



## CHAPTER 7

# Redefining Philanthropic Impact

## Taking a Fresh Approach to Evaluations, Assessment, Reflection, and Learning

Impact assessment sits at the heart of philanthropy. It is the compass that guides us, the mirror in which we reflect, and the measuring stick we use to gauge the depth and breadth of our influence. But it's not a static process. To create meaningful, enduring change, we must embrace an approach to impact assessment that's as dynamic and evolving as the communities and challenges we engage with.

Impact assessment used to be more of a one-dimensional exercise. It relied heavily on a top-down evaluation approach, centered on quantitative metrics, and was boxed in by the confines of the input-output-outcomes framework. This traditional approach, with its lagging indicators, linear causality, limited stakeholder engagement, and compliance over learning, is efficient and practical. Still, it was like trying to understand the full story of a book by just reading the table of contents.

There are several compelling reasons why now is an opportune time for philanthropies to reevaluate their assessment and learning processes:

- **Shifting philanthropic landscape.** The philanthropic landscape is evolving rapidly, driven by changing societal needs, emerging challenges, and technological advancements. Philanthropies must stay ahead of these shifts to remain relevant and practical. By reassessing assessment and learning processes, philanthropies can proactively adapt to the changing landscape and align their strategies with current realities.



- **Increasing demand for accountability.** There is a growing demand for transparency, accountability, and demonstrated impact in the philanthropic sector. Donors, stakeholders, and beneficiaries are seeking evidence of tangible outcomes and meaningful change. By taking a fresh look at assessments and learning, philanthropies can enhance their ability to effectively measure and communicate their impact, fostering trust and confidence in their work.
- **Equity and inclusion imperatives.** Philanthropies must recognize the importance of centering historically marginalized and untapped voices, promoting diversity, and addressing systemic inequalities. By reexamining assessment and learning processes, philanthropies can ensure that their evaluation methods are inclusive, culturally responsive, and empowering.
- **Lessons from the Fourth Industrial Revolution.** This period of rapid change has brought about unprecedented technological advancements and innovative approaches to problem-solving. Philanthropies can leverage these developments to reimagine their assessment and learning processes. By embracing data-driven insights, technical tools, and collaborative platforms, philanthropies can enhance their capacity to understand, measure, and amplify their impact.

This new paradigm necessarily goes beyond mere activity or output measurement. It's about capturing and understanding changes in capacity, agency, and power that our interventions trigger. Continuous improvement on an ongoing basis relies on hearing all voices, honoring all perspectives, and learning from every interaction. So let's dive deeper. Over the following sections, we'll explore the many aspects of this new approach, from inclusive evaluation practices and culturally responsive assessments to ethical data practices and the seamless integration of assessment, reflection, and learning.

## Inclusive Evaluation Practices

Understanding why we need a new approach to impact assessment in philanthropy, we now delve into how we can bring about this shift. A vital facet of this new approach involves inclusive evaluation practices. These practices aim not only to capture a more comprehensive view of the impacts of philanthropic initiatives, but also to democratize the process by recognizing diverse perspectives and forms of evidence.

The companion piece to this volume championed going beyond traditional assessments, stressing the importance of including diverse voices in the decision-making process and creating a feedback loop that empowers all stakeholders. This approach to broadening the definition of evidence is fundamental to the trust-based approach, which encourages working via a lens of curiosity and learning. These principles must be integrated into everyday operations, emphasizing the importance of circumstances and more qualitative data in addition to quantitative figures. The objective is to shift the focus of philanthropic organizations from simply delivering numbers to understanding and demonstrating true impact. In other words, move beyond numbers.

But how can a culture that values impact over outputs—and one that considers both quantitative and qualitative measures of success—be encouraged? The answers lie in the intersection of trust-based philanthropy with a comprehensive and detailed assessment and a balanced view of both approaches' benefits and potential limitations. These principles are not fixed rules but guidelines that can be adapted to your organization's unique context and needs. Thankfully, tools and frameworks are available to assist in this process, which will help ensure a culturally responsive, inclusive, and equitable evaluation process.

