



FUND FOR SHARED INSIGHT

The 2017 L4G Co-funder Experience

November 2018

Introduction

A lot of feedback practice work and discussion focuses on nonprofits and the degree to which they collect and use feedback from their constituents. At the same time, the Fund for Shared Insight (Shared Insight) wants to change funders, too, so that more funders are doing things like asking about the feedback their grantees receive, providing funding so nonprofits can respond to feedback, considering the preferences and needs of the people they seek to help through their strategy and work, and being open to feedback from their nonprofit partners. Currently, a primary approach for engaging funders has been through a co-funding opportunity with Listen for Good (L4G). Since 2016, Shared Insight has recruited and engaged a variety of funders to nominate nonprofits who could benefit from the supports L4G offers and leverage some of their money for more resources for nonprofit feedback work.

This report presents findings about the 2017 co-funders' experiences with L4G, highlights similarities and differences between cohorts and different types of co-funders, and presents considerations for Shared Insight as it contemplates its next steps in shaping the L4G initiative.

Methodology

In September 2018, ORS Impact interviewed one staff member from each of 26 co-funders about their experience with L4G and their foundations' practices around feedback. This is a subset of all the co-funders in 2017. We narrowed the sample to focus on those who had funded at least one grantee in 2017, targeting staffed foundations that represent the type of funder Shared Insight would like to engage as co-funders in L4G. This year's sample included six Core Funders that were also co-funders in L4G. The 26 co-funders who were interviewed fund 54 of the 65 L4G grantees (83%).

To analyze the interview data, we used thematic coding to identify prevalent themes across interviews, analyzing where interviewees had similar, contradictory, or complementary perceptions, while remaining attentive to instances where outlier perceptions provided relevant and valuable nuance.

Who are these Co-funders?

Of the 26 co-funders we interviewed:

- 19 were new co-funders.
- 16 co-funders had one grantee, eight had two to five grantees, and two co-funders had larger cohorts of grantees (Edna McConnell Clark Foundation with six grantees and Virginia G. Piper Charitable Trust with eight).
- Eleven were independent foundations, six community foundations, five family foundations, three 501(3) organizations, and one company-sponsored foundation.

These co-funders also represented a variety of regions across the US, including four organizations along the West Coast, ten in southern states, nine in northeastern states, and one each in the Midwest, Southwest and Hawaii.

Most of the co-funders in our sample (22) gather feedback from grantees, but only 18 of them report having a systematic way of doing so such as the Center for Effective Philanthropy's grantee perception survey, or periodic touch points with consistent methods. This is a much higher proportion than among the 2016 co-funders, where only four mentioned having a systematic way of gathering grantee feedback. Meanwhile, slightly more than half (14) gather constituent

feedback outside of their experience with L4G,¹ but 12 of them do so informally, and only two identify systematic practices for gathering that feedback.

In contrast to the 2016 cohort, the 2017 co-funders did not have any planned or structured further engagement with Shared Insight or L4G staff after making the grants.

Why Co-fund?

Through our interviews we aimed to better understand what motivated co-funders to participate in L4G, how they became engaged in the initiative, and why they chose to support specific organizations.

➤ Most co-funders cited benefits for nonprofits as their main motivation for participating in L4G, but more than half also identified benefits for foundations.

The majority of interviewees (23) cited benefits to their grantees as motivation for participating in L4G. Among those benefits, 11 co-funders indicated that L4G could improve organizational effectiveness, while eight valued the opportunity of leveraging additional resources, and six mentioned that it was additive to organizational efforts already underway. Sixteen interviewees also acknowledged other factors as motivators for their involvement, including foundations' ability to learn from the experience internally and in the sector (5), hearing about L4G from a trusted source (4), and the opportunity for collaborative funding (4).

➤ Most co-funders initiated engagement with strong grantees.

Around two thirds (18) of interviewees indicated that their foundations had initiated engagement in L4G, while five mentioned that they received requests from grantees to fund their participation. Furthermore, two interviewees described how relationships with the Hewlett Foundation led to their involvement, and one mentioned not remembering who led the process.

