



Paper 5

Philanthropy Program Design

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ABOUT THE PROJECT

The foundation sector grows at a considerable pace and is about to entail significant changes in the three-way relationship of private wealth, public policy and non profit action. To cope with the challenges arising from these transformations the International Network on Strategic Philanthropy (INSP) was established in spring 2001. With the underlying assumption that strategic philanthropy is more effective philanthropy, the network has striven to professionalize foundation management, convene the excellent minds of the sector, clarify the guiding values behind foundation activities, and contribute to capacity building in the field. The 68 members of the INSP are representatives of foundations and support organizations, consultants and researchers from the US, Europe and other countries of the world that operate along the lines of strategic philanthropy.

The network now presents a number of high-quality papers on a range of important subjects regarding strategic philanthropy. These include topics such as the role of philanthropy in globalization, new innovative instruments for philanthropy, promoting philanthropy, the role of evaluation in foundations and effective board management. The papers are available for free download at the INSP's Web site at www.insp.efc.be.

INSP is an initiative of the Bertelsmann Stiftung in collaboration with Atlantic Philanthropies, the Charles Stewart Mott Foundation, the Compagnia di San Paolo, the Ford Foundation, the German Marshall Fund of the United States, and the King Baudouin Foundation. Along with the Bertelsmann Stiftung, three institutions – The Philanthropic Initiative, Inc., The Hauser Center for Nonprofit Organizations at Harvard University, and The Center for Civil Society at the University of California Los Angeles – help to coordinate the work of approximately 70 network members.

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ABOUT THE BERTELSMANN FOUNDATION

The Bertelsmann Foundation is Germany's largest foundation established by a private donor. In keeping with the longstanding social commitment of its founder, Reinhard Mohn, the Bertelsmann Stiftung is dedicated to serving the common good by encouraging social change and contributing to society's long-term viability. To achieve this, it maintains an ongoing dialog with all of society's stakeholders. The belief that competition and civic involvement form an essential basis for social progress is central to the foundation's work. In order to apply its expertise as effectively as possible, the Bertelsmann Stiftung is structured according to subject areas. The foundation's 280 employees focus on Education, Health, Economics and Social Affairs, International Relations, Corporate Culture and Promoting Philanthropy.

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INTRODUCTION

Historically, philanthropies have rarely had to justify the use of their funds as long as they were being directed to the public good; however, more recently, philanthropies are being held to a higher standard of impact, resulting in the need for greater rigor in deciding which grants should be made, to whom, in what fashion and for how long. Consequently, there is a greater focus on the first steps in the process by which foundations decide how to use their resources – program design. The discussion that follows highlights current trends and best practices in program design, and provides some direction for designing strategic funding programs. Building upon TCC Group’s extensive experience in strategic philanthropy, this report is intended to assist grantmakers as they engage in increasingly complex giving to ensure that their philanthropic investments are focused and effective.

PHILANTHROPIC SECTOR GROWTH

Private foundations developed in the U.S. in the early part of the century, when wealthy individuals such as Andrew Carnegie and John D. Rockefeller decided to “organize their philanthropic giving in a new form, like the business corporations that were then so successful.” (Council on Foundations). Thus, the first “general purpose” foundations were born.

The economic and tax policies of post-World War II America combined with the aging of many of the wealthiest people in the country paved the way to the growth in the number of foundations and the amount of assets they control. Today there are approximately 74,000 grantmaking foundations in the US.

The history of philanthropic institutions outside of the U.S. has had a different trajectory, rooted in the diversity of their historical, political, and cultural contexts. In Europe, the industrialization of the early 20th century that contributed to the growth of the U.S. philanthropic sector brought significant political and economic upheaval, limiting the growth in number and influence of European foundations. The larger role of most European governments in social service provision has also shaped Europe’s philanthropic sector. In some countries, such as the United Kingdom, the Netherlands and Sweden, foundations are valuable partners for government service-providing agencies. In others, such as Italy, Spain and Portugal, the church has been a significant philanthropic player, and there is a clear division between foundations affiliated with the Catholic Church and the secular foundations of the late 20th century. Still in others, such as France and Austria, the emphasis on centralization led to long-standing conflicts between the central government and other service-providing intermediaries (Anheier and Toepler 1999).

In the Caribbean and in Latin America, philanthropy is comparatively less developed. Historically, the church has played the primary role in providing charity, and the lack of tax

incentives for individual giving and absence of strong non-governmental organizations has contributed to the relatively slow growth of a philanthropic sector. In Asia, organized philanthropy is still in its nascent stages, with Japan being solely responsible for over 70 percent of the region's philanthropic giving.

THE SHIFT TOWARD STRATEGIC GRANTMAKING

The demand for increased rigor in program planning is part of a larger trend towards enhancing the impact of foundations' investments. Over time, foundations have evolved their grantmaking from basic charity to using their resources as a lever for change. Not only are foundations seeking to be more philanthropic, they also hope that their philanthropy will leave a recognizable footprint in a chosen field.

Concurrent with foundations' internal drive towards greater effectiveness is the external pressure for greater accountability and efficiency in the use of foundation assets, particularly at a time when the worth of those assets has been hard hit by the economic downturn.

