

# Philanthropy Matters

The Center on Philanthropy at Indiana University  
Volume 19, Issue 1 · 2011

## The Power of Women's Giving

*New research adds to  
the evidence that women are  
a philanthropic force*

*Also in this issue:*

- ◆ Who benefits from measuring effectiveness, and how to do it better
- ◆ Adapting to family foundations' increasingly non-local boards



# Evaluating for Impact



"How will my gift make a difference?" In response to this often-asked question, nonprofits create graphs and share stories to illustrate how many people they feed/heal/educate. But how can they show the effects their efforts are having on the larger, multigenerational issues underlying hunger, disease, or illiteracy?

Most evaluation tools measure outcomes of a specific project. But is that enough? Are nonprofits learning anything from those charts and graphs? How are those measurements making nonprofits better?

Fortunately, a national dialogue has begun about why and how to evaluate philanthropy. Donors, funders, and nonprofits are calling for new approaches that increase effectiveness and assure donors that the nonprofits they support are improving quality of life in meaningful ways. Check out "Measuring Up" in this issue for more on how nonprofits can evaluate for impact.

Sincerely,

Patrick M. Rooney  
Executive Director, The Center on Philanthropy at Indiana University

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(July 1, 2007–December 31, 2010)

This list recognizes individuals, corporations, foundations, and organizations that have provided funding for research at the level of \$10,000 and above. We are grateful for their generous and ongoing support of our research programs.

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\*These Research Partners have specifically supported the Center on Philanthropy Panel Study (COPPS) at the level of \$10,000 and above. COPPS is also made possible by essential private support from many other individual donors.

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Volume 19, Issue 1 · 2011

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*Philanthropy Matters* is published by the Center on Philanthropy at Indiana University. The Center on Philanthropy increases the understanding of philanthropy and improves its practice worldwide through education, research, training, and public service. The Center on Philanthropy is a part of the IU School of Liberal Arts at Indiana University–Purdue University Indianapolis.

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Printing of *Philanthropy Matters* is made possible by Lilly Endowment Inc. and the support of our donors.

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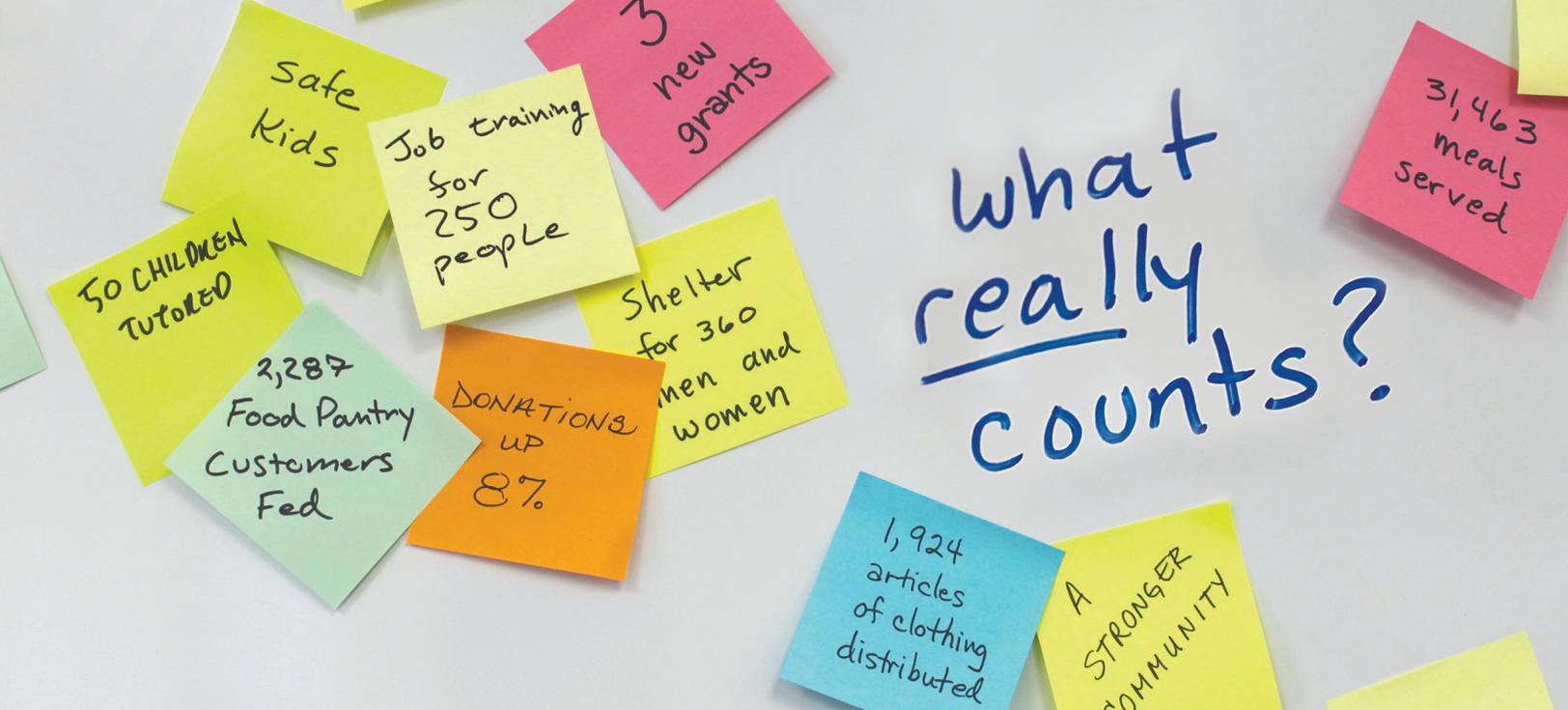
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# Measuring Up