Most co-funders (23) mentioned that they looked for particular indicators of strong performance to assess whether to support an organizations' participation in L4G. Specifically, half (13) mentioned that they selected their grantees because they had the strong leadership, technical ability, or capacity for feedback practice. In addition, seven mentioned that L4G was a good "fit" for their grantees or that it was additive to efforts already in progress, and five highlighted that these grantees were already effective in their work. These findings are similar to the insights from the 2016 co-funder interviews, as several of them also mentioned selecting high-capacity organizations as their L4G grantees. Two funders mentioned potential benefits to sector-wide learning as a factor they considered when nominating their grantees.

¹ One interviewee did not answer this question, for a total n of 25.

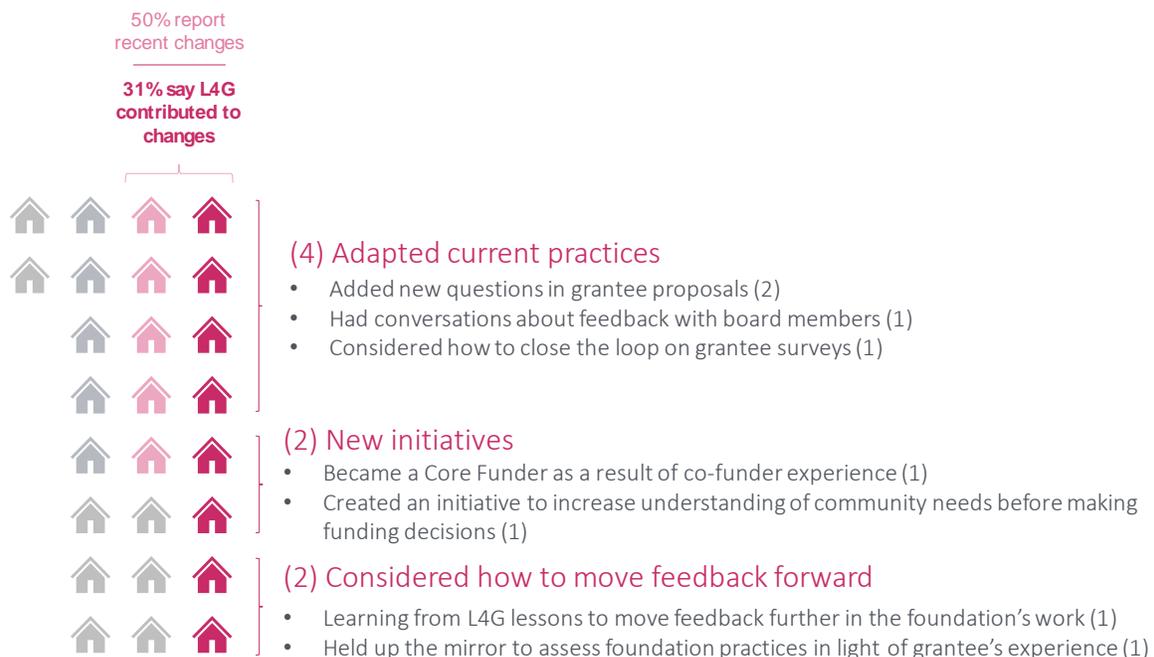
Impact on Co-funder's Feedback Practices

Shared Insight structured L4G to engage more funders in the practice of listening and responding to feedback. Therefore, we asked interviewees to what extent, if at all, participating in L4G had impacted their perceptions and practices around feedback so far.

➤ Co-funders are changing feedback practices; L4G is contributing to that process.

Half (13) of the interviewees report recent changes to foundation practices around feedback, and **eight of them indicated that L4G had contributed to those changes**. Of those eight, four mentioned adapting current practices around feedback and two mentioned that L4G inspired a new initiative, while two others mentioned broader thinking on how to advance feedback internally. Figure 1 provides more detail about these changes.

Figure 1 | Changes in Co-funder Practices Inspired by L4G Participation



➤ Co-funder staff are thinking differently about how their grantees and their foundations can benefit from feedback.

Most interviewees (23) indicated that participating in L4G has affected how they think about nonprofits and feedback. Specifically, eight mentioned that they are thinking about feedback more in depth, in more detail, or considering aspects of feedback they had not considered before. For example, interviewees mentioned realizing what it takes for grantees to collect feedback, being surprised by how open grantees were to receiving feedback, and considering

feedback's role in ensuring programs reflect their constituents' opinions and needs. Eight other interviewees mentioned that it has made their efforts around feedback more deliberate and intentional, and seven others mentioned it has highlighted the importance of feedback by showing the impact on organizations or by making it more top of mind for them.

