



Effective Giving:

Using data to inform philanthropy

An introduction to data infrastructure for funders

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DATA

DATA & EVIDENCE-BASED GRANTMAKING SERIES

This brief is the first in a series of learning materials on data and evidence-based grantmaking created for Canadian funders, by Philanthropic Foundations Canada and Powered by Data.

ABOUT PFC

Established in 1999, Philanthropic Foundations Canada (PFC) is a national member association of grantmaking foundations, charitable organizations and corporate giving programs. PFC seeks to promote the growth and development of effective and responsible foundations and organized philanthropy in Canada through provision of membership services, resources and advocacy. To learn more, visit: <https://pfc.ca/>

ABOUT POWERED BY DATA

Powered by Data's mission is to maximize the availability and impact of data for public good. Through an approach that blends data policy and data strategy development, Powered by Data helps establish infrastructure and governance frameworks that will enable the social sector to better share, use, and learn from data. Powered by Data works with nonprofits and civil society groups, government, funders, and global data initiatives. To learn more, visit: <https://poweredbydata.org/>

Powered by Data operates on Tides Canada's shared platform, which supports on-the-ground efforts to create uncommon solutions for the common good.

Philanthropy is changing. Our increasingly data-driven world gives funders the opportunity to give smarter.

Data is changing the way people navigate the world, and the way that organizations think about problems. Philanthropy is no exception. More than ever, funders are asking questions and searching for data that could help them plan their grantmaking more strategically: **What programs should I be funding? How do I know if my giving portfolio really has a social impact? Have I been using my funds effectively?**

Funders know that data should be able to help them answer these questions. But how does a funder move towards data-informed decision making? This brief will highlight:

- The opportunity to use data in each stage of grantmaking
- Some challenges funders face in accessing the data needed for evidence-based decisions
- How shared infrastructure can help funders access the data they need

There are currently challenges to data-informed grantmaking.

At each stage of the grant-making cycle, data could help funders improve their giving practices—but **in many cases, the data required to do so are not accessible or reliable.** The examples below illustrate some ways that data could help funders answer key questions. They also demonstrate some of the barriers funders face when trying to use data.

WHAT SHOULD I FUND?

Before deciding what to fund, funders may want to know what is already being funded (and by whom), which initiatives are new, and what regions, demographics, or causes are possibly underfunded. Many funders track data on their own programs and store them in internal grants management systems. Some share a summary of this data publicly through their own funder reports, but this is not consistent practice. The federal government tracks and makes public the amounts of grants made by foundations, and the names of their grantees, but currently not in any easily searchable format. Intermediary organizations package government data and create searchable directories, but do not have data on the purposes and outcomes of grants.

Funders are often forced to conduct landscape and gap analyses manually: scanning, combining and collating information from across different sources. Compiling this data is a challenging, time-consuming, and inaccurate process. And when this process is only conducted

