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Outcome Measurement Resource Network

Outcome Measurement: Showing Results in the Nonprofit Sector

Like their counterparts in the public sector, managers of nonprofit agencies are aggressively measuring the outcomes of their efforts. This article describes current activities in five important areas, offers 30 useful lessons learned, and discusses seven key challenges still to be overcome. These insights from the nonprofit sector are equally useful to persons working in other settings.

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Other articles in this volume discuss approaches to performance measurement in government settings. The nonprofit sector also is active in this area and currently is focusing its attention on a relatively new aspect of performance monitoring: outcome measurement.

This article summarizes the history of performance measurement in the nonprofit health and human services sector and defines key concepts in outcome measurement. Next, it reports on activities in five key areas and describes 30 lessons the field has learned from those who have led the way. Finally it identifies seven pressing challenges that lie ahead.

Background: Performance Measurement in the Nonprofit Sector

There are approximately 495,000 tax-exempt organizations in the United States (excluding churches) that may receive tax-deductible contributions. Of those with incomes above

\$25,000, roughly 55,000 are classified as human service organizations and another 28,000 are health related (Hodgkinson and Weitzman, 1996). In this article, the term "nonprofits" refers to these health and human service organizations. The types of health and human services that nonprofit organizations provide include housing and residential care, youth development, recreation, services to children and families, employment assistance, crime and delinquency prevention, food and nutrition, and substance abuse and addiction treatment (Hodgkinson and Weitzman, 1996).

Nonprofits may receive tax-deductible contributions from individuals, companies and foundations. In addition, they often receive both fees for service and government funds. The latter generally are a mix of federal and state dollars that flow from a federally legislated program. In 1992, for example, government grants accounted for 24 percent of revenues to human service organizations (Hodgkinson and others, 1996).

The nonprofit sector has been measuring certain aspects of performance for 25 years or more. During that period, the scope of performance measurement has expanded to address such issues as:

- **Financial accountability.** The first focus of nonprofit performance measurement was documenting how funds are spent. Early guidelines included *Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations* (National Health Council and the National Social Welfare Assembly, 1964) and *Accounting and Financial Reporting* (United Way of America, 1974).
- **Program products, or outputs.** Shortly after starting to measure how funds were spent, agencies began to measure what the funds generated. Generally, output measures are measures of volume in two categories: products delivered (e.g., numbers of counseling sessions held, brochures distributed, days of care provided) and people served. Twenty years ago, for example, United Way of America's program classification system defined 587 human service categories and suggested product measures for each (United Way of America, 1976).
- **Adherence to standards of quality in service delivery.** Concerns with service delivery issues such as staff qualifications, staff-to-client ratios, specific service delivery practices, record keeping, confidentiality protections and condition of facilities led to the formation of accreditation and certification groups. The Council on Accreditation of Services for Families and Children, formed in 1977, was one of the first independent accrediting bodies.
- **Participant-related measures.** In the 1980's, funders began seeking assurance that agencies provided services to those most in need. This prompted collection and reporting of client data, including demographic characteristics (such as age, income, race/ethnicity, gender, marital status, area of residence) and information about the client's problem or status prior to service.
- **"Key performance indicators."** Several public accounting firms created performance measures for nonprofits. These indicators were largely ratios among various categories of inputs, services, outputs, and total costs. Peat Marwick produced a seminal resource in this area (Elkin and Molitor, 1984).

- **Client satisfaction.** Later in the 1980's, accrediting bodies began requiring services to measure participant satisfaction as an additional element of quality assurance. Elements of satisfaction included physical and cultural accessibility, timeliness, courteousness, physical condition of facilities and overall satisfaction.

By 1990, the nonprofit sector was commonly measuring all of these aspects of performance except client satisfaction (Taylor and Sumariwalla, 1993) and these measures yielded critical information about the services nonprofits were providing. Increasingly, however, there has been recognition that, while such measures show how much effort has been generated for how many individuals, they reveal nothing about whether this effort has made any difference – whether anyone is better off as a result of the service. Outcome measurement responds to this gap.