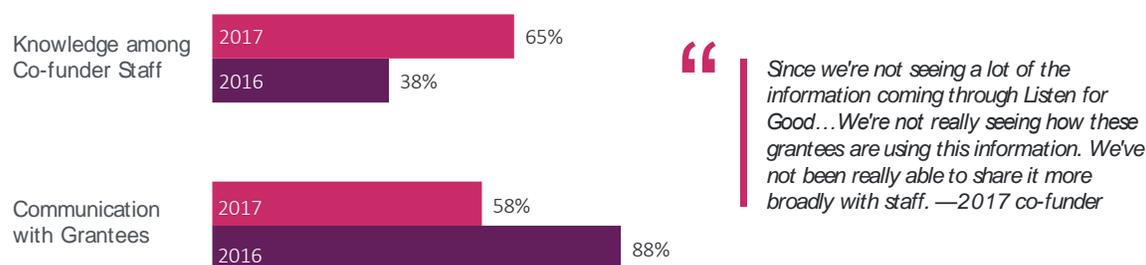
Furthermore, 18 interviewees indicated that participating in L4G affected how they think their foundation can benefit from having grantees collect constituent feedback. Specifically, interviewees mentioned that engagement in L4G has informed or can inform internal conversations about grantmaking and strategic planning (6), that information from L4G can help improve measurement and learning both for grantees and foundations (3), or that they are thinking about how the foundation can use constituent data directly (3). At a higher level, L4G has highlighted the value of feedback for foundations (4) and helped move forward efforts to listen to and empower communities (4).

➤ **2017 interviewees are communicating more about L4G with their co-workers, but less with their grantees than 2016 interviewees.**

Similar to 2016, we asked 2017 interviewees how much other staff at their foundations know about their feedback work through L4G. 65% of them mentioned they had shared their work through L4G in greater detail, while 35% mentioned little or no knowledge about L4G among other staff. In contrast, only 38% of 2016 interviewees mentioned a higher degree of knowledge among their colleagues.

Meanwhile, 88% of 2016 interviewees reported that they had heard from grantees about their learnings and experience with L4G, but only 58% of 2017 interviewees reported that type of engagement, and some expressed wanting to know more from grantees (Figure 2).

Figure 2 | Level of knowledge about L4G among Co-funder Staff and Communication with Grantees about L4G



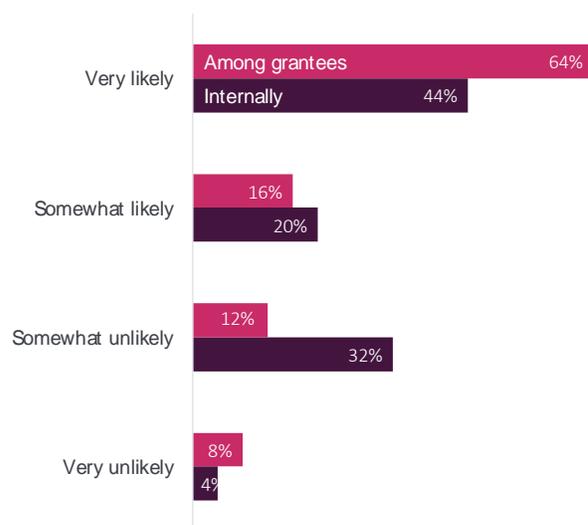
Feedback and L4G Moving Forward

In addition to exploring co-funders' experience with L4G thus far, we wanted to get their perceptions about feedback practice moving forward. We asked them for feedback on the L4G initiative in order to understand what is working well and where it could improve.

➤ Co-funders continue to rate the likelihood of supporting grantee feedback practice higher than increasing the foundations' own feedback use, but the likelihood of supporting grantees decreased compared to the 2016 cohort.