### Broadening Definitions of Evidence of Impact

Broadening your definition of evidence is a powerful way to approach equitable evaluation. By including quantitative and qualitative data in your impact assessment, you create a holistic understanding of the effects of your interventions. These could be changes in attitudes, new collaborations, and shifts in power dynamics, to name a few. This broader perspective can uncover layers of impact that traditional metrics might miss and facilitate a more informed and nuanced understanding of your organization's success. For example, a singular focus on numbers can overshadow the underlying realities of the communities you serve. Not all impacts are immediately observable or can be easily quantified. Many nonprofits work on issues that require time and persistent efforts to yield noticeable outcomes. A narrow, numbers-focused view may discourage organizations from undertaking complex but necessary initiatives, as their progress cannot be showcased in the immediate term through traditional metrics.

Furthermore, the push for quantifiable results may unintentionally create an extractive relationship with grantees, requiring them to provide continued evidence of "success" based on a limited definition. This approach can divert their resources and attention away from the core work, impacting their efficacy and potential for long-term change. In a trust-based context, it's crucial to allow grantees the freedom to define and assess their success, which may yield tangible outcomes outside conventional time frames. Trust-based philanthropy encourages that those measures be determined by grantee partners and fosters conversations about the impact from a perspective of curiosity and learning rather than mere accountability.

This approach requires a paradigm shift from the dominant model, and it is here that the true essence of reflection and learning in philanthropy shines through. Questioning traditional definitions and practices paves the way for a more inclusive and practical approach to assessment and success. A reflective approach to the work can unravel ingrained biases, surface hidden assumptions, and illuminate the actual impact. Through this learning, you can evolve your practices to serve better the communities you aim to support and ensure your efforts lead to meaningful, sustainable change.

### The Grantee Perspective: Defining Success from the Ground

Broadening definitions of evidence includes the critical stakeholders—the grantees and the communities they serve. These people are on the ground, experiencing the realities of the initiatives and interventions. They are not just beneficiaries but active participants whose voice matters in defining and measuring success. Involving them in the evaluation process validates their lived experiences and insights, fosters a sense of ownership and engagement, and enriches the program because it is being educated by the people impacted. On an ongoing basis, measuring the change in capacity, agency, and power that grantees have over processes is vital in an accurate and honest evaluation of success.

Co-designing goals and measures of success with grantees and community leaders empowers those directly involved in the work and leads to a more accurate and holistic picture of success. Grantee-defined measures might include improvement in community relationships, increased capacity to address future challenges, positive shifts in local policy or public opinion, and achievement of community-defined goals. These measures provide valuable insights that may otherwise be overlooked in traditional assessment methods. Furthermore, they value the process of achieving impact, not just the result.

### Narratives and Stories: Bringing Data to Life

As we have seen above, numbers can tell you a lot, but not everything. The human stories behind the statistics provide context and nuance that breathe life into data. Storytelling and narrative evaluation play a crucial role in assessing impact, emphasizing the human aspect of social change. By incorporating personal stories and lived experiences into our evaluation practices, we can paint a richer, more profound picture of the real-world impact of philanthropic efforts. Communication is not merely an afterthought but an integral part of the evaluation process; it's the conduit for sharing learning, gathering feedback, and facilitating continuous improvement. Impact, annual, and evaluation reports can and should be considered throughout the year, not just at the end of a fiscal year for reports that must be made for tax purposes. These reports are beneficial for development communications and to bring all stakeholders along on the journey by showing the impact of your programs on the people you serve using storytelling.<sup>1</sup>



## Culturally Responsive Evaluation

Culturally responsive evaluation (CRE) is integral to modern evaluation practices. As the social fabric of our world becomes increasingly diverse, we as philanthropic organizations must acknowledge this diversity and incorporate it into our evaluation practices.

### Unpacking Culturally Responsive Evaluation

Culturally responsive evaluation is an evaluation approach that considers the cultural context within which an initiative takes place. It's not just about recognizing traditions or customs; it acknowledges the intricate web of values, beliefs, and practices that shape a community. By being sensitive to these elements, CRE enhances the relevance and effectiveness of our evaluations.