The measurement of a program's outcomes – the benefits or results it has for its customers, clients, or participants – can and will have a tremendous impact on nonprofit health and human service organizations. Outcome measurement shifts the focus from activities to results, from how a program operates to the good it accomplishes. Information on the extent to which program participants are having the intended outcomes is powerful and useful feedback. Managers of nonprofit organizations that already have implemented outcome measurement report that:

- A clear definition of the program's intended outcomes, in itself, provides focus for the program's work.
- Understanding their current level of outcome achievement provides a barometer to assess progress and direct future activities.
- Outcome measurement provides invaluable information to improve programs and then see if the improvements make the intended difference.
- Outcome information is a powerful motivator of staff, who now can observe the progress they are making with participants in a consistent, tangible manner.
- It becomes a powerful recruitment tool for volunteers who have many other choices for how they spend their time.
- It helps position the agency in the community as a successful organization, which in turn leads to increased promotion and financial support (Hatry, van Houten, Plantz, and Greenway, 1996).

Introducing Outcome Measurement

The recently published United Way of America manual, *Measuring Program Outcomes: A Practical Approach* (Hatry, van Houten, Plantz, and Greenway, 1996), defines program outcomes as "benefits or changes for participants during or after their involvement with a program" (p. 2). Merely attending the program does not represent an outcome. Outcomes are something that the program participant is, has, or does in response to the service provided. This is distinct from program outputs, which are the number of units of service delivered or the number of people served. Said another way, outputs are about the *program*, while outcomes are about the *participants*.

Outcomes usually are benefits or changes in participants' knowledge, attitudes, values, skills, behavior, condition or status. Most often, an outcome represents a change for the better, although the outcome for some programs is that participants get worse more slowly than they would have otherwise. Examples of outcomes are that participants:

- Know the daily nutritional requirements for a pregnant woman (knowledge)
- Recognize that school achievement is necessary to future success (attitude)
- Believe that cheating on a test is wrong (value)
- Are able to read at the sixth grade level (skill)
- Use verbal rather than physical means to resolve conflict (behavior)
- Have improved health (condition)
- Reside in a permanent, independent setting (status)

In many cases there is not just one desired outcome for participants, but a series of outcomes, with one outcome contributing to another. This hierarchy of logically related changes or benefits comprises a series of "if-then" relationships. For example, **if** a program provides prenatal counseling to pregnant teens, **then** the teens have increased knowledge of good prenatal care. **If** the teens have increased knowledge of good prenatal care, **then** this leads to changed behavior: the teens eat the proper foods, take a prenatal vitamin each day and avoid cigarettes, alcohol and other drugs. **If** the teens follow these practices, **then** the result is that the teens deliver healthy newborns.

This hierarchy of program outcomes describes the logic or theory of how the program brings about benefits for participants. Figure 1 depicts the conceptual chain of influences, with program inputs (resources) leading to activities, which lead to outputs, which lead to a series of outcomes. The figure shows three levels of outcomes – initial, intermediate, and longer-term – although the number and terminology are not as important as the concept of a logically linked series of changes.

Figure 1 - Inputs Through Outcomes: The Conceptual Chain

Inputs → Activities → Outputs → Initial Outcomes → Intermediate Outcomes → Longer-term Outcomes

The farther beyond a program's outputs one goes on this if-then chain, the less influence the program has on the achievement of the outcome and the more likely it is that other forces will intervene. In the above example, the program can directly influence the initial outcome of the pregnant teens' knowledge of good prenatal practices. In contrast, the teens' general health when they became pregnant and their involvement with drugs before coming to the program – neither of which the program can control – may have as much influence as the program on the longer-term outcome of delivering healthy infants.

A recurring, and vexing, issue in outcome measurement is deciding how far out the outcome chain a program should go in selecting its longest-term outcome. This decision requires a balance between two needs:

- *The longest-term outcome must be far enough out on the if-then chain to capture*

meaningful change for participants and reflect the full extent of the program's benefit for them. For the program above, participants knowing what constitutes good prenatal care is an important link in the if-then chain, but it is not meaningful as an end in itself and is not all the program aspires to achieve for participants. The program needs to go beyond that initial outcome in measuring its benefits.

