

“Is It Making a Difference?” Answering Donors’ Toughest Question

“Is it making a difference?”

That question, particularly from donors, is among the most challenging for nonprofits to answer. It’s not due to a lack of desire on the part of a nonprofit to do so, ~~but~~ ~~But~~ it ultimately comes down to what the donor really means by the question and what resources are available for a nonprofit to provide the answer within a reasonable budget.

I have been involved in Junior Achievement for more than four decades, and philanthropy has changed considerably over that time. Throughout the ‘70s and ‘80s, a great deal of giving revolved around the traditions of largesse— an altruistic endeavor driven more by the idea of giving back than by any consideration beyond that.

In the 1990s, philanthropy began to change, especially in the realm of corporate giving. The terminology that became more prevalent around that time was “strategic philanthropy,” the idea of tying giving more closely to business objectives and supporting causes that were aligned with the company’s brand. If your company was in the food industry, it made more sense to support programs that fought hunger. If your company was involved in sports retailing, it made more sense to support youth athletics, etc.

At that time, “making a difference” was measured by demonstrating reach. Because the donor gave “X” amount of dollars, an organization was able to serve “Y” amount of meals; or reach “Y” amount of kids; or generate “Y” amount of awareness. And for many years, that was enough. A donor would make a commitment for a certain amount of money over a set amount of time, and in return the nonprofit would deliver whatever “impact” was promised, measured primarily in numbers.

While reach is still important, much has changed over the past 20 years with the evolution of **Corporate Social Responsibility (CSR)**. CSR has grown into a major strategic function of business, often overseen by a leader in a C-Suite position. As a result, donors often view their contributions as an investment in the greater good that should be measured in a variety of ways, and not just by numbers. Donors have a desire to understand “proof of impact,” partly to ensure transparency and accountability from their nonprofit partners, but also to make sure that they are directing their resources in a way that is making a truly positive impact in the communities they serve.

In the case of Junior Achievement, we work in the education space. For years, we have been very good about providing information on the number of students served, the number of classrooms ~~with participating in~~ JA programs, and the number of volunteers involved. But those measures don’t answer the question, “Is it making a difference?” For JA, when donors ask that question, they are really asking, “Are we changing students’ lives for the better?”

Commented [LB1]: Does this need a definition to go with it? Not sure who the audience is and if they know what CSR is already.

Being in the education space, that can be a problematic question to answer. JA reaches more than 4.8 million students in grades K-12, primarily in the schools. Donors often ask if we can do a longitudinal study of students. This involves creating a cohort of students we can reliably track over several years and gauge their academic performance against a control group of non-JA students. Federal laws about student privacy make this kind of undertaking incredibly difficult. It is also incredibly expensive and would involve many years of effort that many donors simply don't have the ability to support. Given these limitations, JA for years relied on pre- and post-test results of students, opinion surveys, and anecdotal success stories from JA alumni as proof of impact, with varying degrees of success.

Since 2013, JA has been undergoing a transformation as we have been adopting a blended-learning approach to delivering our programs. This has meant combining in-classroom volunteers from the business community with digitally delivered content. The whole process of this transformation has forced us to come up with a new way of looking at proof of impact evaluation.

During our research for the blended-learning approach, we came upon predictive models for behavioral change rooted in "intentionality." Simply said, intentionality delves into a person's knowledge and attitude toward a certain behavior and their willingness to adopt that behavior. These are scientifically proven theories going back to the 1960s.

With the addition of two social scientists to the JA staff, we have been able to identify measurable precursors ~~to~~ of intentionality that we can now report out to donors as predictors of behavioral outcomes. Working with our new associates, we are also working on data sharing agreements with school districts that will allow us to look backwards through student data in a way that allows us to create cohorts without accessing personally identifiable information about students. This will allow us to do longitudinal studies by indexing existing data for a fraction of the cost of traditional longitudinal studies. JA has also been utilizing meta-studies to assess the effect size impact of our programs. One of these studies was recently recognized by Harvard as a Global Education Innovation Initiative.

Commented [LB2]: I would change this wording as it is a little hard to follow

"Is it making a difference?"

As a nonprofit, it is easy to respond to that question by saying, "We believe so, but don't have the money to know for sure."

For years, JA used that response. But that's not an answer.

In the end, JA found a cost-effective way to find the answer. But to do that, we had to go outside of our comfort zone. ~~We had to~~ and engage experts in areas we weren't well-versed in. ~~And~~ w~~e~~ had to listen and learn.

Times ~~have changed~~ are ever changing, and as nonprofit leaders, we need to change with them.