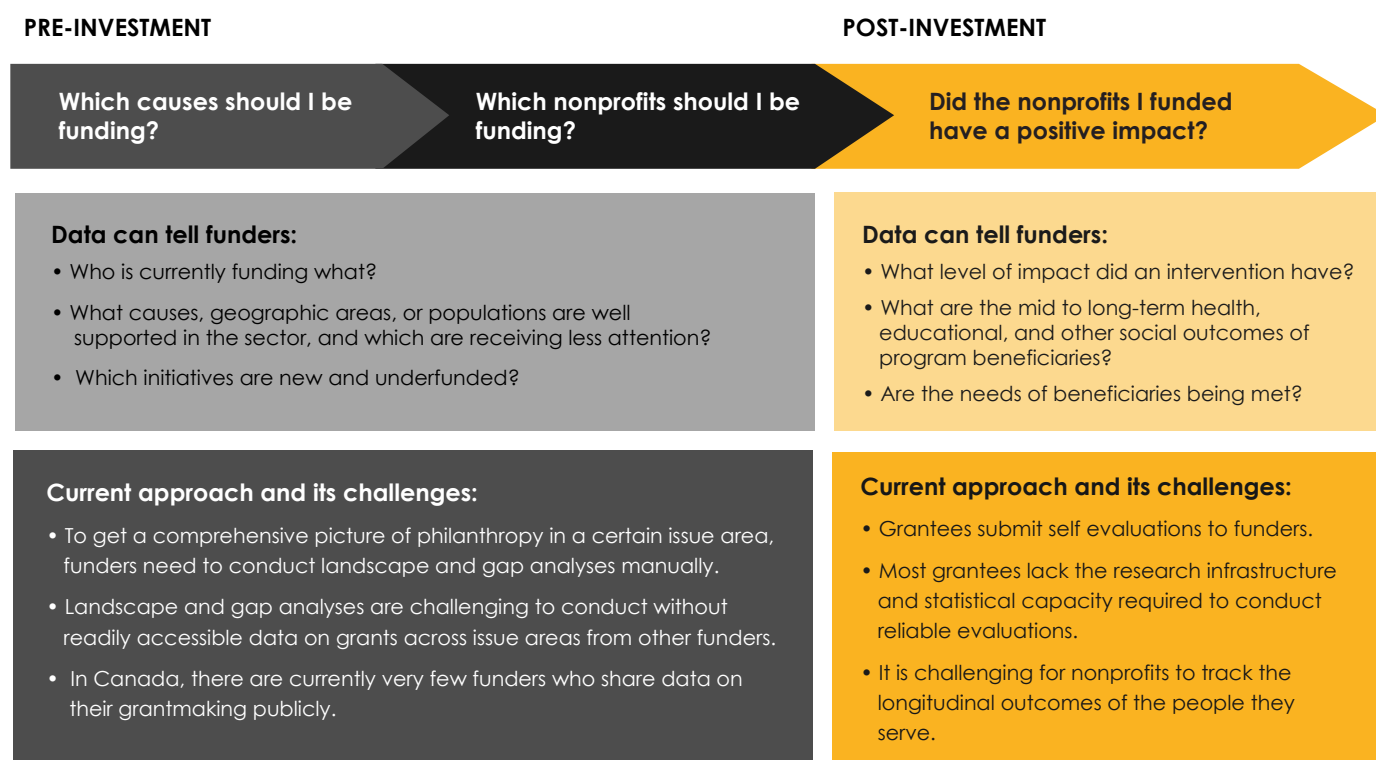
internally, other funders may be duplicating their efforts. Without straightforward, reliable access to comprehensive information, funders are not able to use data in an optimal way to inform their decisions.

WHAT KIND OF IMPACT DID MY GRANTEES HAVE?

In many cases, funders collect data on impact by asking grantees to self-assess and provide evaluations. While the qualitative and “small data” evaluation methods used by most nonprofits are valuable for organizational learning and relationship-building, they also have limitations. Grantees have incentive to selectively publish favorable outcomes, which can lead to biased evaluations.¹ It is also resource-intensive to conduct the rigorous research required for meaningful impact evaluation. Obtaining an adequate sample size and tracking outcomes over time requires technical capacity and funds that most nonprofits do not have.

Without the proper research infrastructure, funders are not able to access reliable data to understand the impact of their grantees. It would be unworkable to invest in building this evaluation capacity within every nonprofit. How else, then, might the sector address challenges of gathering good evidence?

Figure 1: Evidence-based decision making and the grantmaking cycle



¹ *Oops: we made the non-profit impact revolution go wrong*, Caroline Fiennes and Ken Berger (March 2016) Available at: <http://www.alliancemagazine.org/analysis/oops-we-made-the-non-profit-impact-revolution-go-wrong/>

What to do about **data silos**?

The data funders need for evidence-based grantmaking—both pre, and post-investment—is often already being collected by other actors. For instance, funders store grants data in internal grants management systems, but do not publish their data publicly nor share it with other funders. This grants data, when combined across funders, could give a more complete picture of funding across an area of interest and help guide funders' strategic planning. The barrier to evidence-based decision-making is not a lack of relevant grantmaking data. **The issue is that the necessary data are not currently shared between stakeholders.**

The data needed for evaluating outcomes can also be found in a **larger ecosystem** including governments and academic institutions.² For example, government holds data on outcomes such as high school graduation rates or community health indices. If the data already exists, the question, then, is: **how can funders access the data they need?**

Shared infrastructure gives funders access to relevant data.