A culturally responsive evaluation honors the diverse cultural contexts and histories of the populations being served. It requires using methods and tools to capture and reflect these unique experiences and perspectives accurately. These might include:

- Establishing community advisory boards or committees that guide the evaluation process. Engaging communities in the evaluation process ensures that their voices are heard and their perspectives are valued. It also increases the likelihood that the community will accept and use evaluation findings.
- Participatory data collection methods, such as focus groups or community meetings.
- Participatory evaluation methods, which actively involve stakeholders in the evaluation process.
- Choosing the right evaluation team. This step is crucial to ensure cultural responsiveness. Groups should be diverse and ideally include members who share similar cultural backgrounds with the communities being evaluated. They should be trained in culturally responsive methodologies and have the skills to build trust and rapport with community members.
- Use of culturally adapted data collection tools, like surveys and interviews, that reflect the language, culture, and lived experiences of the communities.
- Qualitative methods, such as storytelling or narrative reports, which can provide rich insights into the experiences of individuals and communities.
- Providing feedback sessions where preliminary findings are shared with the community and their input is sought.

### Recognizing Cultural Contexts and Dynamics in Evaluation

An integral aspect of CRE is understanding the cultural contexts and dynamics that influence the community being evaluated. This goes beyond the visible parts of culture and delves into the historical, sociopolitical, and traditional knowledge systems that have shaped the community. By integrating this understanding into the evaluation process, we can tailor our approach to the unique cultural contexts of the community.



### Incorporating Diverse Perspectives and Knowledge Systems

A kaleidoscope of views enhances the richness of the evaluation process. Culturally responsive evaluation embodies this idea by consciously welcoming these varied perspectives. It understands the significance of local and Indigenous wisdom, placing it on par with scientific understanding. This multifaceted approach allows for a more comprehensive picture of the community we're engaging with. With this diversity comes relevance, and with relevance come meaningful, impactful evaluations.

### Ensuring Cultural Sensitivity and Relevance in Assessment

In the world of CRE, cultural sensitivity is paramount. Evaluators must operate from a place of respect and humility, aware that cultural nuances could influence their perception. They enter the realm of evaluation with an understanding that each community has its unique rhythm and pulse, and this uniqueness guides the design of the evaluation. Measures of success, methodologies, and probing questions are all culturally attuned, speaking a language that resonates with the community's cultural ethos.

Culturally responsive evaluation is more than just a tool. It's a promise—a promise to put the community and its culture at the core of the evaluation process. This approach is essential in capturing a more authentic, holistic view of the impact of our philanthropic work. It helps us see beyond the surface, understanding what changes and how and why these changes happen.

## Equitable Evaluation

With an understanding of culturally responsive evaluation in our tool kit, we now focus on equitable evaluation. Equitable evaluation takes our commitment to diversity a step further, actively addressing systemic power imbalances and offering a broader perspective on evaluating philanthropic impact.

### Understanding Equitable Evaluation

Equitable evaluation is more than a methodology; it's a philosophy that challenges traditional norms by emphasizing equity and social justice. This approach suggests that evaluation should measure impact and actively promote fairness and justice. Core to this philosophy are the following principles:

- Co-creation of knowledge and success metrics.** Every stakeholder's perspective matters in the spirit of equity. Equitable evaluation invites those often overlooked to join the conversation, fostering a shared understanding of an initiative's impact. Success should not be a unilateral decision. Equitable evaluation promotes a collaborative approach to defining success, ensuring the evaluation's findings are relevant and meaningful to all, especially those directly impacted by the initiatives.
- Acknowledgment of power dynamics.** As we embark on the journey of equitable evaluation, it's vital first to recognize the power dynamics and biases that can affect the process. This recognition involves understanding how power is distributed

and actively working to democratize this power, involving all participants in decision-making. This principle prompts us to recognize and address power imbalances within the evaluation process, ensuring the voices of those most affected by initiatives are heard.

- **Prioritization of historically marginalized voices.** Traditional evaluation processes can often unintentionally marginalize or silence some voices. Equitable evaluation seeks to remedy this, prioritizing and valuing these voices in defining success and interpreting findings. An equitable evaluation is a chorus, not a solo performance. It's essential to include the voices and perspectives of community members in the process—from planning to data collection and analysis, all the way through to impact reports.
- **Building trust and inclusivity.** Trust is the glue that holds an equitable evaluation together. It involves nurturing genuine relationships with stakeholders and fostering a culture of mutual respect, transparency, and understanding.

### Advancing Equity Through Collaboration

Partnerships and collaborations can be powerful vehicles for advancing equitable evaluation. Bringing diverse stakeholders together ensures a more comprehensive, inclusive, and meaningful evaluation process. Far more than just being a tool, equitable evaluation is a commitment to a just approach to impact assessment. By considering the dynamics of power and privilege that are often overlooked, it is a way to measure initiatives' outcomes while contributing to a fairer society.

