

# Measuring Outcomes

*A monitoring and evaluation assessment*

## Introduction

The Measuring Outcomes assessment gives donors a better understanding of an organization's capacity to track progress toward its mission. The assessment's fifteen metrics are evidence-based and designed to evaluate nonprofits' monitoring and evaluation strategies while moving the needle in the philanthropic sector towards across-the-board standards. It was developed in consultation with monitoring and evaluation (M&E) experts and nonprofit leaders to incorporate their real-world experience.

## Motivation

Charity Navigator introduced the Impact & Results beacon into its ratings to facilitate more impactful philanthropy. Historically, we have assessed the direct impact of a charity's program relative to the cost required to run it. Because this methodology requires program-specific analyses, it is slow to scale to universal eligibility for all charities.

After a review of nonprofit best practices, the Impact & Results beacon will expand to include the Measuring Outcomes assessment, aiming to highlight the significance of M&E as a pivotal undertaking for measuring programmatic impact and increasing nonprofit effectiveness. We are also changing the name to Impact & Measurement to signal this modification. A presumption underpinning this effort is that while M&E may not be solely sufficient for driving transformative interventions, proficient M&E practices are positively associated with enhanced outcomes over time.

Furthermore, this assessment is designed to be inclusive of all types of nonprofit organizations, allowing them to showcase facets of their work in addition to our cost-effectiveness methodologies.

In doing so, Charity Navigator aims to expand the Impact & Results beacon further, aligning more closely with its overarching mission of making impactful giving easier for all.

Beyond just being included in our evaluations, this assessment has the potential to become a standard in the sector, providing valuable insights to grantmakers on their grantees' M&E capabilities.

## Background

Charity Navigator hired an external consultant to design an initial set of metrics to determine sound practices in monitoring outcomes, evaluating change, and using monitoring and evaluation evidence to improve program impact over time. The consultant's objective was to create metrics that offer donors valuable insights into Impact & Results on a broader scale and - importantly - serve as a guideline of best practices for nonprofits.

The initial metrics were designed to be easily recognizable, applicable, and useful so that organizations can better communicate how they work to achieve their goals. In this context, metrics refer to quantifiable measurements used to track and assess the performance of specific processes, while measures represent the specific units or values assigned to these metrics.

The Impact Unit at Charity Navigator refined these initial metrics through numerous feedback loops, engaging various collaborators - these included multiple meetings with Charity Navigator's Consultative Council of Nonprofit Leaders, our Ratings Expert Group, and other thought leaders in the M&E field. This feedback informed the creation of a set of metrics for user testing by nonprofit organizations to finalize the assessment. Together, metrics and measures contribute to a compelling narrative of an organization's performance.

## The Metrics

The assessment's 14 metrics are nested within five distinct sections.

1. **Planning and Design** aims to measure the use of crucial evaluation tools to determine programmatic goals, objectives, approaches, and other activities that facilitate learning within an organization.

2. **Program Formation** focuses on identifying key stakeholders and ensuring they are engaged and considered throughout the entire M&E process, from conceptualization to setting objectives and early implementation.
3. **Data Collection and Analysis** focuses on best practices for identifying the most effective means of collecting data and employing scientifically sound and appropriate analysis techniques.
4. **Reporting and Distribution of the Results** assesses whether findings from program monitoring are reported to all stakeholders in an accurate, relevant, and understandable way.
5. **Use of Results** focuses on using data as a guiding consideration from the inception of an M&E approach. The use of findings may depend on the audience but is generally focused on accountability to funders, program improvement, and demonstrating program effectiveness.

## Nonprofit Resources

Charity Navigator provides a [user guide](#) to accompany the assessment. The user guide walks nonprofits through the assessment's metrics and provides links to valuable tools and resources related to creating or enhancing nonprofit monitoring and evaluation programs.