The notion of accountability in the philanthropic sector has historically been focused on grantee organizations and whether they were responsibly and effectively using the foundation's resources. However, a number of recent events have focused the public's attention on how foundations manage their resources. As one expert writes "while the source of their money is private donors, the application of these resources to public purposes makes foundations accountable to the public." (Shaw 2000:2).

The internal drive for greater impact and the external demand for greater accountability, coupled with decreases in foundations' assets, has forced many philanthropies to think more carefully about their overall funding approach – both what they fund and how they fund. This, in turn, has led to an increased emphasis on outcomes measurement. Foundation leaders have begun to evaluate the cumulative and integrated effects of their grantmaking, both across their grantees and over time, and are now looking at ways to incorporate their findings into their grantmaking practices (Patrizi and Mc Mullan 1998: 2). This has led to a growing realization that planning and evaluation are linked in an iterative process, whereby good planning leads to an ability to evaluate impact, and understanding impact leads to better planning.

THE PROGRAM DESIGN PROCESS

As philanthropies have become more strategic about their grantmaking, they have begun to approach program planning more methodologically. By paying as much attention up front to developing an effective grants program as they do on the back end to evaluating it, foundations find that they significantly improve their impact. A rigorous program design process enables funders to

leverage the most impact with their limited resources; evaluation can then inform them of the efficacy of the approach

While not all funders adhere to a formal methodology or process in their program planning, it can be safely assumed that most engage in a range of activities focused on enhancing the effectiveness of their programs. They may scan the field informally on an ongoing basis, conduct an internal review as part of the strategic planning process, or they may intuitively factor into their thinking lessons learned from previous grantmaking experiences. Many funders rely on this ad hoc planning process to address the major grantmaking issues and for many they are sufficient; however, by taking the steps to formalize these activities into a structured process, funders can have greater confidence that they are asking the right questions and marshalling the appropriate resources when they embark on a new initiative.

The general steps involved in all program planning include:

Step 1: Identifying the Issue and Articulating Values

The first step to designing a program is to identify the issue to be addressed. While this may sound elementary, it is often one of the most difficult steps of the process. Typically, the issue philanthropies select is based on internal criteria. These may include a founding donor's stated intent at a private foundation; a corporate philosophy and business goals at a corporate foundation; a public mandate; or the shared values of foundation managers. Initially the donor may articulate these interests broadly, such as homelessness or land conservation. The design process can be used to focus the grantmaking institution and help set parameters around the issues that they have chosen.

As the Freeman Foundation case in Appendix C demonstrates, the internal values and priorities that are critical to guiding the program design process are often intuitive. By articulating them, foundations can incorporate them into their program criteria and can avoid having to make ad hoc decisions around objectives and resources.

Issue: Lifecycle

As funders search for “pressure points” in the field, they should pay attention to the stage of the issue’s lifecycle. Political scientists identify five stages in the policymaking process: problem definition, agenda setting, policy adoption, implementation, and evaluation. How policy advocates choose to promote their specific policy objective depends on the stage of the policy development process: how clearly defined and understood the problem is, whether possible solutions have been identified, whether these solutions have been implemented successfully, how aware of and concerned with an issue the public and policymakers are, etc.

Similarly, the phase of a social issue should inform how funders employ their resources. The Pew Charitable Trusts have revised the policy stages model to fit social issues more broadly. The five phases they identify are:¹

- **Recognition and awareness:** Occurs when a new or neglected problem begins to receive widespread attention. This may be due to an event or crisis, a demographic shift, an innovation, or a concerted public education effort by interested parties.
- **Definition and analysis:** Once attention is focused on an issue, those with a stake in the outcome work to better understand and define the problem. During this phase, stakeholders attempt to dig into the sources and dimensions of the issue, frame its boundaries, and investigate possible solutions. This involves public deliberations and discussions, as well as research and analysis.
- **Mobilization and agenda-setting:** Once participants have a clear understanding of the issue and their own position, they work to get the issue on the public agenda. Through public education and discussion, and by building alliances with influential individuals and organizations, stakeholders strive to ensure that their perspective on the issue predominates. As the issue is debated, certain perspectives gain wider acceptance, and the most powerful capture the attention of decision-makers.
- **Response:** Once the issue has captured the attention of relevant decision-makers, they will weigh the options and adopt a particular approach to the problem. Examples of possible responses include passing legislation, changing corporate practice, or initiating a service program.
- **Implementation:** After a solution is chosen, it must be put into action. How well the response is implemented determines how effective it will be at achieving its intended objectives. Implementation often reveals new challenges and issues, setting the process in motion once again as the problem is redefined and put back on the agenda.

Properly identifying the stage of an issue is critical for effectively targeting funding. Choosing an approach appropriate to the issue’s phase of development allows the funder to set realistic goals for the program, determine a reasonable timeframe, and adapt the strategy as the issue passes through other stages. As political scientists John Kingdon, Aaron Wildavsky and others have observed, significant social change happens unpredictably; windows of opportunity arise infrequently and do not stay open for long. Funders need to be clear on the phase of issue development so that they can channel resources towards the right response when a window opens.