When nonprofits evaluate their effectiveness, everyone benefits.

Nonprofits are under pressure from all sides to demonstrate effectiveness in achieving their missions. Donors and funders want to see results. Policy makers and the media watch for appropriate use of funds. Meanwhile, the number of nonprofits grows and the need for funding intensifies, especially in these difficult economic times.

As they push to accommodate external stakeholders, nonprofits sometimes forget who benefits most when they evaluate their programs: the nonprofits themselves. “They get a better sense of what they’re doing and whether their work is actually making a difference,” says Art Taylor, president and chief executive officer of the Better Business Bureau’s Wise Giving Alliance.

There is a trickle-down effect when nonprofits improve their effectiveness, Taylor says. The people they serve benefit from better programs. And in the long term, funders and donors see better results from their grants and gifts.

Some nonprofits view program evaluation as a means to increase giving, which is unlikely in the short term. Donors value performance, but few rely on it when making gifts. In Hope Consulting’s 2010 survey of households earning more than \$80,000 a year, 85 percent of donors said a nonprofit’s performance is very important. But only 35 percent researched

their giving, and just 3 percent made giving decisions based on a charity’s relative performance.

These statistics reinforce that charities’ primary goal for evaluation should be improving their work.

“If you’re not measuring anything,” says Patrick M. Rooney, executive director of the Center on Philanthropy at Indiana University, “you may become complacent, you may be underperforming and not realize it, or you may be misallocating resources because you think you’re spending time and energy on things that have impact, but they don’t.

“That said, it is imperative to acknowledge that not everything nonprofits do can be easily measured, and sometimes the most important programs charities undertake cannot be measured well if at all.”

## Start at the Top

The best driver of an organization’s evaluation process is the executive director. “If executive directors deem evaluation important, they tend to prioritize it, embed it in the culture of the organization, plan for it, budget for it, and make sure that it



happens and the results are used,” says Salvatore Alaimo, an assistant professor in the School of Public, Nonprofit, and Health Administration at Grand Valley State University.

Alaimo’s study *Nonprofits and Evaluation: Managing Expectations from the Leader’s Perspective* grew out of his research in the Center’s doctoral program in Philanthropic Studies. He found that leaders who balance the “external pull” of outside stakeholders’ expectations with an “internal push” of mission-driven motivation to learn and improve are more likely to build their organization’s capacity to evaluate its programs.

