



Nonprofit Measures of Impact – What Really Counts

By Dr. Eric Lankin

Recently a Jewish federation announced that it hired a Chief Impact Officer (CIO), an obvious sign that their leadership recognized that donors often want to see impact as the results of their support. Interestingly, this federation's new CIO referenced using Jason Saul's book [The End of Fundraising: Raise More Money by Selling Your Impact](#) and his "Success Equation," to design its new direction. Saul's "Success Equation" is a logic model that asks the user to define the intended impact first and then builds a plan. Included in the plan are needed assets and program leading to immediate results; like attendance at a program, which can be called an output; to longer-term results, called an outcome.

It's exciting to learn about more nonprofits who are creating a job within their organization that monitors and collects data on their activities. Such an intentional practice has the potential to influence important decision-making and marketing.

To clarify, a "Logic Model" is a systematic planning method used by many nonprofit organizations to help the organization be intentional when building a combination of assets; human and financial, and products, which can include activities. They do this to achieve a goal or impact. One major contribution to the field is the [W.K. Kellogg Foundation Logic Model](#), a well-honed method used by many in the nonprofit sector to effectively plan activities that lead to meaningful results.

I have two issues with a position called a "Chief Impact Officer" and the fact that nonprofits are measuring for impact.

First, I agree that such a position will probably include being the chief evidence collector and since many nonprofits do not systematically collect data on their activities, which may include important anecdotal evidence collected in focus groups, this position could be very helpful.

Secondly, the "Chief Impact Officer" potentially may be placed in his or her own silo, collecting data, but may be left out of the entire marketing process from the beginning. **Measuring impact is only valuable if the original marketing plan is**

designed to achieve impact and the data collected is used systematically to improve the marketing plan. Just as the financial team and personnel team contribute information on human and financial assets to the marketing team, so too, the Chief Impact Officer and his or her team must contribute processed data on the results of various activities to help improve the marketing plan. The possibility of simply collecting data to showcase in an annual report or meeting, would be a waste of this valuable effort.

Missing throughout this discussion is the definition of the impact we are seeking.

Do we define it as organizational impact: Where the data that the nonprofit collects should be used to improve the functioning of the organization?

Or do we define it as individual impact: Where the changes we desire in the participants as a result of our activities, both as outputs and outcomes, produce immediate impact or long term changes in our participants?

In my experience, the volunteers who serve on the boards of directors of nonprofit organizations generally focus on the health of the organization and how the activities of the nonprofit affect the bottom line: the financial health of the organization. I understand that priority, because the Board of Directors officially is the fiduciary of the nonprofit and has the major responsibility to insure its financial security and success.

Board members love to hear stories on the individual impact on participants. Often times, a story is a story that just makes them feel good about the work. But this perspective can be a missed opportunity to utilize that information to improve the organization.

As important as the impact on the financial health is to a nonprofit, **what should be even more important is planning and measuring the impact on the individual participant.**

For all who work in the nonprofit field, let's consider that the critical measure of impact is personal transformation.

After attending our activities, will the outcomes, the long-term impact on the lives of our participants, be improved, and therefore strengthen our values and community?

Will our participants live healthier, safer lives, and contribute to the welfare of our entire society?

If we only measure the impact on the finances and governance of our nonprofit, we miss the important point that the functioning point of our nonprofit is to address a need in our community and society. It is only a tool in that process.

The nonprofit helps us achieve our most important goal to build individuals who will strengthen the expression of our values, community, and society. To our donors and nonprofit leaders, that's an investment really worth making and an impact worth measuring.

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