Step 2: Articulating Assumptions

The second step is to articulate assumptions about how the issue can be addressed through the foundation’s grantmaking. Using existing knowledge of the issue, the activities of others in the field,

previous grantmaking experience, and a sense of the foundation's capabilities, funders can develop a rough idea of how their support can address the problem and achieve desired results. The example of Wachovia's Teachers and Teaching Initiative described in Appendix A demonstrates how the foundation was able to use its knowledge of the education sector garnered from years of education funding to identify the strategy of supporting teachers, which it used as a starting point for the development of its new major grants initiative.

Just as important as articulating hypotheses at the outset of the design process is recognizing that these hypotheses will—and should—change. Defining problems and determining solutions is an iterative process. As research and analysis uncover new dimensions to the problem such as new stakeholders, new strategies, and new solutions, foundations' understanding of their role in addressing the problem will change. Developing a causal model early on is a helpful jumping off point, but it can also negatively constrain program planning by focusing the funder too narrowly. This can lead to selective research and incomplete and constricted analysis. Funders need to take care to use the causal models as a tool for articulating initial assumptions and not a theory to be validated.

Step 3: Scanning

A critical step in the process is a comprehensive scan of the environment. Whether designing a new grantmaking program or re-focusing an existing program, one of the most important aspects of the planning process is taking stock of the external context. The goal of the scan is to identify areas or strategies where additional resources can have significant impact. This may mean identifying an issue or region that is currently receiving inadequate philanthropic support, or it may mean identifying possible partners. It could also mean identifying promising emerging strategies, as well as learning about those that have been less successful in the past.

Scanning enables funders to better understand the underlying causes of a particular issue, how change occurs in a particular environment, and what solutions may be appropriate for a specific context. Grants are never made in a vacuum; the funding environment, be it a local neighborhood or the national arena, is in constant flux. In any given field, there are numerous players who influence how an issue is defined and addressed, including non-governmental organizations, policymakers, advocates, funders, government agencies, scholars, and the people ultimately affected by the issue. The effectiveness of any one funder depends on how these other elements are performing. Often, funders can have a significant impact if they strengthen or influence one or two key players. Scanning helps funders determine where these pressure points are and how they can be affected. Scanning also allows funders to test their assumptions and hypotheses—and to discover opportunities and successful strategies they had not anticipated.

There are a number of topics funders often address during a scan. These include:

- **Population:** Who are you most concerned with, and what are the characteristics of that

population?

- **Community needs:** What are the most pressing needs of the constituents you are concerned about? Is your problem/issue the most relevant? Are there other higher priority needs that are going unmet?
- **Context:** What are current political, social and economic trends and how are they impacting the issue/community? How are they likely to change in the near future?
- **Key players:** Who are the key organizations/individuals in the field? What are their relationships to one another?
- **Strategies:** What strategies have been tried to address the problem? Which have worked, which have been less successful, and why? Who are the players?

Scans also take into account the philanthropic landscape such as:

- **Other funders in the field:** Who else is funding in your field of interest? What are they funding, and what are their funding strategies? Are there potential partners?
- **Successful strategies:** What funding approaches in this field seem to be most or least successful, and why? What models might be good ones for replication?
- **Gaps:** What issues or strategies seem to be receiving less philanthropic support, and why? What impact might supporting these issues have on the field?

Scanning can be as time, labor, and financially intensive as funders want; as with any assessment, funders have to determine the degree of rigor appropriate to their needs. On one end of the spectrum, funders can engage in a few conversations with grantees and other funders. At the other end, they can fund extensive research to determine how political or economic trends will effect a population. The Doris Duke Charitable Foundation, included in Appendix B, utilizes outside consultants to conduct field assessments every five-to-seven years in each of its four funding areas. Based on the results from these scans, they modify the objectives and implementation of their grants programs.

A broad scan can highlight connections and causality that may be difficult to discern from one organization/grantee. It can also open funders' eyes to new ways of defining a problem and new approaches for addressing it. As new information is uncovered, hypotheses are revised and weaker ideas discarded. It greatly increases the likelihood that the issue is relevant to those affected by it and that solutions and strategies are appropriate to the current environmental context. The example of the Freeman Foundation's Asian Immigrant and Refugee Economic and Education Opportunity Program included in Appendix C demonstrates how ongoing scanning of the field ultimately lead the foundation to phase out the program, determining that the needs of the Asian immigrant and refugee population had changed.

Possible methods of scanning include:¹

- **Secondary research:** Reviewing academic literature, journal and newspaper articles, and research produced by other grantmakers and grantseekers. If the issue is highly localized local or community papers and newsletters from local community organizations are often informative. The Internet is also a rich source of secondary information.
- **Discussions.** In addition to speaking with grantees and other grantmakers, funders may want to talk to academic experts, community leaders, advocates, policymakers and other government officials to get a broader perspective on the issue and what's being done to address it. Talking to a diverse range of stakeholders may also provide new ideas for partnerships and collaborations.
- **Gatherings and convenings:** Conferences and professional meetings on the issue are often a good source about current trends in the field. Community meetings or public events/actions offer an opportunity to hear how those most affected perceive the issues.
- **Surveys:** A written or oral survey can be an efficient way to gather information from a range of sources. Standardized surveys also allow funders to compare answers from different respondents, which may illuminate different problem definitions and strategic responses.
- **Network mapping:** Network mapping is a tool to measure the strength of networks of individuals and institutions. By asking key individuals about their relationships with others, funders can develop a visual map detailing the strength and direction of these connections. By clarifying the nature of the relationships, funders can target resources to "pressure points"—the most influential organizations or individuals.