- *On the other hand, the longest-term outcome should not be so far out on the if-then chain that the program's influence is washed out by other factors.* It must be reasonable to believe that the program can influence the longest-term outcome in a non-trivial way, even though it cannot control it. In the program described above, contact with the teen mothers ends when their infants are born. Extending the program logic chain from the outcome of healthy births to an even longer-term outcome of "the children are developmentally on target at age two" is not sound in view of all the other factors that will influence mothers and babies in the intervening two years.

Recent Developments in the Nonprofit Sector

The past few years have seen an explosion of outcome measurement activity in the nonprofit sector. Several national organizations have set out both to measure program outcomes and to provide resources to help local affiliate agencies measure their own outcomes. The rise of the managed-care industry and the expansion of accreditation and certification criteria to include outcome measurement are lending urgency to some of these efforts. The following examples illustrate five prominent areas of activity.

National organizations are conducting research on outcomes. Several national nonprofit organizations are supporting studies of outcomes of their various programs. These studies give local agencies a head start on identifying appropriate outcomes to track and may provide measurement methods and tools as well.

Some of the national studies involve experimental or quasi-experimental designs that evaluate the strength of the association between program activities and shorter- and longer-term participant outcomes. Such studies, too costly and time-consuming to be feasible for most local programs, generally are financed by corporate or private foundations. Positive findings provide evidence of a link between the initial and intermediate outcomes that local programs are more likely to be able to measure and the longer-term outcomes that generally are of more interest to funders but are beyond most local programs' ability to track.

Examples of national nonprofit organizations' studies include the following:

- Big Brothers Big Sisters of America evaluated an elementary school-based intergenerational linkages program. The study found an increase in students' grades across all school subjects and increases in social and emotional growth noted by the parent or guardian, the volunteer and the teacher (Peterson, 1994).
- Big Brothers Big Sisters' mentoring program was the subject of an evaluation by Public/Private Ventures, a private research and evaluation group. The study found that youth with mentors were less likely to start using alcohol or other drugs, were less likely to hit someone, improved their school attendance and performance and

had improved peer and family relationships (Tierney, Grossman, and Resch, 1995).

- The Child Welfare League of America is beginning to document what types of settings and services are related to what outcomes for what kinds of children and youth. The study will track both shorter-term outcomes, such as placements into less-intensive settings, family reunification, educational achievement and behavioral problems; and longer-term outcomes, such as employment, contacts with juvenile and criminal justice systems and use of alcohol and other drugs (Child Welfare League of America, 1995).
- Girl Scouts of the U.S.A. commissioned Louis Harris and Associates to study outcomes of Girl Scouting. Girl Scouts had better grades than a comparison group, were more actively involved in extracurricular activities and were less likely to say they would cheat on a test, engage in sexual activity and drink alcohol (Brown and Conn, 1990).
- Girls Incorporated examined the effects of four age-targeted adolescent pregnancy prevention programs. The study found that the programs reduced the onset of intercourse, increased use of contraception for girls who were sexually active and decreased pregnancy (Nicholson, Postrada, and Weiss, 1991).
- Girls Incorporated also evaluated its substance abuse prevention program. Results showed that program participants were more likely to leave situations where peers were using harmful substances and had less favorable attitudes toward drinking alcohol. The program reduced incidence of drinking among participants and delayed the onset of drinking among participants who had not previously drunk alcohol (Jacobs, Nicholson, Plotch, and Weiss, 1993).

National organizations are developing resources for local agencies. A number of national organizations are developing outcome measurement tools to help local program managers monitor the extent to which program participants achieve the changes the program intends. In the ideal case, the outcomes, indicators, measurement approaches and other materials derive from experimental research linking an intervention to specific outcomes. But in all cases, nationally developed resources save local programs a significant amount of time and effort and often bring to bear a level of expertise most local programs cannot access independently. Recently published resources include the following:

- Boy Scouts of America has produced *Scouting's Positive Impact on the Community* (1996). Developed in response to local United Ways' increasing requests for funded agencies to document program outcomes, the publication gives guidance on presenting the Scouting program within an outcome measurement framework.
- Girls Incorporated has published *Assess for Success* (Frederick and Nicholson, 1991). The manual provides an overview of outcome measurement concepts, as well as instructions and data collection instruments for observing girls' behavior and surveying girls and parents about girls' outcomes. The instruments are program-specific and age-targeted.
- Goodwill Industries International's report, *Program Evaluation: Guidelines for Development and Implementation* (1994), describes a program evaluation system

that incorporates outcome measurement. It includes guidelines for developing outcomes and includes examples of specific outcome indicators.