Consider looking at the work the [Equitable Evaluation Initiative](#) does. Their practice “works toward creating a world in which we all thrive and one where the multiple truths of the human experience are valued and valid. Through partnerships, we explore norms, beliefs, practices, and possibilities as the start of putting the [Equitable Evaluation Framework™](#) into practice. We invite shared exploration across the ecosystem, examining all aspects of the evaluative process. We embrace new concepts of objectivity, rigor, validity, and complexity.”

## Balancing Trust-Based Philanthropy with Assessment



Through the evaluation lens, trust-based philanthropy emphasizes dialogue, collaboration, and shared decision-making. It values the expertise of grantees and their communities and believes in their capacity to define and measure their success. However, reconciling trust-based principles with the need for assessment can be challenging. It requires striking a balance between ensuring accountability and allowing freedom to grantees.

To successfully incorporate trust and inclusivity in measurement processes, consider the following:

- Fostering open dialogue with grantees about assessment needs and methods
- Valuing qualitative evidence and narrative reports as much as quantitative data
- Allowing flexibility in reporting and acknowledging the nonlinear nature of the impact
- Engaging grantees in the design, implementation, and evaluation of programs

Adopting these practices can foster a more collaborative and trust-based relationship with grantees, where assessment becomes a tool for learning and improvement rather than a means of control and compliance.

# Ethical Data Practices and Technology Integration in Assessments

When we zoom into the details of impact assessment, two themes stand out: data and technology. These powerful tools can amplify our philanthropic efforts but must be wielded responsibly. In this section, we'll unpack the importance of ethical data practices and explore the potential of technology in our assessments.

## The Ethical Imperative in Data Practices

Data is a valuable asset in our evaluations, but using it must always honor a commitment to ethics. Here are the key ethical considerations to bear in mind:

- **Getting the green light.** Informed consent isn't just a tick box; it's about respect. When we gather data, it's critical to explain why we need it, how we'll use it, and how we'll protect the privacy of the individuals involved.
- **Data protection.** Once we have data, we must safeguard it. That means maintaining privacy, respecting confidentiality, and ensuring only those who need to access sensitive data can do so.
- **Spotting biases.** When we analyze data, we must be detectives, hunting for biases that could skew our understanding. Should ethical dilemmas emerge, they must be managed with transparency and aligned with established ethical guidelines.

## Harnessing Technology Responsibly

Technology can be a game-changer for our assessments, offering speed, efficiency, and precision. However, the shiny allure of tech must not distract us from its ethical use.

- **The tech effect.** Technology can enhance our evaluations through automated data collection or sophisticated analytics. But it should never overshadow the human element in our decisions.
- **Going digital.** Digital tools can offer a helping hand, streamlining data collection and analysis. Used correctly, they can unlock deeper insights and fuller understandings.
- **Sharing knowledge.** Technology can foster collaboration and knowledge sharing within our organizations and beyond, creating a common space for innovation and growth.

## Balancing Technology with Ethics

While technology can be a powerful tool in our assessments, we must use it ethically.

- **Data security.** With the benefits of technology come risks. Protecting data from cyber threats and upholding privacy standards are nonnegotiables in our use of technology.
- **Transparency.** As we handle data, we should remain transparent about our practices. That includes clarifying how we collect, store, use, and share data.
- **Guarding against bias.** As humans can exhibit biases, so can technology. We must be vigilant in spotting and mitigating any biases inadvertently introduced through tech use. The UN Women program shares a helpful [glossary](#) of terms that says, "In the digital era, the explosion of technology has been matched by an equally seismic shift in how we think and talk about it. New digital tools give rise to new terms and phrases, as well as new conceptual frameworks for understanding how these tools affect and interact with society. As we contend with novel and heightened forms of harm, words like disinformation and doxing have entered the mainstream. And concepts like digital rights and data governance have come into existence amidst the push to align the technology of today with our vision for a better future."

Ethical data practices and the judicious use of technology can supercharge our impact assessment in philanthropy. Still, they must be managed responsibly, consistently aligning with our commitment to ethics, equity, and respect for the individuals and communities we serve.