Step 4: Internal Assessment

The fourth step of the program design process is a frank and thorough internal assessment. An external scan can help reveal the resources necessary to achieve a desired outcome; an internal scan can tell funders whether they have those resources at their disposal. The internal assessment helps the foundation decide its appropriate role, whether it will be a passive funder or more involved with its grantees; whether it wants to partner with other public or private funders; and whether it can be a leader and advocate among peers and policymakers on the issue. Foundations need a clear understanding of their own capabilities so that they can align what is needed with what they can realistically contribute—in finances, human capital, intellectual capital, and influence.

Among the questions that foundations should address during internal assessments are the following:

- **Financial:** What percentage of your budget are you willing and able to put towards this program? Is this amount sufficient to address the need?
- **Human assets:** What are the strengths of key personnel, and how might they be used to address this issue? How much human capital (vs. financial capital) can the foundation spend?
- **Intellectual capital:** How much intellectual capital—e.g. experience in the field, access to

experts, etc.—does the foundation bring to this issue?

- **Social capital:** How are you perceived by others in the field? What networks and relationships do you have that may be relevant to addressing this issue?
- **Comparative Advantage:** What are your “competitive advantages” when it comes to addressing this issue? Given information gathered from the scan, what are some unique strengths/assets that the foundation can bring to the issue?

Often, the internal review is omitted or is only addressed in a cursory fashion. The funder may believe that its own capacity is a known quantity. Consequently, its focus is on what it has done, as opposed to what they could do. At best, this leads to programs that don’t take full advantage of available resources; at worst it creates programs that are not truly responsive to changing circumstances and relationships. Funders need to go beyond just looking at financial statements and survey their colleagues, staff, and others in the field to ascertain the possible resources they bring to an issue.

Step 5: Validating the Logic Model

The final planning step in the process circles back to what was one of the first steps. In the initial stages of planning, the funder articulated a causal model (often called logic models) that drew connections between activities and hypothesized outcomes. The information gathering that takes place in the interim helps the funder adjust the model and focus on appropriate strategies, realistic outcomes, and an understanding of the preconditions necessary for these goals to be met. As funders hone in on a program strategy, they continue to revise their initial model and check their assumptions. Models provide a visual representation of the causal logic underlying the program.

In very basic terms, logic models specify the desired outcomes of a program, the steps in the process necessary to achieve the outcomes, and the resources necessary for the steps to happen. Though many organizations have created different models and use different terminology, the essential structure of all logic models is the same. The diagram below depicts a basic logic model.

The use of logic models for evaluation has become pervasive in philanthropy and funders are increasingly requiring grantees to articulate their theory of change in a logic model format in proposals; but using logic models to guide the design of a grants program is far less common. Appendix C provides examples of two logic model frameworks that have specifically been developed for program planning: the Aspen Institute’s Theory of Change model, and the Kellogg Foundation’s Program Planning model. Obviously it is much easier to develop a model reflecting an existing, tangible program than it is to develop one based on theories of causality, hypothesized activities, and forecasted outcomes; but articulating the causal connections before resources are allocated allows funders to check their accuracy and revise strategy accordingly, increasing the chances for effectiveness.

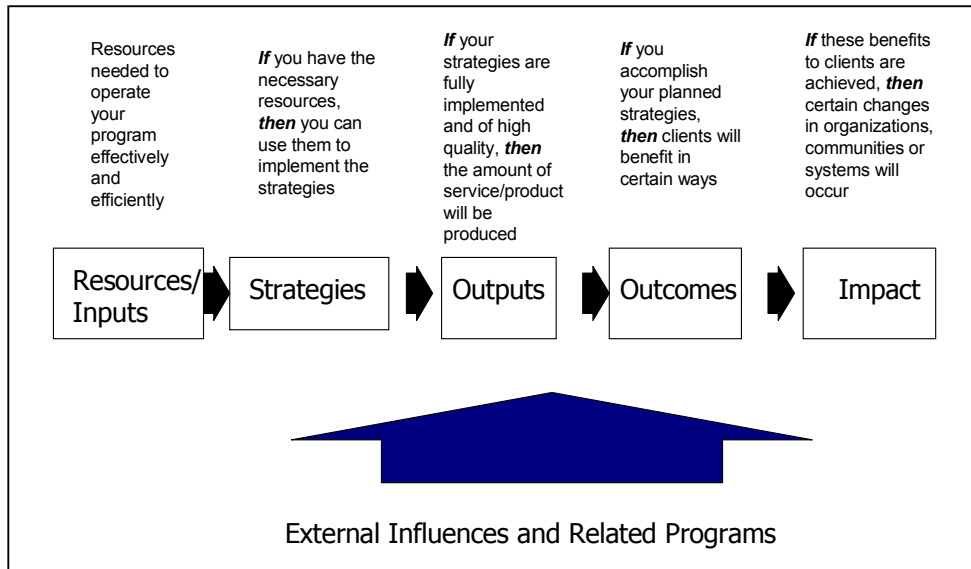


Figure One: A Typical Logic Model

Once the logic model has been mapped out the final step is a “quality review” to ensure that the logic is sound, assumptions are accurate, and relevant influential factors are accounted for. This typically involves other stakeholders in the process—other funders, experts, and grantseekers. Having people with varied perspectives, such as grantees and community members, review the program theory increases its accuracy and the likelihood that resources are directed toward a pressing community need. It also provides opportunities for collaboration with other funders.