- United Way of America has published *Measuring Program Outcomes: A Practical Approach* (Hatry, van Houten, Plantz, and Greenway, 1996), a manual for any nonprofit human service agency seeking to develop an outcome measurement system. It offers a step-by-step process for identifying outcomes, indicators and data collection methods and for reporting and using data. Quotes and vignettes from more than 30 agencies that have implemented outcome measurement offer insights from the field. The manual does not give program-specific outcome indicators or data collection methods.

Additional resources are in development. For example:

- The American Red Cross is convening representatives of local affiliates to develop program "logic models" with suggested outcomes and indicators for core national programs such as disaster relief.
- Big Brothers Big Sisters of America is developing outcome measurement methods and tools for their affiliates based on the study by Public/Private Ventures described earlier.
- The Girl Scouts of the U.S.A. has engaged a national evaluator who, through focus groups with participants and an extensive literature review, has identified measurable outcomes for Girl Scouting programs and has developed survey instruments and data analysis software for local councils across the country to use.
- The YMCA of the USA is taking a similar approach, working with the Search Institute to develop ten survey modules of aspects of positive youth development.

Managed-care companies are stressing service results. An emerging force in the shift to a focus on outcomes is the growth of managed care, with its emphasis on results-oriented service delivery systems. Increasingly, managed-care companies are requiring nonprofit organizations that seek to be certified for payment to measure participant outcomes as part of the certification process. Affiliates of Catholic Charities USA and Family Service America, for example, are facing this issue in the counseling and home health care areas.

In some cases, managed-care companies are essentially dictating outcomes for programs, sometimes based on little more than intuition about what a desired outcome may be. At this point, there are no standard, managed-care outcomes for human services.

The emergence of managed care as a driver of outcome measurement is a major development that could have far-reaching effects on outcome measurement in the nonprofit sector. As yet, however, the implications of this development are receiving little discussion outside of the program areas directly affected.

Accrediting bodies are considering outcome-related criteria. In part as a response to the interests of managed-care companies, certifying and accrediting bodies increasingly are including standards for outcome measurement in their review criteria. For example:

- The Accreditation Council on Services for People with Disabilities has published *The Outcome Based Performance Measures: A Procedures Manual* (1995). The manual lists specific outcomes for people with disabilities, suggests ways agencies seeking accreditation can assess these outcomes, and describes the independent quality-review process The Accreditation Council uses to confirm an agency's self-assessment.
- The Council on Accreditation of Services for Families and Children's *Manual for Agency Accreditation* (1992) includes requirements that agencies collect data on program and client service quality and evaluate agency effectiveness, with client outcomes as a necessary component. The manual does not establish what outcomes should be tracked or provide data collection guidance.

Local agencies are operating effective outcome measurement systems. In addition to these national efforts, many local human service agencies – perhaps two to three thousand – have developed sound outcome monitoring approaches using a variety of internal and external resources. While their number is small in comparison to the entire nonprofit human service sector, they are a significant and growing segment of the field.

Lessons Learned in the Nonprofit Sector

All this activity has taught the field much about which approaches are productive and which practices impede success. Offered below are 30 useful lessons in five areas: the value of outcome measurement, agency implementation, the role of funders, effective uses of outcome findings in resource allocation and limitations of outcome measurement.

