROWING IMPACT



### On the Concept

**All grantmakers, regardless of foundation size or structure, can consider this approach.** The term *scale* is related to size, which leads some grantmakers to dismiss the concept as irrelevant to their work. Because the expanded view of scale as growing impact promotes approaches beyond program replication, smaller and rural place-based foundations that might not otherwise relate to scale can fit into this approach. The concept of growing impact also brings grantmakers closer to many nonprofits' views on scale, in that this approach focuses not only on outputs, but also impact.

**Grantmakers can take advantage of field resources to build their awareness and knowledge.** Through its *Scaling What Works* initiative, GEO produced a host of publications and convened funders to help grantmakers understand how to support nonprofits to grow their impact, capitalizing on examples of funders who are doing this well. These resources have been especially useful for those who are newest to growing impact or to specific grantmaking practices that are important to grow impact. Grantmakers have also found these resources helpful to familiarize themselves with a concept before going into the specifics about how to apply it to their own work. For those who are already familiar with growing impact and/or engaged in specific grantmaking practices to grow impact, these resources can also serve as a source of validation. Grantmakers also mentioned other useful resources for growing impact, including: regional associations of grantmakers, grantmaker affinity groups, Center for Effective Philanthropy, Stanford Social Innovation Review, Council on Foundations and GrantCraft.

*“To hear that funders want to scale the impact, not just the organization, is a relief because our grant activities are about more than numbers.”*

*–Representative of a nonprofit organization*

*“Funders see the power of convening and advocacy, but doing that is new for many foundations, and it takes thought and effort.”*

*–Representative of a family foundation*

**Growth in impact is not easy to accomplish.** While growing impact is in many ways the ultimate goal in philanthropic work, it is difficult to achieve. This approach often requires thinking about how to leverage funding to effect social change, in addition to thinking about which nonprofits to fund. It requires long-term commitment to a social challenge and agility to adapt as the problems, stakeholders and environments related to that challenge evolve. It also necessitates the ongoing buy-in of organizational leadership. GEO’s [growing impact framework](#) provides a structure and terminology that many grantmakers have found useful for conversations with trustees and other funders about shifting to a growing impact approach.

### Key Challenges to Growing Impact Identified by Grantmakers and Nonprofits

- Determining measurable outcomes is more difficult when the approach is not replication, where growth can be more easily tracked
- Engaging in activities “beyond the grant”—such as convenings, advocacy and community outreach—requires expanded skill sets and allocation of additional and sometimes unanticipated resources
- Growing impact can require proactive funding strategies, which can sometimes turn into grantmakers being “heavy-handed” with nonprofit grantees
- Growing impact requires understanding and involvement in the multiple facets and complexities of an issue or community

### On Engaging in the Approach



**Grantmakers need to make individual decisions on when and how to engage in growing impact.** Growing impact will look different for different funders. Each grantmaking institution should assess when to move to a growing impact approach, and it is just as important to understand when a grantmaker is not ready to do so. Some grantmakers decided to take the growing impact approach when they wanted to dive more deeply into one issue area, rather than several. Others got involved when financial constraints warranted a more cohesive, efficient approach to grantmaking. For others, participation in a successful coalition or funder collaborative led to shifting more of their grantmaking to this approach.

## Which Grantmaking Practices are Important for Growing Impact?

Funders and nonprofits generally agreed on the same grantmaking practices as being most important for growing impact:

- Providing general operating funds and multi-year grants
- Approaching evaluation as a tool for learning rather than only for accountability, providing adequate funding to engage in evaluation as well as building nonprofits' capacities to use evaluation for learning and improvement
- Engaging in consistent funder-grantee dialogue to improve transparency and honesty
- Providing non-monetary support; grantmakers mentioned facilitating learning communities and convenings as key, while nonprofits mentioned introducing grantees to other funders and building evaluation capacity
- Working collaboratively as funders, including collaborative thinking and problem-solving, generating ideas or research collaboratively or providing joint or pooled funding



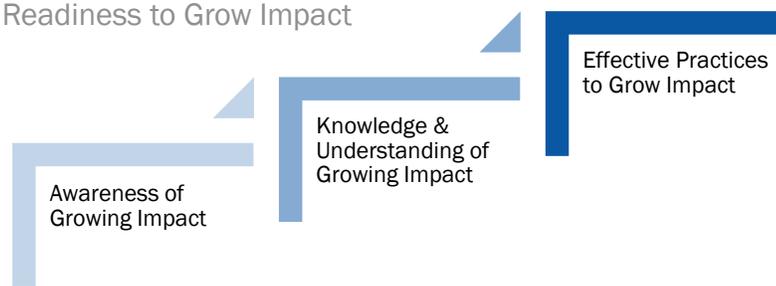
**Growing impact involves utilizing a combination of good grantmaking practices.** While the growing impact approach is especially important now, it is not a novel concept. This approach does not require a completely new set of grantmaking tools and practices. Strengthening core grantmaking practices—such as engaging in evaluation for learning, investing in organizational capacity building and providing multi-year general operating support—can lead to growth in impact. Similarly, working to grow impact can improve a funder’s overall grantmaking, in that it requires a strategic approach and provides an opportunity to strengthen individual grantmaking practices.