Similar to the 2016 cohort, we asked interviewees to rate their likelihood of continuing to support grantees' feedback practice on a scale from "1" (very unlikely) to "4" (very likely). Of the 2017 interviewees, 80% (20) were somewhat or very likely to continue supporting feedback practice among their grantees (shown in Figure 3). down from 100% of 2016 interviewees (16). When asked to rate the likelihood of increasing the foundations' own use of the feedback in the next few years, 64% of 2017 interviewees answered somewhat or very likely, which was similar to the 2016 cohort. This is a more mixed finding in light of otherwise generally positive signs about changes in foundation perceptions and practices.

Figure 3 | Foundation Likelihood of Continuing Support and Use of Feedback (n = 25)



When we asked interviewees to consider what challenges they face in promoting a greater use of constituent feedback among their grantees, the most common answer was about staff capacity within nonprofit organizations to engage in feedback practice (5). Another barrier was foundations' grant-making model; for example, some interviewees mentioned that their foundation does not typically fund direct-service organizations (2). In contrast, interviewees

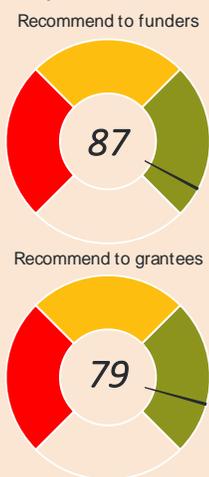
mentioned that how L4G is designed and structured to support grantees is a facilitator for encouraging further feedback practice, along with the opportunity to learn from past L4G grantees' experience.



...we're more likely to do so if Listen for Good is available to help...It's the kind of thing that would be very difficult for us to do without some sort of intermediary. We're unlikely to develop a local intermediary to do it given our current situation. – 2017 co-funder

➤ Co-funders have positive perceptions of their experiences in L4G and would recommend it to others, but there are opportunities to improve.

Figure 4 | Net Promoter Score



Following the Net Promoter System (NPS) methodology that L4G grantees implement with their constituents, we asked interviewees how likely they are to recommend L4G to other grantees and to other funders using the standard NPS scale from “0” (very unlikely) to “10” (very likely). Interviewees reported high scores in both questions, resulting in a Net Promoter Score of 87 for other funders and 79 when thinking about other grantees (as shown in Figure 4). Importantly, there were no “detractors,” meaning that no one answered in the range from zero to six on the 10-point scale. These scores are higher than the 2017 L4G grantees’ score 12 months into the grant (68). In addition, we asked interviewees what they considered to be L4G’s strengths and where it could improve. Table 1 presents a summary of prevalent themes in both categories.

Table 1 | Summary of L4G’s Strengths and Areas for Improvement

Strengths	Areas for Improvement
<ul style="list-style-type: none"> • Offering appropriate technical and financial support to grantees (7) • Promoting feedback practice, building a shared identity, and building the field (7) • Easy and straightforward engagement with grantees and co-funders, good communication (6) • Providing a framework to help define feedback practice (4) • “Walking the talk” by gathering and responding to its own feedback (4) 	<ul style="list-style-type: none"> • Further refining the model in terms of applicability of the NPS, ensuring survey design is culturally responsive, further supporting data analysis, and deciding which grantees would benefit most from L4G (5) • Increase or improve communication between L4G and co-funders/grantees (5) and support more co-funder/grantee engagement (2)

➤ There were some differences in responses across different types of funders.

In addition to searching for general themes and patterns across all interviewees, we looked at responses across different types of funders to search for differences or similarities. Specifically, we analyzed responses depending on whether funders were new or had also funded grantees in 2016, whether they were Core Funders as well or only co-funders, and whether they had one or multiple grantees. Table 2 presents some of the findings from this analysis.

Table 2 | Summary of Findings Across Funder Subgroups

Funder subgroups	Findings
New (19) vs. repeat (7)	<ul style="list-style-type: none"> All repeat funders reported a high likelihood of supporting feedback among grantees but were evenly split on increasing their foundations' use of constituent feedback in the near future. 71% of repeat funders indicated getting feedback from constituents, while new funders were evenly split.
Core Funder (6) vs. co-funder (20)	<ul style="list-style-type: none"> 75% of co-funders mentioned that L4G had changed their thinking about how foundations can benefit from constituent feedback, while Core Funders were evenly split. A similar pattern was evident in the ratings of the likelihood of increasing foundation use of feedback in the future.
One grantee (16) vs. multiple grantees (10)	<ul style="list-style-type: none"> 81% of funders with one grantee reported that their foundation is hearing from their grantees, compared to 50% of funders with multiple grantees. 75% of funders with one grantee reported a high likelihood of increasing foundation use of feedback, while 55% of funders with multiple grantees reported a low likelihood.