All evaluation efforts should start with a nonprofit’s mission and values, Rooney says. Nonprofits should consider their overall goals and the most important things they do, and then figure out the best way to measure them.

He adds that nonprofits must evaluate themselves in ways that make sense, and not let low-priority but easily measured programs divert attention and resources from high-priority programs that are more difficult to evaluate. Measures don’t have to be numbers—they can be qualitative or even yes/no questions if they help the nonprofit improve. “We have to balance the desire to measure, which is universal, with the ability to measure, which is not universal,” he says.

Nonprofits must share relevant findings with their stakeholders and the public to show that they’re transparent and trustworthy, Taylor says. He emphasizes that this information must be easy to use and digest. In that spirit, the BBB Wise Giving Alliance is partnering with independent sector and GuideStar on Charting Impact, a project to help nonprofits document and communicate their impact by answering a set of five questions.

Taylor says nonprofits have to get better at discussing initiatives that come up short. “When you haven’t achieved your goals, figure out why,” he says. “Put in place a plan to change, and encourage your supporters to help you through that change. Tell them that you’ve learned something and are now positioned to succeed in the future.”

## A Culture of Learning

Evaluation and improvement should be continuous, Alaimo says. To be as successful as possible, nonprofits must have a “culture of learning” in which staff can honestly report what works and what doesn’t. “Once you create that culture, building evaluation capacity becomes much easier and more effective,” he says.

Building capacity to evaluate programs can seem daunting, but Alaimo says that nonprofits can start small if necessary. “Put a line in the budget for evaluation, even if it means putting a zero next to it,” he says. “It sends a loud message to stakeholders: ‘We don’t have the resources now, but this is important enough to plan to get the resources to pay for it.’”

He also recommends revising program staff’s job descriptions to include evaluation, to show current and future staff that measuring effectiveness is part of their ongoing responsibilities. In addition, nonprofits can form a program assessment committee that includes the executive director, board members, staff, current and former clients, and local evaluation experts.

Changing an organization’s culture will take time. “You may not be able to do everything you want to do in year one,” Alaimo says, “and that’s fine.” The important thing is to make progress.

### ◆◆ MORE INFO ◆◆

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MEASURE



## Boards Across Borders

### Family foundations adapt to increasingly non-local board members.

For family foundations, philanthropy is a way to do good while fostering family ties. But increasingly, the relatives who often make up the majority of a foundation's board are scattered throughout the country or world—they no longer live where the foundation began or focuses its work. So family foundations must ask a difficult question: How can we serve both our mission and our family?

New research from the Center on Philanthropy provides answers. *Family Philanthropy Beyond Borders*, a study commissioned by the J. F. Maddox Foundation, examines how family foundations adapt to having fewer local board members. The findings reveal best practices for foundations navigating this transition, and for nonprofits that work with them.

As board members disperse, foundations face a variety of decisions, including whether to change their mission and grantmaking priorities, how local the foundation's focus should remain, and how to keep family members engaged in the foundation's work.

The engagement issue is key, says Deborah Hirt, who led the study for the Center. "Foundations have to create active roles for board members and find ways to connect to their passions," she says.

One way for foundations to nurture engagement is by involving non-resident board members in grantmaking. This could mean encouraging them to make site visits, shifting the focus to the areas where members now live, matching members' personal gifts, and empowering them to make independent grant decisions.

Foundations can also cultivate board members' connections to the founding community and to each other. In-person group events such as retreats, visits to grantees, and training sessions "are real opportunities for board members to develop as individuals and also to develop closer bonds with their family members," Hirt says.

Connecting in other ways is important as well. Foundations must also accommodate board members' expectations, schedules, and life stages. Finding the ideal means and frequency for communicating is vital, Hirt says, including a balance between in-person meetings in various locations and electronic communication.

Clear communication with staff and grantees is also crucial for a successful transition. Setting clear expectations for the scope of the foundation's work, how decisions will be made, how grants will be awarded, and other operations will ensure that the board, staff, grantees, and applicants are on the same page.