In 2000, Aileen Shaw of The Aspen Institute conducted a study looking at the grantmaking practices of 39 foundations. Shaw found that opening up the decision-making structure to include broader representation from communities served enabled funders to better target resources and respond to pressing community needs. She also found that including stakeholders builds credibility in the communities in which foundations operate, leading to improved access to information and potential partnerships for the foundation. She also noted an important secondary benefit, as stakeholders are empowered in the process (Shaw 2000: 6).

THE ROLE OF EVALUATION IN PROGRAM PLANNING

The iterative nature of planning and evaluation whereby good planning leads to an ability to evaluate impact, and understanding impact leads to better planning is clearly illustrated by the use of the logic model for program planning. With a clear sense of the incremental steps towards longer-term programmatic goals, funders can more easily develop an action plan detailing the resources, activities, and outputs required to achieve their desired outcomes. They can also more easily identify appropriate indicators for evaluating the program’s progress. Typically, developing a logic model is the first stage of the evaluation process; however, when a model has already been developed,

evaluators can simply build on that when designing their evaluation plan.

In fact, evaluation and sound program planning are integrally linked, part of one continuous grantmaking improvement process. Evaluation should be used to continuously refine and hone the grant program, and decisions about future grants should be based on a sound understanding of past performance, and what is or is not effective.

Funders are often ambivalent about allocating resources for evaluation, not recognizing how assessing the performance of past grants can improve future grantmaking. Indeed, all too often evaluations are costly and their findings have little or no impact on future funding. For evaluations to be effective, they must be designed to look at both what impacts were achieved, as well as what improvements can be made. In this way the process comes full circle, with good planning being the foundation of understanding impact, and evaluation feeding back with lessons learned to even better planning.

APPENDIX

Case Study: The Wachovia Foundation's Teachers and Teaching Initiative

The Wachovia Foundation is a corporate foundation funded annually by the Wachovia Corporation, a banking firm with a large presence in the Eastern U.S. Its mission is to “build strong and vibrant communities, improve the quality of life, and make a positive difference where we work and live.” In 2001, Wachovia merged with First Union, another large bank. The merger significantly increased the foundation's giving, but posed some challenges, as it meant merging the disparate giving programs of the two companies. In 2001 TCC Group was retained to help the foundation focus their grantmaking, and quickly identified education as an area of substantial commitment for both. In the process of formulating their overall philanthropic strategy, the foundation decided to develop an education initiative that would build on both companies' previous education support. It wanted to develop a grants program with a strategic focus on outcomes, and was looking for an opportunity to utilize more than financial resources.

While the foundation was clear in its goal of supporting education and improving student achievement, it was less clear about how to achieve this objective. It recognized that its initial commitment of \$20 million over 5 years would have limited impact on this huge issue if the program was not focused and strategic. Its existing education portfolio was quite broad, ranging from scholarships to academic enrichment programs, and included a number of grants to teacher professional development organizations. TCC Group facilitated discussions with internal stakeholders and developed initial logic models to help identify assumptions and areas of interest. Based on its previous grantmaking experience and general knowledge of the education field, the foundation had some preliminary ideas about what worked and was interested in the idea of raising student achievement by improving teachers' performance. Within that broad framework, the

foundation tasked TCC Group with developing a more focused grants program.

To this end, TCC Group conducted an in-depth scan of the education field, as well as engaged internal stakeholders in developing a logic model for their vision of a more targeted education program. They conducted extensive secondary research, interviewed key internal and external stakeholders and experts in the education field, spoke with a number of education funders, and conducted a benchmarking study of peer corporate foundations. They analyzed programs and strategies that had been successful, as well as those that hadn't; looked for gaps in the field, where few public or private dollars seemed to be supporting promising practices; and examined possible opportunities for partnerships and collaborations. They also analyzed the internal capacity of the foundation to determine what human, financial and capital resources were available. As a result, a comprehensive logic model was created that encompassed the desires of both internal and external stakeholders. The reality of the model required Wachovia to continue to narrow its focus.

To focus the program further, TCC Group developed two scenarios that represented different strategies in the comprehensive logic model towards achieving the same aim: "To increase student achievement in pre K – 12 public education by building and supporting teachers and the teaching profession." The first scenario, "Transforming Communities," focused on comprehensive systemic change at the school, school district and community levels, and necessitated a more narrow geographic focus. The second scenario, "Fostering Professional Excellence," emphasized improving academic achievement by raising the performance and capacities of teachers within the classroom.