# Interplay and Integration of Assessment, Reflection, and Learning

Trust-based thinking, inclusivity, and measurement form a powerful triad in philanthropic work, challenging traditional practices and broadening the scope of impact evaluation. To understand their implications, how they shape the approach to conversations, the definitions of success and the measurement processes need to be fully explored. Assessment, reflection, and learning are interconnected elements that can enhance philanthropic initiatives' effectiveness, relevance, and impact. This section will explore the crucial roles of





assessment, reflection, and learning in the philanthropic landscape and their intricate relationship.

An assessment provides the necessary data, insights, and feedback to understand current affairs. It involves systematically gathering and analyzing information to evaluate the outcomes and impact of your philanthropic programs. Assessment helps you identify what is working well, areas that need improvement, and unanticipated consequences. It illuminates the path forward, guiding your strategic decision-making and resource allocation.

However, assessment alone is insufficient; reflection is a critical companion in this journey. Reflection—analyzing and making sense of the gathered information—allows you to transcend surface-level findings and delve into the underlying assumptions, successes, challenges, and lessons learned. It encourages you to ask difficult questions, challenge your implicit biases, and explore alternative perspectives. (You don't know what you don't know.) Through reflection, you gain a deeper understanding of your work, its impact on communities, and how you can evolve and grow.

Reflection includes learning, which is the transformative outcome of the assessment-reflection cycle. It involves assimilating new knowledge, insights, and understanding based on assessment findings and reflective practices. Learning equips organizations with the wisdom and adaptability to adjust strategies, refine approaches, and experiment with innovative solutions. It empowers continuous evolution, responsiveness to

emerging needs, and the maximization of positive impact.

Understanding the reciprocal relationship among these elements and how they synergistically contribute to enhancing the effectiveness and impact of philanthropic initiatives is crucial.

### Exploring the Interconnectedness of Assessment, Reflection, and Learning

In philanthropy, assessment, reflection, and learning are interconnected components of a holistic process. Their interplay forms the foundation for continuous improvement in the following ways:

- **Leveraging assessment to inform reflection and learning.** Assessment provides the essential data and insights that fuel reflection and learning. It gives us the raw material we need to understand our impact, identify opportunities for improvement, and learn from our experiences.
- **Applying reflective practices to enhance assessment and learning.** Reflection allows us to step back, analyze the information gathered through assessment, and gain deeper insights. It helps us identify patterns, challenge assumptions, and consider alternative perspectives.
- **Learning from failure.** Failure can be an effective teacher. Embracing failure as a learning opportunity allows us to develop resilience, adaptability, and innovation. It encourages a culture of experimentation and learning.

- **Being a learning organization goes beyond the mere process of assessment and reflection.** Being a learning organization means fostering a culture of curiosity and openness to change. It requires organizations to move beyond the transactional model of giving and take a more interactive, dialogue-oriented approach toward their interactions with grantees. It's not about asking, "What did you achieve?" but rather, "What did you learn?" and "How has this changed your approach?"
- **Continuous learning holds the key to refining impact assessment.** By continually learning from our experiences, we can enhance our understanding of our impact, make better-informed decisions, and become more effective in our philanthropic endeavors. Continuous learning plays a pivotal role in refining impact assessment, as it ensures that assessment methods remain dynamic and responsive to changes in context and community needs. It allows organizations to recognize and address challenges in real time, revisit and revise goals and strategies in light of new learning, encourage an open feedback loop between grantees and the organization, and foster a culture that values learning as much as success.

Understanding and leveraging the interplay and integration of assessment, reflection, and learning can significantly boost philanthropic initiatives' effectiveness, relevance, and impact. By cultivating an environment that encourages learning and adaptation, we can ensure that our work continues evolving to meet the changing needs of our communities.

## Empowering and Driving Change in Assessment and Measurement Internally

As we approach the end of this analysis, we focus on the internal modifications needed to adopt these novel approaches to impact assessment. It is also crucial for philanthropic organizations to cultivate an environment that embraces continuous improvement, learning, and trust.

### Approaches to Implementing Innovative Impact Assessment

- **Organizational culture shifts.** The assessment process transition commences with organizational culture changes. Fostering an atmosphere of open-mindedness, curiosity, and learning from successes

and failures establishes a solid base for these adaptations.