**Moving from theory (understanding the concept) to practice (applying a growing impact approach to grantmaking) is a difficult step.** Many grantmakers need help to operationalize the concept to their specific situation. For example, some grantmakers may benefit from peer-to-peer visits, so that they can observe a funder engaging in the practice they strive to do themselves. Others may need focused technical assistance to understand how to change or adapt deeply rooted processes and practices to better support the growing impact approach.

*“I think some grantmakers get excited about taking [an idea] to scale without even really thinking about the underlying capacity needed to do so and their willingness to help that nonprofit strengthen that area so they can do the work.”*

*–Representative of a regional foundation*

## Readiness to Grow Impact



### **Thinking about the grantee’s readiness to grow impact is equally important.**

Grantmakers identified several characteristics of nonprofit organizations that in their experience indicate readiness to grow impact.

- Organizational leadership
- Engagement of trustees
- Financial strength and the ability to raise funds
- Adequate organizational capacity and clarity of organizational purpose
- A strong network within the issue area
- Demonstrated success of the work

Nonprofit organizations note that funders need to thoughtfully calibrate their expectations and realize that success depends not only on the capacity of the grantee, but also the scope of the problem being addressed, the strategy they choose to support and the amount of resources they contribute.



## On Connecting with Others

**Developing partnerships with other grantmakers and those outside of philanthropy is an integral part of growing impact.** Partnerships—whether in the form of co-funding agreements, coalitions between like-minded organizations or collaboration across sectors—are key to growing impact because they leverage resources and expertise and help avoid duplication of efforts. Furthermore, these types of partnerships are a good opportunity for funders to practice what they often preach to nonprofit organizations on the benefits of combining efforts with other organizations.

Grantmaker partnerships are not without their share of challenges, however, and decisions to engage in them should be made carefully. Partnerships require time for the members to align goals, establish roles and determine how to best capitalize on each partner’s strengths. The complexities of partnerships also make it more difficult to measure success, especially for funders who are facing pressure to attribute success to their particular organization. Furthermore, while partnerships between private grantmakers and government agencies provide unique benefits in that they leverage the strength of each sector, they also present unique challenges, as each partner must adjust to the other’s distinct norms and practices.

*“With funder collaborations... there is greater value for everyone, including grantees, but in a collaborative, it is not just our own show, proposals and processes. It takes more energy to figure out where everyone’s interests align, but it ultimately pays off.”*

*–Representative of a national foundation*

**Communities of practice promote shared learning and improve grantmakers’ efforts to grow impact.** These communities are especially important and useful given the complexities and challenges of growing impact. For example, as part of *Scaling What Works*’ support of SIF, GEO facilitated in-person convenings for SIF intermediary organizations to support each other in their efforts. These funders stated that this was an important opportunity to:

- Promote peer-to-peer learning and knowledge sharing
- Help validate their experiences as they learned that others had similar challenges and successes
- Build a trusted community that allowed them to expand their networks

Grantmakers engaging in growing impact can look for learning community opportunities through existing grantmaker associations (e.g., GEO, regional associations of grantmakers), and also explore creating communities of practice on their own. Grantmakers should also consider creating space for grantees and their partners to share learnings on growing impact, as nonprofit organizations note their lack of opportunities to do so.

**When carrying out this work, it is important to contribute to the field-wide conversation about growing impact.** Informing Change’s review of several philanthropic and nonprofit trade publications over the past few years found that discussion of growing impact still centers on program replication. This trend is slowly changing; *Scaling What Works*’ publications and other resources examined a wider range of grantmaker activity related to growing impact. While the Initiative has come to a close, grantmakers can serve as thought leaders in the field by continuing to share their stories to help one another understand what it takes to do this important work successfully.

## CONCLUSION

Given the breadth and depth of social challenges in the world today, it is essential that the philanthropic field continues to build knowledge about how to help nonprofits grow their impact. The field needs to continue collecting and sifting through experiences of funders and grantees, sharing examples and reflecting on successes and challenges. Funders all over the spectrum, from those who are just learning about growing impact to those who are deeply entrenched in the work, can benefit from the collective experience and wisdom of grantmakers and nonprofit leaders engaged in growing impact.

### Where should I go for more information?

For more information about GEO, visit [www.geofunders.org](http://www.geofunders.org).

For additional resources and information on growing impact, visit [www.scalingwhatworks.org](http://www.scalingwhatworks.org).

For further information about Informing Change or the *Scaling What Works* evaluation, visit [www.informingchange.com](http://www.informingchange.com) or contact Kim Ammann Howard at [kahoward@informingchange.com](mailto:kahoward@informingchange.com).