For each scenario, TCC Group outlined the strategy, geographic target, impact, and outcomes. After discussing these general scenarios, the foundation decided that it preferred the broader geographic reach, increased flexibility, more immediate impact and the more individual focus of the second scenario. It also felt it would be more feasible and manageable given its capacity and resources.

TCC Group created a more targeted logic model detailing the strategy (see Figure A). The model depicts an assumption of how the inputs of their resources would contribute to strategies/activities that achieve the desired outputs of teacher excellence, retention, recruitment and improved school environments.

To substantiate the theory of change (or logic model), TCC Group shared the model with a panel of education experts to test and validate the strategies. Through these additional interviews with funders and education professionals, they were able to further hone the strategy, and suggested a more targeted screening process for potential grantees. The validation process also unearthed ways for Wachovia to add value to the process, such as convening grantees. To date, the logic model has driven the criteria used to select the grantees.

In addition, the logic model also serves as the basis for the evaluation. The foundation is able to monitor grantee progress towards significant benchmarks identified in the strategy and program development process, and to engage in ongoing learning to keep track of changes in the field. This

enables them to refine the strategy and make necessary modifications to their grantmaking over time. Since 2004 marked the first year of funding through the Teachers and Teaching Initiative, it is difficult to ascertain the program's success at this point. However, early input from grantees and others in the field suggests that the foundation's investment has had some positive effects on teacher performance, retention and recruitment. As a deeper understanding of these impacts is developed, the foundation will continue to revise and refine the Initiative and its logic model as well as to share its lessons learned with the field of education and grantmaking.

Bitte hier Word-Datei Figure Two einfügen!

Case Study: The Doris Duke Charitable Foundation

When Doris Duke died in 1993, she left the majority of her estate to the Doris Duke Charitable Foundation and identified four areas for support: the performing arts, the environment and wildlife conservation, child abuse prevention and medical research. However, her instructions provided substantial latitude for foundation officers to develop grantmaking along any of a number of avenues including advocacy, legislation, public awareness and direct service. As one of the first steps in charting a course for the foundation, staff called together experts from each of the four areas to discuss the needs and gaps in the various fields and to help identify where the Foundation could make an impact. The program strategies were developed based on the findings from research and convenings of experts, and the strategies were then presented to the trustees for their approval.

The desire to retain a small program staff was a major consideration for the board in designing the Foundation's grantmaking. There was an explicit decision to keep staffing at a minimum, 2-3 people in each area. This, in turn, had clear implications on how the Foundation would engage in grantmaking, by making fewer and larger grants each year.

While the foundation states that it does not use a formal methodology for designing its grantmaking, it has maintained the process of convening outsiders to advise the process. A Scientific Advisory Council (SAC) made up of experts in a specific field is put together to review programs and focus areas. Their charge remains much as it was in the initial days of the Foundation, to identify gaps and needs, to assess how the Foundation can make a difference and what it has the capacity to do and finally how to use the money in the best way possible.

While DDCF does not have a formal design methodology, it has instituted a program planning process that assesses the field every 5-7 years by outside consultants and a strategic evaluation that assesses the appropriateness of the selected strategies in achieving the goals and objectives of a program every 3 – 5 years by internal staff and consultants (see Figure B). The Foundation has decided that "rarely will it be feasible for evaluation to measure the ultimate impact of our grants (as this requires decades to determine and is often too costly to justify the benefits) nor can it establish a direct causal relationship between our grants and most of our strategic objectives... While we can measure the number of clinical scientists working to find a cure for cancer or other diseases, we will not be able to judge whether DDCF's grants, specifically, led to a cure."

The evaluation process that DDCF has chosen is illustrative of the planning – evaluation continuum described in this paper. As can be seen in the diagram below, the evaluation of strategies is designed to help the foundation determine whether refinement in the program design is needed, whether the funded strategies appear to be achieving their desired goals and objectives and whether continued funding is merited. The Field Analysis is akin to the environmental scan described previously. It is the starting point in the creation of new programs and is also the point to which the Foundation returns every five to seven years to explore changes that are occurring in a sector, and DDCF's niche as a funder. The Foundation then incorporates the findings in the redesign of programs (or their elimination) and continues/repeats the planning - evaluation cycle.