- **Enabling participation.** Encourage contributions from individuals at all levels in the assessment processes. Such involvement leads to a more complete and precise result, fostering a sense of commitment and interest in the outcomes.
- **Education and resources.** Provide your team with the necessary knowledge and resources to adopt new assessment methods efficiently. This could involve professional development opportunities, access to relevant research, or investment in innovative technology.
- **Real-life examples of effective evaluation and learning initiatives.** Learning from successful instances can offer valuable guidance and inspiration. Look for examples of organizations that have effectively adopted novel evaluation and learning initiatives.

### Cultivating an Evolving Internal Culture of Continuous Improvement, Learning, and Trust

Creating a conducive environment for these changes is vital when contemplating this journey toward enhanced assessment. Here are a few ways organizations can support this transition:

- **Endorse continuous improvement.** Introduce mechanisms for regular evaluation and modification of assessment processes. This promotes an enduring commitment to refining methods and results.
- **Support learning.** Establishing a culture that appreciates and rewards learning can involve recognizing innovative ideas, promoting reflective practices, and providing open dialogue and discussion.
- **Foster trust.** Create a culture of trust where everyone feels comfortable expressing their thoughts, ideas, and feedback. This can augment the quality of your assessments and foster a more cohesive team.

Investing in the evolution of these cultural traits and strategic practices changes how we measure impact and the ethos of our organizations. Through this transformation, we can enhance our effectiveness, responsiveness, and impact in our philanthropic endeavors.

## Conclusion

This chapter overviews tools and strategies to ensure cultural responsiveness, inclusivity, and equity in the evaluation process. Armed with a keen awareness of the intersection of trust-based philanthropy, culturally responsive and equitable evaluation, and the pursuit of systemic change, funders will be more prepared to delve into the intricacies of impact assessment—and its limitations—while championing an approach that values diverse definitions of success and evidence.

Community engagement and strategies to include community voices and examples of success is crucial to the process. Changes in collective capacity, agency, and power should be measured and examined in detail, emphasizing the importance of progress in equity, diversity, and inclusion. The importance of co-designing evaluations with grantees and community leaders, highlighting the transformative potential of grantee-defined measures, cannot be overstated. Balancing trust-based philanthropy with assessment emerges as a delicate dance of empowerment, dialogue, and collaboration. Do not underestimate the role of continuous learning in the journey toward a more equitable and trust-based practice.

As we wrap up this discussion, we aim to illuminate fresh approaches to impact assessment in philanthropy. We've traversed the terrain of inclusive evaluation methods; ethical data handling; the interconnectedness of assessment, reflection, and learning; and strategies to manifest these changes internally. The significance of refining traditional metrics has been emphasized, alongside the advantage of integrating diverse forms of evidence, such as narrative accounts and qualitative data, in conjunction with quantitative measures.

Further, we've delved into the concept of culturally responsive evaluation, spotlighting its fundamental principles and how these can enrich our assessments by acknowledging and integrating varied viewpoints. The topic of equitable evaluation has also been addressed, discussing how centering equity in our assessment methodologies can help rectify power imbalances and biases. Incorporating these practices and perspectives is not merely advantageous but indispensable in philanthropy's intricate and constantly shifting landscape.

## Calls to Action for Philanthropy

- **Adopt a learning orientation.** Continually refine your impact assessment process through a lens of curiosity and learning.
- **Value diverse definitions of success.** Broaden your evidence base and encourage grantee-defined measures of success.
- **Foster trust and dialogue.** Develop honest, collaborative relationships with grantees, and understand the power dynamics.
- **Prioritize community engagement.** Include the voices and perspectives of the communities you serve in all aspects of your work.
- **Promote equity and inclusivity.** Implement culturally responsive and equitable evaluation processes, and measure progress on equity, diversity, and inclusion.

## Additional Resources

To assist you in putting these practices into action, we've assembled a collection of valuable tools, checklists, and strategies.

- **[Upending Power Dynamics](#):** A workshop recap on identifying and rectifying power imbalances within philanthropic practices.
- **[Assessing Impact](#):** This guide reviews various ways to determine philanthropic impact. It looks at what assessment can accomplish and what it has difficulty measuring. It sets out a series of questions donors can ask as they consider how to proceed with their philanthropy. And finally, it details some of the limitations inherent in understanding how donors' dollars work.
- **[Evaluation of the Shifting Systems Narrative](#):** The evaluation report pursued five central strands of inquiry, examining the impact and effectiveness of the Shifting Systems Initiative and the philanthropy sector.