One way to facilitate better access to relevant data is to build shared data infrastructure. **Data infrastructure refers to a system of shared practices and/or digital technologies that allows data to flow through an ecosystem of diverse stakeholders.** Data infrastructure can take different forms in philanthropy. Some early examples in the USA and UK are outlined below, offering a glance of the value data can offer the sector.

OPEN GRANTS DATA STANDARDS

Funders around the world are beginning to share grants data publicly. In the UK, an initiative called 360Giving encourages grantmakers to share their grants data as **open data: datasets that can be freely downloaded by anyone online, and reused without legal restrictions.** Since the initiative launched in 2015, there have been over eighty UK funders publishing open data on 280,000 grants.

The 360Giving data standard is the important piece of infrastructure that allows data to be combined across funders. Data standards are standardized methods for storing and sharing data. When grantmaking data are published in a consistent format, they can be easily combined and analyzed to paint a detailed picture of grantmaking. This, in turn, enables funders to better understand an area of interest.

² *Collaborating for Greater Impact: Building an Integrated Data Ecosystem*, Joanne Cave, Tracey Gyateng, Lisa Lalande and Tris Lumley, Mowat NFP (February 2018) Available at: <https://mowatcentre.ca/collaborating-for-greater-impact/>

UNDERSTANDING BENEFICIARY OUTCOMES AND FEEDBACK

In the USA and the UK, new approaches to shared infrastructure are helping funders understand their impact by helping connect them to data about beneficiaries of the programs they fund.

Data labs

One approach to shared infrastructure involves **connecting data between government, nonprofits, and research centres to understand longer-term beneficiary outcomes**. Data labs are research centres that help nonprofits evaluate the impact of their programs. They do this by accessing and analyzing government data on program participants. For example, the UK has infrastructure set up for **sharing data between the Ministry of Justice and nonprofits working on prison recidivism initiatives**. The Justice Data Lab helps nonprofits analyze data on how many of their clients went back to jail, helping organizations to understand the impact of rehabilitation programs. A funder who supports this kind of intervention could then access unbiased, statistically sound analyses on outcomes for the programs they fund.

Listen for Good

Another approach to shared data infrastructure involves **collecting feedback directly from beneficiaries—asking them what works, and what doesn't**. The Listen for Good initiative from the Fund for Shared Insight in the USA uses a semi-standardized survey instrument that enables nonprofit service providers to collect feedback from their beneficiaries. The survey involves collection of both qualitative input as well as quantitative, standardized measures. The data collected is put into context for organizations through creation of benchmarks that compare data across organizations by issue area.

The evaluations that emerge—whether through access to existing data, or collection of new data—could help both funders and nonprofits better understand the impact of their funding. Shared data infrastructure presents opportunities not only for funders, but also other stakeholders in the data ecosystem.

WHAT'S NEXT?

This brief discusses how evidence-based grantmaking is currently impeded by a lack of funder access to reliable data. The data-sharing initiatives highlighted are just some examples of how shared data infrastructure could help funders better access the information they need to guide their decisions.

This first brief of our Data and Evidence-Based Grantmaking series sets the stage. Companion briefs will do a deep dive into specific examples of how data infrastructure can transform philanthropy—and how funders can bring this into their own work.

Figure 2: How data infrastructure could support funder decision-making



FURTHER READING

Oops: we made the non-profit impact revolution go wrong, Caroline Fiennes and Ken Berger, Alliance Magazine (March 2016)

<http://www.alliancemagazine.org/analysis/oops-we-made-the-non-profit-impact-revolution-go-wrong>

Collaborating for Greater Impact: Building an Integrated Data Ecosystem, Joanne Cave, Tracey Gyateng, Lisa Lalande and Tris Lumley, Mowat NFP (February 2018)

<https://mowatcentre.ca/collaborating-for-greater-impact/>

Our Opportunity for More Data-Driven Nonprofit Program Evaluation, Tracey Gyateng & Beth Simone Novek (January 2018)

https://ssir.org/articles/entry/our_opportunity_for_more_data_driven_nonprofit_program_evaluation

Justice Data Lab, New Philanthropy Capital (NPC)

<https://www.thinknpc.org/our-work/projects/data-labs/justice-data-lab/>

360Giving

<http://www.threesixtygiving.org/>

Listen for Good - Fund for Shared Insight

<https://www.fundforsharedinsight.org/listen-for-good/>

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