Looking more closely at the eight co-funders who indicated that they have not heard from their grantees about L4G, five mentioned that they would like to hear from grantees but have not had that opportunity yet and two of them mentioned not having connected with grantees to avoid asking for burdensome work. Meanwhile, one mentioned grantee staff turnover as the reason for low communication and another one had ended their relationship with their grantee altogether.

Interestingly, five of the six Core Funders in the sample had multiple grantees, and three of them were not communicating with grantees. Our knowledge about how these grants were managed inside two of those three Core Funders leads us to believe that the process through which these grants are made can affect ownership over the grant process and the relationship with the grantees. In both cases we understood that different people within the foundation knew and

owned different parts of the process, which could leave grantee engagement either as a low priority, or as an activity without a designated point person.

Considerations

- 1. L4G is a promising platform for co-funder engagement but intentional co-funder engagement is an area for potential growth.** Considering that L4G is contributing to some changes in staff perceptions and foundation practices even without intentional engagement from Shared Insight, L4G could help drive further funder changes by building on current improvements in perceptions and attitudes toward feedback to achieve greater change in funder behavior. Therefore, L4G may benefit from being more strategic about who, where, and how to engage specific co-funders to ensure that they have specific touch points and messaging, particularly in light of the variations in experience among different types of funders. Finally facilitating further engagement between co-funders and their grantees seems like a good first step in further engaging funders. *How can Shared Insight leverage this platform to build upon perceptual and attitudinal changes and drive towards behavioral change within foundations?*
- 2. The co-funder model continues to focus on high-performing nonprofits—the type funders think can make the most out of L4G.** So far, evaluation data shows that participating nonprofits are increasing their technical abilities to implement high-quality feedback loops, and that their engagement in L4G is leading to changes in their programming. However, it is unclear if those same results will hold for organizations with lower established capacity and effectiveness. This may have implications for the expected level of organizational impact of a lighter touch, web-based model. *Could and should L4G test its model on lower capacity organizations, and how can the model's design facilitate engagement from organizations at different levels of capacity?*
- 3. The differences between Core Funders and co-funders raise questions about “walking the talk,”** as they reveal a lower effect on Core Funder’s perceptions of how their foundations could benefit from grantee feedback, and a lower likelihood of increasing the use of feedback in the near future. *How can L4G serve as a platform for Core Funders to engage in feedback practices given the nature of their involvement in with Shared Insight?*

Closing Thoughts

Shared Insight structured the L4G initiative as a co-funding opportunity to create a platform for engaging more funders in supporting and implementing feedback practices, which is a central part of Shared Insight’s current theory of change. By exploring co-funders’ experience with L4G over time we have learned that although L4G seems to be a promising platform, it may not be living up to its full potential. As Shared Insight reflects on next steps for L4G it would be beneficial to consider how to ensure that the platform goes beyond working well for grantees and actually lives up to its full potential for engaging funders in listening and responding to the people they seek to help.

Appendix A | List of Co-funders in our Sample

- Blue Cross and Blue Shield of North Carolina Foundation
- Community Foundations of the Hudson Valley
- Endowment for Health
- Harland Charitable Foundation
- Hawaii Community Foundation
- Mary Black Foundation
- Merrion Family Foundation
- New Hampshire Charitable Foundation
- Overdeck Family Foundation
- Silicon Valley Social Venture Fund - SV2
- Sobrato Family Foundation
- Stand Together
- The Boston Foundation
- the David and Lucile Packard Foundation
- The Edna McConnell Clark Foundation
- The Florida Bar Foundation
- The JPB Foundation
- The Rockefeller Foundation
- The San Francisco Foundation
- The Spartanburg County Foundation
- Tommy and Lauren Young Fund
- Virginia G. Piper Charitable Trust
- W.K. Kellogg Foundation
- William and Flora Hewlett Foundation
- Winthrop Rockefeller Foundation
- Younger Family Foundation