Grant-seeking nonprofits should try to understand the implications of the transition and how it may affect grantmaking priorities going forward. As Beth Casselman, executive director of the Clowes Fund, one of the foundations that participated in the study, says, "Grantees should do their homework."

Nonprofits should build relationships with a family foundation as they would with a major donor. Hirt recommends learning about board members' interests and then extending an invitation to get involved. "Nonprofits should think of ways they can creatively engage with board members," she says, such as site visits or volunteer opportunities.

The Clowes Fund has taken several steps to engage its own board members, who live in five states. Most notably, it revamped its grantmaking to focus on three regions where its family and board members live: New England, Seattle, and the foundation's hometown, Indianapolis. Members and volunteers in each region can tweak the Fund's grantmaking priorities to fit local needs.

The Fund also recognizes that young family members need to contribute too. Its "corporate members" are descendants age 30 and older who participate with an eye toward board service. The Fund also has a staff member who splits time as a program officer and "next gen wrangler," encouraging family members in their 20s and 30s to consider how to improve the Fund's work.

The transition to the next generation, and to boards that span time zones, is challenging for foundations. But it also offers promise.

"Who knows what changes the future will bring," Casselman says. "But that's the point: We're bringing new generations to the table so the foundation can continue to evolve."

#### ◆◆ MORE INFO ◆◆

Contact Deborah Hirt at [debhirt@iupui.edu](mailto:debhirt@iupui.edu). Download *Family Philanthropy Beyond Borders* at <http://bit.ly/familyphilanthropy>.



Photos by Kendall Reeves

# The Power of Women's Giving

Women are more likely than men to give to virtually all types of charities.

**W**hether your cause is clean water for African villages or improving your neighborhood schools, women are a philanthropic force.

Women are significantly more likely than men to give to almost every type of charitable cause and are equally likely to support the rest, according to the newest report from *Women Give 2010*, a study by the Women's Philanthropy Institute (WPI) at the Center on Philanthropy at Indiana University.

"This report reinforces the philanthropic power of women," says Debra Mesch, WPI director. "It confirms that gender matters in philanthropy and that fundraisers and nonprofits really have to pay attention to women."

## Gender Matters

*Causes Women Support*, the second report to come out of *Women Give 2010*, examines the likelihood of giving across 11 areas of charity by single-headed households to provide a clearer picture of giving by gender. Using data from the *Center on Philanthropy Panel Study*, a biennial survey that tracks the giving of the same 9,150 U.S. households over time, *Causes Women Support* controls for

factors such as income, wealth, education, age, race, number of children, and employment status.

The first report from *Women Give 2010*, released in October, showed that when other factors are equal, women across virtually all income levels are more likely to give and give more than men.

"Women give differently than men. Knowing these patterns can help fundraisers customize strategies for engaging donors in their causes," Mesch says. "It also helps women donors see where other women are giving."

Mesch found that women's likelihood of giving exceeded men's in 8 of the 11 charitable causes: religious institutions, organizations that help the needy, health care and medical research, education, youth and family services, community, international, and combined purposes, which includes organizations such as United Way, Catholic Charities, and community foundations. Women and men were equally likely to give to environmental nonprofits, arts and cultural organizations, and causes identified as "other."

## Giving at Home and Abroad

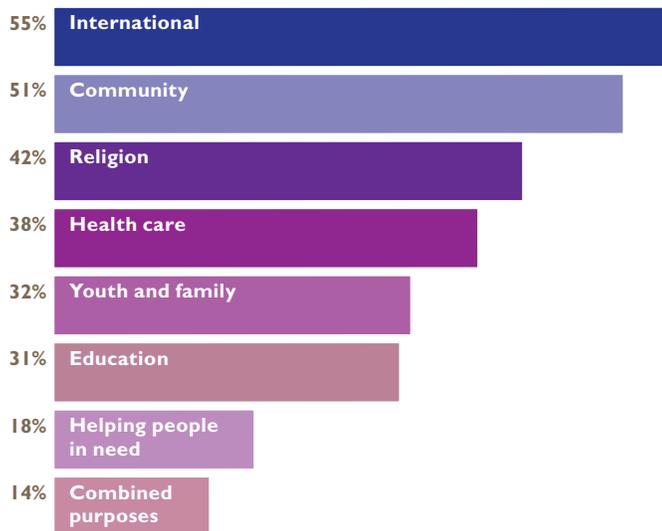
The study also looked at the areas of greatest difference in likelihood of giving by gender. Although charity is likely to start at home, women's philanthropy is not confined by borders.