Lessons About the Value of Outcome Measurement

1. Outcome measurement benefits agencies in multiple ways – ways that counting outputs cannot. It helps them, for example, provide feedback and direction to staff, focus board members on policy and programmatic issues, identify training and technical assistance needs, pinpoint service units and/or participant groups that need attention, compare alternate service delivery strategies, identify partners for collaborations, allocate resources, recruit volunteers, attract customers, set targets for future performance, track program effectiveness over time, increase funding and enhance their public image.
2. Most programs benefit from simply discussing their intended outcomes. Staff often have varying views of what the program is trying to achieve, and getting everyone focused in the same direction can increase service effectiveness before data collection even begins.
3. The most important reason for implementing outcome measurement is that it helps programs improve services. It also can increase accountability, guide managers in allocating resources, and help funders make better funding decisions, but its value in enhancing service effectiveness should be seen as primary.

Lessons About Effective Implementation by Agencies

4. Outcome measurement is doable. Its nonexperimental design and basic data-

analysis requirements make it manageable for even small, grassroots programs.

5. Commitment at the top is essential. Otherwise, the task gets overcome by the other demands of program operation. Before they will commit to outcome measurement, however, agency directors and board presidents must see its value for their agencies.
6. Programs must identify their own outcomes, outcome indicators and data collection procedures that are relevant and useful to their own efforts. Outcomes and indicators imposed by outsiders are unlikely to meet these criteria.
7. Creating a written logic model of program inputs, activities, outputs and outcomes is a helpful way to think through the changes participants experience during and after the program and to check the logic of the if-then influences the program intends to set in motion.
8. Agencies should tap many perspectives when identifying program outcomes. Program volunteers, current and past participants (and perhaps family members), persons such as teachers and employers, and other agencies can point out important outcomes that do not occur to staff.
9. Outcome measurement does not always require new data collection efforts. Agencies often already compile data that reflect on outcomes.
10. Data collection and analysis may pose technical challenges that agencies do not have the in-house capacity to meet. The first time around, guidance on collection and analysis methods from a technical expert will often save time, offer reassurance and improve results.
11. A trial run of the outcome measurement system is essential and will lead to changes in the system. The trial run must last long enough to encompass all key data collection points and must involve at least a representative group of program participants. Everyone should expect that the trial run will identify problems; that is its purpose.
12. Developing a sound outcome measurement system takes time – to plan, to try out, to adjust, and to implement. It easily could take an agency seven months or more of preparation before collecting any data, and it easily could take three to five years or more before the findings from a program's outcome measurement system actually reflect the program's effectiveness. Rushing the development process decreases the likelihood that the findings will be meaningful.
13. One useful approach to creating an outcome measurement system (Hatry, van Houten, Plantz, and Greenway, 1996) identifies eight steps grouped in three developmental phases: initial preparation (getting ready to begin, choosing outcomes to measure, specifying indicators for the outcomes and preparing to collect data), a trial run (trying out data collection procedures and data analysis and reporting methods), and implementation (adjusting the outcome measurement system and using the findings).
14. Once implemented, the outcome measurement system must be monitored and

improved continuously. Programs change and programs learn. The system must keep up.

Lessons About Useful Roles for Funders

15. Funders of nonprofit programs, including governments agencies, national and local foundations, corporate philanthropic programs and United Ways, will play a key role in the nonprofit sector's move to a focus on outcomes. To be most constructive, funders should view their role as helping each program develop the outcome measurement approach that provides the most useful information for that program. To the extent that funders impose outcomes, measures, or timetables that do not align with agencies' efforts, they impede successful implementation.
16. Funders serve their own best interests by helping agencies develop capacity for outcome measurement. If agencies do not do well at outcome measurement, funders receive meaningless data and/or must acknowledge that they are supporting ineffective programs.
17. Building capacity requires much more than showing agencies how to complete forms. It involves both hands-on, experiential training and ongoing technical assistance. Before engaging trainers or technical assistance providers, funders should ensure that they have applied experience in local nonprofit settings and are supportive of non-experimental outcome monitoring approaches.
18. Local funders can collaborate with each other very effectively to support agency efforts. They can, for example, pool resources to underwrite training and technical assistance. They also can agree on outcome measurement terminology, methodology and implementation timetables. Common application and reporting forms go even further in clarifying expectations and reducing the burden of paperwork on local agencies.
19. Funders can help agencies by providing an outside perspective on the reasonableness of agencies' outcome measurement plans and working collaboratively to help improve the proposed approach. Funders should accept outcomes, indicators and measurement methods established by relevant national organizations and accrediting bodies unless they fail to meet essential criteria.
20. As funders add outcome data as a reporting requirement, they should "walk the talk" of a focus on outcomes and drop existing reporting requirements that do not match this focus. If benefits for people are the critical emphasis, then some reports designed to monitor internal processes (for example, quarterly cash flow statements, detailed line-item budgets, salary information for specific staff, staffing structures, minutes of board meetings, internal policy and procedure manuals) should be eliminated. This action also helps offset the added burden for agencies of collecting and reporting outcome data – a real benefit to agencies at a time when resources for the nonprofit sector are shrinking.

