Evaluation Demand and Capacity in the Social Sector
Setting the Stage: Social Sector Resources

>86,000 foundations have $715 Billion in Assets

And give ~$52 Billion annually

Largest 1,000 Foundations

Give $22.4 B annually to nonprofits in...

- Health: 22%
- Education: 22%
- Human Services: 16%
- Pub. Affairs/Society Benefit: 12%
- Arts & Culture: 10%
- Environment & Animals: 7%
- Other: 11%

From the Foundation Center: Key Facts on U.S. Foundations (2014)
**Trends in Philanthropic & Nonprofit Work**

- Emphasis on outcomes and effectiveness
- Focus on complex problem solving and systems change
- Interest in scaling in partnership with the public and private sector
- Disproportionate attention to performance metrics
- Limited capacity to use evaluation to make better decisions

**Trends in Evaluation & Data Collection**

- Growing demand for evaluation to support decision-making
- Need for systems-level data and new approaches to evidence building
- Opportunities for cross-sector collaboration on evaluation
- Limited bandwidth left for understanding and building evidence
- Experimenting with staffing and processes to support better use
Evaluation Capacity Challenges

50% of funders have evaluation staff
8% of nonprofits have evaluation staff

Nonprofits: Percent of annual budget spent on evaluation

- 0%: 16% of organizations
- Less than 2%: 43% of organizations
- 2-5%: 25% of organizations
- 5-10%: 8% of organizations
- 10% or more: 4% of organizations

Most foundations fund evaluations for less than 10% of their individual grants

From State of Evaluation (Innovation Network, 2016), and Benchmarking Foundation Evaluation Practices (Center for Evaluation Innovation and Center for Effective Philanthropy, 2016)
How Evaluative Information is Used

From State of Evaluation (Innovation Network, 2016), and Benchmarking Foundation Evaluation Practices (Center for Evaluation Innovation and Center for Effective Philanthropy, 2016)
Audiences for Nonprofit Evaluation

From State of Evaluation (Innovation Network, 2016)