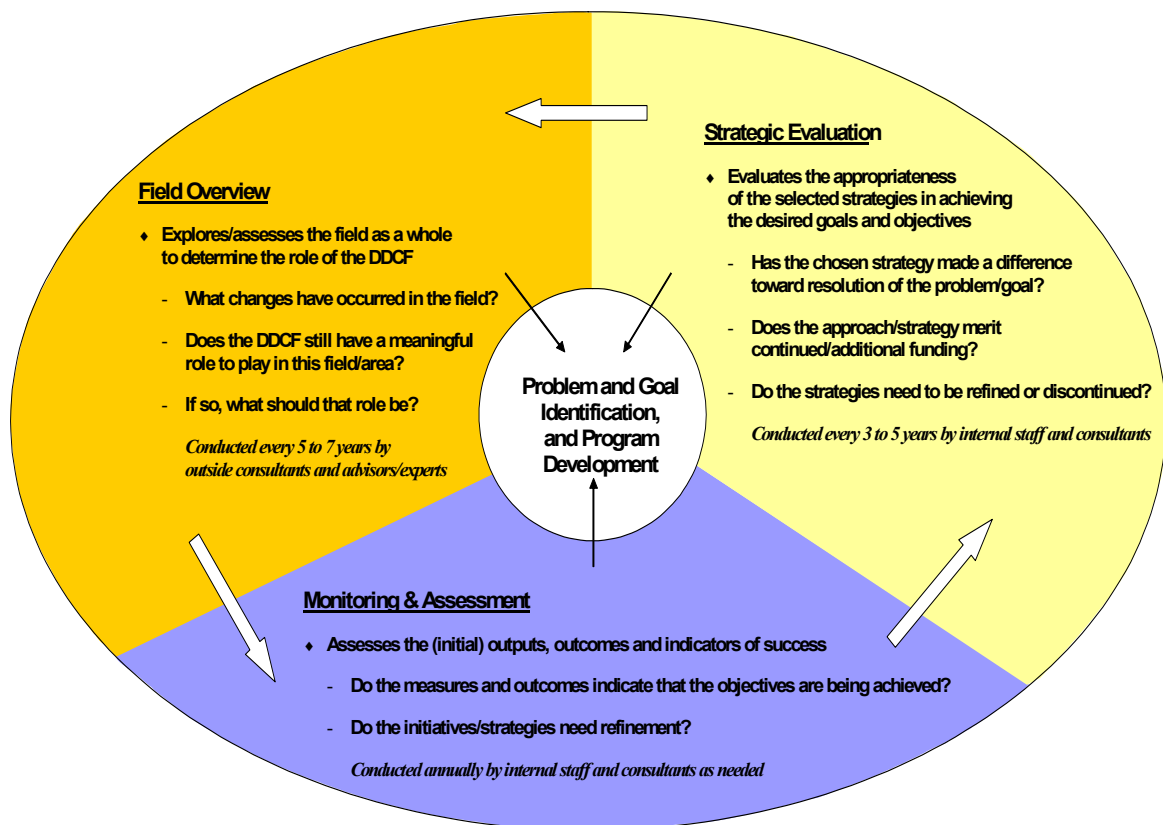


Figure Three: The Doris Duke Charitable Foundation's Program Design and Evaluation Approach

Case Study: The Freeman Foundation: Creating the Asian Immigrant and Refugee Economic and Education Opportunity Program

Established in 1978, The Freeman Foundation focuses on education; natural resource conservation and protection; food services; international affairs; international studies and Asia. The Foundation's trustees initially became concerned about economic opportunities for Asian refugees and immigrants after witnessing underemployment and language barriers facing Asian newcomers in their home state of Vermont. As a result, they initiated a successful and creative workplace English program in partnership with a Burlington, VT nonprofit organization in the mid-1990s. With a small staff, the Foundation trustees are very involved in program design and implementation, but needed some assistance in assessing new possibilities. Assuming that there might be opportunities for similar initiatives in other cities, the Foundation approached TCC Group in 1996 and charged the firm with conducting a needs assessment, upon which a now six-year grant program was ultimately based.

The process for developing what, since 1998, has come to be known as The Asian Immigrant and Refugee Economic and Education Opportunity Program had several phases. TCC Group's first assignment was to prepare an assessment of the needs of recent Asian immigrants and refugees in the U.S. TCC reviewed data from the census and from philanthropic affinity groups. Staff members conducted over 60 interviews and a telephone survey of private and government funders, representatives from national voluntary refugee resettlement agencies and staff at national and local Asian-run service providers. They also charted the trends in arrivals among Asian ethnic groups, the types of existing government support to help them on their arrival, and the gaps in services.

The Foundation trustees reviewed the information carefully and re-affirmed their interest in offering English instruction to underemployed recently arrived Asian immigrants and refugees. As a result of the research, they also decided that they would like to more broadly support Asian newcomers in their quest for jobs and economic security. Subsequently, they asked for a second research effort. They requested TCC staff members identify a group of cities and smaller communities where a program serving Asian immigrants and refugees would be most viable. TCC Group staff created community profiles documenting immigration trends, economic challenges and service provider networks. The foundation staff then identified four communities for a pilot program.

The Foundation targeted specific organizations in these communities to receive Requests for Proposals, of these eight were funded. Gradually, the program grew as the Foundation added sites to meet changing needs of a moving population group. By 2002, the program included 21 grantees at locales ranging from Seattle, WA to LaCrosse, WI. The program still includes 12 grantees, some completing their 6th year of project operations. The Foundation, however, decided to stop supporting new grantees in 2004, because of declining refugee arrivals after 2002.

While the program had no formal evaluation component, a five-year retrospective report demonstrated its value to individuals, organizations serving them and communities. The program was found to: fill an important gap in services for recent Asian immigrants and refugees; be directly

responsible for advancing economic opportunities for Asian immigrants and refugees; have long-term benefits to individuals, including improved problem solving and planning skills and increased civic participation; and strengthen community infrastructure by helping grantees to form partnerships and leverage other funding sources.

