



How to Measure, Understand and Report Your Impact to Your Stakeholders and the Community

Best practices for measuring and sharing the good work of your organization

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These days, communities around the world depend more than ever on the support of giving organizations like yours. That's why it's crucial that you evaluate and understand your impact, and that you can accurately articulate your results to stakeholders and the communities you serve. Need some help getting your measurement and reporting off the ground? Read these best practices.

Understand output, outcomes and impact

Key to measuring the effects of your giving is a solid understanding of three key terms: output, outcomes and impact. Outputs are the activities your grant dollars provide, such as free meals at a soup kitchen. Outcomes are the measurable effects of such efforts, in this case the reduction of hunger in the community served. Impact is the degree to which you can confidently claim that those outcomes are a direct result of your outputs—impact is more elusive and difficult to measure, but is ultimately what you should strive to understand as it relates to your giving.

“It is easy to tell if you are succeeding in business—you make money. In philanthropy, measuring performance can be fiendishly tricky and take a lot longer.”

— Warren Buffet

Work backwards to build your strategy

In order to build your strategy for outcomes and impact measurement and reporting, it's smart to start by understanding what you want to achieve at the end of the day. Think about your organization's stated mission and vision—everything you measure and report on should support those guiding principles. Then ask yourself what you must do to achieve those goals and start with the most important of those tactics.



Select measurable indicators

Once you define your goals for measuring and tracking outcomes and impact, you need to determine which types of data will tell you if you're achieving your goals. Those are your indicators (i.e. number of homeless fed by your community outreach program over time). These will vary for each organization and program area, but it's critical that you pick indicators that you can control and that are easily measured, attainable, realistic, time sensitive, and that can clearly be tied to the overall impact of your program.

Ensure effective & achievable data collection

When choosing which indicators to measure, make sure you're not overburdening grantees with data collection. Choose metrics that are not overly difficult for them to provide, and that you can easily measure. If your grantees are spending half of their time compiling and providing you with data, you might be pulling valuable time away from their execution of your grants.

Ensure your grantees are prepared to provide the data you need

Before you award a grant it's important to know that your potential grantees are able to provide the data you need. Ask questions on your grant applications that help you assess whether those organizations can provide the data you want to measure and report on. Ask them how they plan to track and measure their progress against your requirements. Find out if they have the tools needed to accurately measure their progress. This will ensure you get the data you need when you need it once an award has been given.

Award grants to organizations that can carry out long-term projects

Real, effective impact is achieved through long-term grants, not one-off projects. So give awards to organizations that can demonstrate, up front, a capacity to carry out a long-term project—one that can continue to show results year after year.

Decide how you plan to aggregate your results

Who are you reporting your results to? Internal staff, your executives and board of directors? External donors and stakeholders? The general public? Knowing who you want to report your results to will help you determine which information you need to compile, as well as how you want to develop, format and publish your results.



Set benchmarks to evaluate organizational effectiveness

Set goals you want to achieve in the short term (1-2 years), the medium term (3-5 years) and the long term (beyond). Use those as your benchmarks, assess your progress toward them, and use your success as a way of evaluating how effectively your organization is collectively working toward effective outcome-based philanthropy.

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