

COMMON OUTCOMES

Helping Nonprofits Benchmark for Success

A JOINT PROJECT OF THE URBAN INSTITUTE AND THE CENTER FOR WHAT WORKS

Funders and service providers are increasingly seeking outcome information. Funders want to know what the return on their investment is, and service providers want to know how well they are achieving results. But here's the rub: few nonprofit service providers have the expertise or capacity to develop and implement the outcome-management systems they need to gauge results and improve programs accordingly. Similarly, funders lack the expertise and capacity to explain the outcome requirements they seek from grantees, and often they don't have the time to analyze or use the information that's reported.

The Urban Institute and The Center for What Works can help nonprofit organizations, their umbrella associations, and their funders come together to create common outcome indicators flexible enough to respond to the varying circumstances of service delivery organizations.

A data collection and benchmarking system would

- enable nonprofits and funders to compare outcome indicators across common programs and assess their achievements;
- allow groups to share their experiences with each other and the public; and
- prompt continuous innovation in measuring outcomes, gathering knowledge about results, and identifying and disseminating successful practices.

How? We aim to work with nonprofits and their associations to build a repository that houses tried and tested outcome indicators and integrates them with practi-

cal ways for nonprofits to collect and use information. Our approach would foster collaboration among nonprofits and mesh with electronic reporting systems. It would build knowledge of successful practices and approaches without divulging confidential information on individual programs and their participants.

Profile of the Proposed Pilot

We are initially seeking partnerships with national and regional associations of nonprofit providers or foundations working in specific nonprofit fields. Through these partnerships, we hope to assemble a group of service providers or grantees willing to, for instance,

- provide ideas and feedback on our proposed outcomes framework for nonprofit programs (such as scope-of-program activities, draft outcome sequence chart, etc.);
- comment on types and forms of technical assistance, including software products and options for timely collection and reporting of outcome data;
- participate in a 6–12-month field test of the training and data-collection procedures identified; and
- join with other nonprofit providers in a learning community to share program measurement strategies.

Developing this concept—that is, building practical and pragmatic outcome measures for nonprofits and their funders and creating easy-to-use technology for data collection and benchmarking—will substantially advance the nonprofit sector's efforts to measure, report, and compare program outcomes and improve services.



The Urban Institute



WhatWorks®

Urban Institute and WhatWorks Expertise

The Urban Institute pioneered the development of performance management tools for government agencies in the 1970s and, since the early 1990s, for private nonprofit organizations. Its Center on Nonprofits and Philanthropy and its Program on Public Management assess the nonprofit sector's needs, capacities, and resource constraints, and identify low-cost practical solutions. We have collaborated with many of the field's leaders and know how to convene stakeholders to achieve workable results.

The Center for What Works has 15 years of experience working with nonprofits on outcomes. It provides an important bridge between rigorous research and applicable tools to assist nonprofits and their funders. The Center for What Works offers training workshops and professional services on performance measurement and ways to implement systems for ongoing improvement and better data-based decisionmaking. It is frequently recommended by local United Ways and other key nonprofits as a reputable source for high-quality, high-impact results.

Accomplishments

1. Drafted common outcomes, indicators, and recommended data collection strategies in 14 program areas. See <http://www.urban.org/center/cnp/Projects/outcomeindicators.cfm>.
2. Published several seminal guides to performance measurement and performance management for government and nonprofit organizations, including *Performance Measurement: Getting Results* (<http://www.urban.org/books/PerformanceMeasurement/>, now in its 2nd edition) and the *Outcome Management for Nonprofit Organizations* series.
3. Helped develop and test the International City/County Management Association's *Local Comparative Performance Measurement Effort*—a model for the framework proposed here. <http://www.icma.org/CPM/Data/Marketing/CPMBrochureAug06.pdf?hsid=12&ssid1=2470&ssid2=2542>

4. Created the NCCS Data Web, a web-based tool that allows researchers to view, download, and analyze data on nonprofit organizations.
5. Developed the National Taxonomy of Exempt Entities (NTEE) used by the IRS to classify nonprofits by major fields of activity, and the National Program Classification (NPC) for organizing and coding the thousands of programs that nonprofits provide in their communities.
6. Developed a performance measurement toolkit for bridging research to practice to assist nonprofits and funders to better integrate performance measurement into strategy: www.whatworks.org.

CURRENT ACTIVITIES

1. Inventorying key organizations engaged in outcome measurement efforts, especially those involved in afterschool/out-of-school time programs.
2. Forming partnerships to create data systems for benchmarking and identifying effective practices.
3. Lending our expertise and experience to national efforts to develop social metrics, rating schema, and benchmarking tools, including the Alliance for Effective Social Investing, Aspen's Network of Development Entrepreneurs, the Better Business Bureau's Wise Giving Alliance, FSG Social Impact Advisors, the Impact Reporting and Investment Standards (IRIS) initiative, McKinsey, and others.
4. Collaborating with nonprofit leaders to standardize ways of measuring nonprofits' reserve funds and creating a web-based toolkit so nonprofits can easily download this information.
5. Developing, with the Association of Fundraising Professionals and 13 major software firms, a database on fundraising that will permit benchmarking of results. The database will improve understanding of fundraising with the goal of getting better returns on investment.
6. Leading a benchmarking project for Chicago-based social service organizations to collect, compare, and improve services using common outcomes.

For more information please contact

Mary K. Winkler, mwinkler@urban.org or 202-261-5590
Debra B. Natenshon, debra@whatworks.org or 773-398-8858