- [Power and Equity Report](#): This workshop series was part of the Shifting Systems Initiative, which encourages funders to place longer-term, more adaptive resources with their grantee partners to scale their solutions and impact.
- [The Equitable Evaluation Framework](#): The Equitable Evaluation Framework™ (EEF) is a set of Principles, Orthodoxies, Mindsets, Tensions, and Sticking Points.
- [Project Evident's Planning and Assessment Guide](#): A comprehensive planning guide for implementing and reviewing impact assessment processes.
- [Skeptic's Corner: FAQs About Trust-Based Philanthropy](#) by the Trust-Based Philanthropy Project.



## Case Study: The Fleishhacker Foundation's Journey into Impact Investing

Established in 1947, the Fleishhacker Foundation has dedicated itself to improving the quality of life in the San Francisco Bay Area. It is guided by values passed down from its founders such as integrity, honesty, humility, respect, and an unwavering commitment to fairness and equity. This case study explores the transformative journey the Foundation undertook into impact investing to align its financial activities with its longstanding values and its commitment to advancing Diversity, Equity, and Inclusion (DEI) in all of its work.

Deborah Sloss, long-time trustee and Chair of the Fleishhacker Foundation's Investment Committee, noted "There had long been an interest in having the organization's investments better reflect its values." In 2019, the Foundation launched a special task force to strengthen DEI practices across all of its programs and operations. "We knew this important work would be incomplete without including a review of the Foundation's investment portfolio," Deborah added.

"The time had come for us to take action in a thorough, well-structured, and strategic way," added David Blazeovich, the Fleishhacker Foundation's Executive Director. "We recognized that our investments could have an impact, either in alignment with or in opposition to our values," he noted. "We decided to put a framework in place to ensure alignment."

Doing so provided the Foundation's trustees with an opportunity to engage in a collaborative exploration of what was truly important to them. Since board members had varying levels of understanding about impact investing, fostering a supportive learning environment was essential. In board meetings and small-group discussions, trustees explored everything from defining terms and developing a shared vocabulary to determining how to integrate their shared values into a cohesive impact strategy. David noted that previously, investments were considered separate from grantmaking.

These conversations, however, initiated a paradigm shift in which investments are no longer siloed but inextricably linked to the Foundation's philanthropic mission.

As part of the Foundation's impact investing journey, the organization conducted a trustee survey which explored themes related to impact goals, DEI considerations, and environmental concerns. Survey responses related to corporate governance practices identified a significant interest in promoting racial, gender, and socio-economic equity. Top priorities included promoting diversity, equity, and inclusion in hiring practices, leadership roles, and compensation. David explained that impact goals therefore now incorporate a DEI lens, with a commitment to elevate and support historically marginalized communities.

In addition, since promoting cleaner air, land, and water and a low-carbon economy is critical to improving the quality of life in the Bay Area and beyond, the survey helped identify a priority of investing in clean energy and screening out companies with harmful environmental practices, including those that derive revenue from fossil fuel or palm oil.

Finally, while there was considerable discussion early on about what additional level of risk the Foundation should take on to align its investments with its values, David explained that they, "have since learned that it may have been a false choice. Investors may need not sacrifice overall financial returns to have a positive impact. Our risk profile has therefore not changed as a result of our impact investing work. Impact investments will receive the same level of analysis, scrutiny, and due diligence with regard to their financial risk as traditional investments."

Throughout the journey, the Fleishhacker Foundation employed several strategies to embrace impact investing. They found that learning from other foundations was instrumental, as was attending philanthropic conferences. Deborah explained, "Learning from other foundations about how they developed and implemented their impact investing strategies was crucial." Their process also involved sharing their progress along the way, being open about their journey, and using tools like Rockefeller Philanthropy Advisors' Impact Investing Handbook.

The Fleishhacker Foundation firmly believes that smaller family foundations have the potential to make a real difference through impact investing. They offer valuable advice, encouraging their peer organizations to embrace impact investing as a powerful tool to complement grantmaking efforts. Smaller foundations can overcome the barriers to entry, which can be intimidating, by learning the language and tools of impact investing. By learning from each other and leveraging their collective resources, foundations can make a significant difference in the communities they serve.

The Fleishhacker Foundation's journey in the realm of impact investing epitomizes a deliberate, purpose-driven shift, underpinned by DEI and a commitment to embedding values in their financial fabric.