Lessons About Using Outcome Findings in Resource Allocation

21. Agency policymakers and funders who want outcomes to guide funding decisions

need first to recognize the potential for harm. Done badly, linking outcomes to funding can shift resources from service delivery to measurement with no offsetting benefit to programs, penalize prevention and development programs and others with harder-to-measure outcomes, promote "creaming" (selecting participants who are more likely to succeed), inhibit innovation, punish risk taking and discourage interprogram cooperation.

22. Effective funding processes concentrate initially on assuring that outcome measurement systems are sound. Wise fund allocators focus first on whether a program is making a good-faith effort at outcome measurement, not on the outcome findings themselves.
23. Once programs are sure they have specified the appropriate outcomes, fund allocators can consider whether those outcomes align with funding priorities. The issue of alignment is separate from that of program effectiveness and may be considered before outcome data are available. A danger in decisions regarding alignment, however, is that remediation programs may be favored over preventive or developmental programs because, at first glance, outcomes of the latter do not appear to be linked to funding priorities. For example, if preventing teen pregnancy is a priority, the alignment of a program to prevent teen mothers from having a repeat pregnancy is more readily apparent than the alignment of a program that seeks to engage 12- to 15-year-olds in after-school programs to develop competencies and assertiveness skills. Yet over time, the second program may do more to address the priority.
24. Requiring program managers to set outcome targets before they have at least a year of baseline outcome data is counterproductive. Programs with no experience in outcome measurement generally have no basis for setting an appropriate target, and their targets will likely be little more than guesses. If actual performance falls below uninformed targets, there is a potential for unwarranted negative consequences.
25. Fund allocators do not yet have enough experience with outcome measurement to judge whether a particular level of achieved performance is good, bad or in between. Arbitrary criterion levels are likely to be unrealistic and therefore not helpful.
26. Comparing seemingly similar programs to reward those with the "best" outcomes is tempting but misguided. Even "similar" programs have meaningful differences in mission, target audience, geographic location, staffing, service methodology, funding level and myriad other descriptors that must be considered in assessing effectiveness. Fund allocators can use data from other programs to ask questions and probe why the outcome levels are different, but not to determine which program is better.
27. In judging outcome findings, the best comparison for a program is itself: Is the program improving? Is it learning from earlier outcome findings, making adjustments, and having better results?
28. Despite the hope of many fund allocators, outcome findings will not make the

allocation decision easier. Decisions about where to direct resources will remain complex and value based, and funding decisions always will need to consider more than outcome performance. Factors such as target population, service delivery strategy, number served, outcomes intended and program cost will continue to be important in deciding where to invest limited resources.

Lessons About Limitations of Outcome Measurement

29. There are many things outcome measurement does not do. It does not eliminate the need to monitor resources, activities, and outputs; tell a program whether it is measuring the right outcomes; explain why a program achieved a particular level of outcome; prove that the program caused the observed outcomes; by itself, show what to do to improve the outcome; or answer the judgment question of whether this is an outcome in which resources should be invested.
30. Measuring and improving program-level outcomes does not, by itself, improve community-level outcomes. Except in rare instances, an individual program does not serve enough individuals to affect community-wide statistics, regardless of how successful the program is. In addition, community-level conditions are the result of a constellation of influences (for example, economic conditions, environmental factors, demographic trends, public- and private-sector policies, cultural norms and expectations) that are far beyond the scope of influence of individual human service programs.