Women are 55 percent more likely to give to international causes than men. Other charitable sectors that women are significantly more likely to support include community organizations (51 percent more likely), religion (42 percent), health care

(38 percent), youth and family services (32 percent), and education (31 percent).

“Women connect with the altruistic, empathetic, caring side of philanthropy,” Mesch says. “They want to help their neighbors improve their communities and make the world a better place.”

### Percentage by which women are more likely to give to different types of charities



## The Language of Giving

“Women see themselves as part of a global community,” Mesch adds. “This is a huge growth area for women’s giving.”

Gail Freeman, founder and CEO of Freeman Philanthropic Services, agrees. As an executive recruiter, Freeman has worked with nonprofit leaders and global nonprofits worldwide, most recently in Brazil. There she and her senior consultant, Flavio Dos Santos Furtado, met with large foundations and other nonprofit organizations.

“We’ve seen women change philanthropy here at home,” Freeman says. “Women also shape philanthropy in Brazil, largely directing their gifts to causes that support families and children. Brazilian women are thought leaders who are helping transform that country philanthropically.”

To succeed at global philanthropy, she cautions, nonprofits have to be creative.

“One thing I’ve learned, wherever I’ve talked with nonprofit leaders—China, Russia, France, or Brazil—you have to embrace that culture of philanthropy,” she says. That means approaching donors on their terms, in their language, and putting their motivations at the core of the philanthropic message.

That is true for engaging women philanthropists everywhere, Mesch says. More likely to give and more likely to give more, women are an integral part of the culture of philanthropy. Fundraisers and nonprofit professionals will have to speak women’s philanthropic language if they want women to participate in their causes.

◆◆ MORE INFO ◆◆

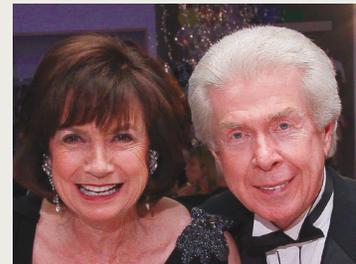
Contact Debra Mesch at [dmesch@iupui.edu](mailto:dmesch@iupui.edu). Read more about *Women Give 2010* at [www.philanthropy.iupui.edu/womengive/](http://www.philanthropy.iupui.edu/womengive/).

## Why We Give

### L.H. and Dianne Bayley

As leadership volunteers and donors for countless charities, L.H. and Dianne Bayley know a nonprofit’s staff is crucial to its success. “Our work with nonprofits made us aware of the need for truly educated executive talent,” L.H. says.

Their desire to meet that need drew them to the Center on Philanthropy, where L.H. joined the board of visitors. “The Center is a place of special teaching,” he says. “The roots of learning there are important for any nonprofit professional’s future.”



L.H., chairman of the board and CEO of David A. Noyes & Company, has chaired and is a member of the Center’s Endowment Campaign Committee and represents the Center as a member of the IUPUI IMPACT Campaign Council. As his involvement grew, he was struck by the breadth and depth of the Center’s impact.

“The Center is at the core of making great things happen in the philanthropic world, and it has a huge ripple effect,” L.H. says. “Graduates leave with the ability to make both splashes and ripples in life.”

Dianne and L.H. want to expand those ripples: They recently established the *L.H. and Dianne Bayley RISE Scholarship* so undergraduates can “experience the happiness of philanthropic work.”

“The Center affects so many lives,” L.H. says. “It changes the lives of the people who study there, the people they help as nonprofit professionals, and ultimately the people they inspire to serve others.”

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