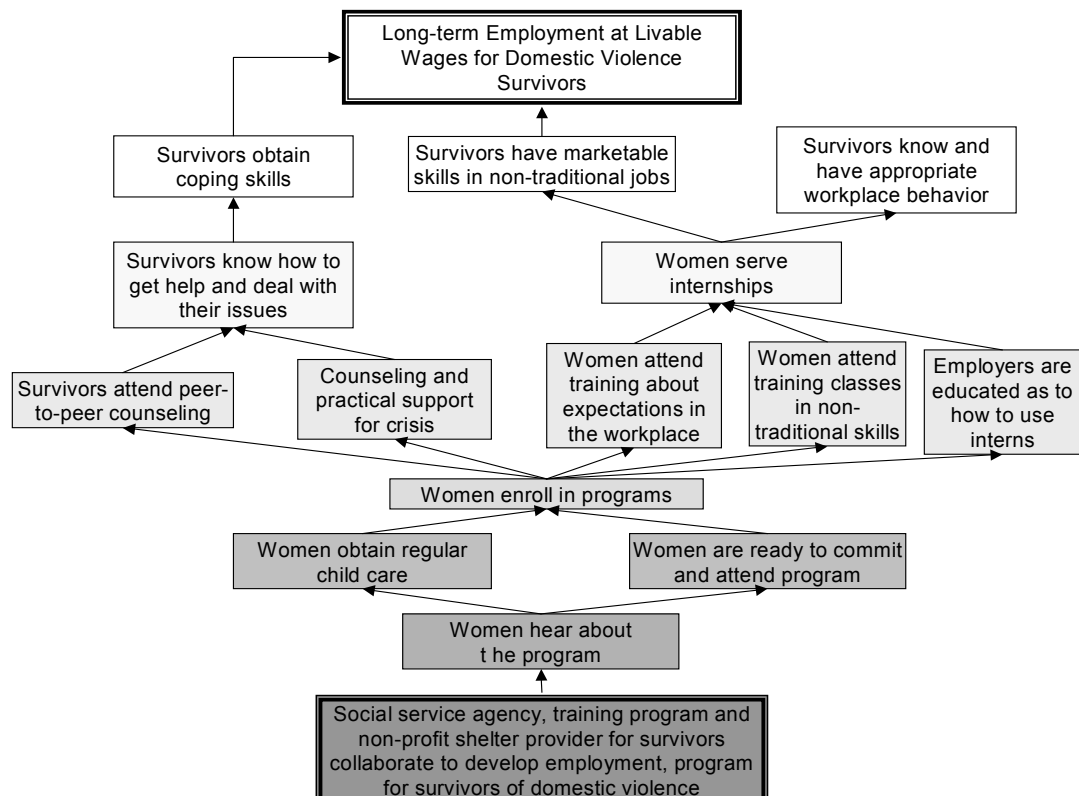
While the process for developing the program was not highly formalized, the trustees entered into the design work with a clear definition of what they wanted to do and their target community. The needs assessment was an essential component in helping the trustees decide to go ahead with the expansion of the program and helped determine many of the implementation issues. Throughout the process the trustees remained open to new information and incorporated that data into their thinking.

Case Study: The Aspen Institute: Theory of Change Model

A more complex and detailed program planning model is that of Theoryofchange.org, a joint venture of the Aspen Institute's Roundtable on Comprehensive Community Initiatives and ActKnowledge. It works backwards from identified goals to mapping the steps necessary to achieve them--the preconditions necessary for change to occur and the ways the proposed intervention will create the desired outcomes. The model focuses on articulating and testing assumptions of causality between activities and outcomes, and between short, medium, and long-term outcomes. It also incorporates the development of specific indicators that can be utilized for evaluating the program.

The diagram below is an example of the model. Starting with the ultimate goal of long-term employment at a livable wage, the funder works backward to identify the intermediate outcomes necessary to achieve that goal. The solid lines indicate that the preceding steps are preconditions—without them the following outcomes will not occur. The letters corresponding to the outcomes indicate assumptions (listed below the diagram). As outcomes are identified, the funder continues to work backward and identify the preconditions necessary for achieving them. Illustrating the connections between outcomes helps check the program's logic. It also illustrates when outcomes will occur on their own and when they require intervention, thus identifying places most appropriate for funders to focus their resources.

Figure four: Aspen Institute – Theory of Change



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Richard A. Mittenthal is President and COO, TCC Group (formerly the Conservation Company). As President, Richard Mittenthal leads TCC Group's work with foundations. He joined the firm in 1989, and since then has led consulting and planning assignments for a wide range of clients, including the John D. and Catherine T. MacArthur Foundation, the Japan Foundation/Center for Global Partnership, the Ford Foundation, the Andrew W. Mellon Foundation and Lincoln Center for the Performing Arts. In 1999, he served as Senior Advisor to the 93rd American Assembly: Philanthropy and the Nonprofit Sector in a Changing America. Mittenthal spent 12 years at the New York Community Trust, where from 1983 to 1989 he served as Vice President for Program, overseeing the discretionary grant program at the largest community foundation in the United States. He previously worked as a Corporate Loan Officer at the Irving Trust Company and served as Associate Director of the Volunteer Urban Consulting Group from 1973 to 1977. Mittenthal is a 1968 graduate of Roosevelt University in Chicago and received an MBA from Northwestern University's Graduate School of Management in 1969.

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