Challenges for the Future

As the previous section shows, the nonprofit sector has learned many important lessons about outcome measurement. One more lesson is: There still is a lot to learn. Perhaps evaluators can help overcome some of these seven key challenges.

- **Measuring harder-to-measure outcomes.** Some programs face special challenges in measuring outcomes. These include programs whose participants are anonymous, those that provide very short-term assistance such as emergency food or shelter, and those involved in prevention, development, public education, advocacy and providing support to other agencies. These programs need creative ideas for using existing records, third-party reports, trained observers, research-based milestones, secondary data and other data sources and collection strategies. They also need measurable-yet-meaningful approximations of their outcomes they can track while feasible measurement methods are developed.
- **Increasing useful input from research studies.** Wider, more application-oriented communication of the results of experimental and quasi-experimental outcome studies, synthesized to their most actionable elements, would serve several purposes. It would provide research-based links between the initial or intermediate outcomes that programs are able to track and the longer-term outcomes they cannot track, but that are of interest to funders and policymakers. It also would help identify effective practices in human services, demonstrate alternative measurement approaches and tools, and add to the knowledge base regarding appropriate performance targets and benchmarks.

- **Sharing useful outcomes and indicators and successful tools and methods.** Currently, most nonprofit agencies are working on outcome measurement in relative isolation, but it makes little sense for every program to be starting from scratch. Dictating common outcomes for programs dealing with similar issues is a counterproductive approach. However, establishing systems for sharing information about successful efforts and the context in which they were applied will save the field much time and expense, offering particular benefit for agencies not supported by a national group. Such systems also would contribute to more rapid advancement in the state of the art.
- **Developing computer capacity to store, analyze, report and track outcome data.** Most agencies and funders have computers, typically used for word processing, but few have the software and/or skills needed to manage outcome data usefully. The field is in immediate need of easy-to-use models built on common, off-the-shelf software; guidance concerning key variables, database structure and data manipulation requirements; and analysis and reporting examples specifically geared to outcome data management.
- **Guiding reviewers of outcome measurement plans in judging the appropriateness of proposed outcomes, indicators and measures.** Agency board members, funders' staff and volunteers and other individuals will be reviewing outcome measurement plans. Often, reviewers have neither hands-on experience nor expertise in the programs whose plans they are reviewing. What criteria do they use to judge whether a proposed plan is sound? On what basis do they ask questions or offer suggestions? Resources to help reviewers offer input that is helpful, rather than distracting, would be of great value.
- **Establishing reasonable ranges for performance targets or benchmarks and identifying appropriate adjustments for different program and participant characteristics.** For most program areas, there is insufficient information about what constitutes "good" performance. In a program working to move homeless families toward self-sufficiency, for example, suppose 20 percent of participating families are in independent, self-supported living situations within a year. Is this an abysmal failure or a tremendous success? A comparative figure would help program managers, as well as funders, evaluate the meaning of the finding. However, the adoption of targets must be done with great care. The same program in a different setting or serving a different population can reasonably have very different results. Identifying key variables that can be expected to relate to different levels of performance is an important safeguard against broadbrush application of criterion levels.
- **Creating methodologies for aligning program-level outcomes with broader efforts to create community-level change.** Measuring program outcomes has value as an end in itself. However, program outcomes also can contribute to, and should be aligned with, broader efforts to effect community-level change. Such change requires a spectrum of activities, including advocating with key players, establishing multi-partner collaborations, supporting volunteer initiatives, influencing public- and private-sector policies and leveraging funders' money. Effective theories of change (Connell and Kubisch, in preparation) can tie these elements and the outcomes of individual programs into a coordinated whole with the scope needed to affect community issues.

Conclusion

Nonprofit agencies often ask if outcome measurement is just a fad that, if ignored long enough, will go away. The consensus of the field is a resounding "No." Like earlier aspects of performance measurement that built upon each other to strengthen the management and delivery of nonprofit services, the careful measurement of outcomes is another essential building block that informs us in new and necessary ways about how to improve programs. It is not the last brick to be added. Nor has it developed as far as it can and will. However, outcome measurement is here to stay, and the nonprofit sector and the individuals it serves will be better for it.

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