

Executive Summary: The SIF's Impact on Strengthening Organizational Capacity



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Executive Summary:

The SIF's Impact on Strengthening Organizational Capacity

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Executive Summary

The Corporation for National and Community Service (CNCS) implements the Social Innovation Fund (SIF), an initiative that combines public and private resources to grow the impact of innovative, evidence-based solutions to improve the lives of people in low-income communities throughout the United States. Since its authorization in 2009, the SIF has received approximately \$50-70 million per year in annual appropriations from Congress. These federal dollars are matched by non-Federal funds dollar for dollar at both the recipient level and subrecipient level. The SIF leverages federal funds through public-private collaborations by awarding grants to highly successful intermediary grantmaking organizations, herein referred to as SIF grantees. These organizations, in turn, provide funding to local nonprofits that are implementing promising community-based programs with evidence of successful outcomes in one of three core areas: youth development, economic opportunity, and healthy futures.

The purpose of the SIF national assessment is to facilitate program evaluation and management by CNCS, support the greater goal of learning from the federal government's "tiered-evidence" initiatives, and conduct an independent evaluation of the SIF program. The main objective of the national assessment is to look at the impact on the organizational capacity, knowledge, and practices of SIF grantees. The assessment focuses on SIF grantees' adoption of evidence-based grantmaking strategies, ability, and willingness to build the evidence base for the service models they support, to scale the service models, and to use collaborative approaches to address local community needs. The audience for the report includes SIF program managers, CNCS and other federal leadership, current and potential SIF grantees, and the broader philanthropic and nonprofit sector.



The national assessment employs a quasi-experimental design (QED) to evaluate the impact of the SIF on organizational change. The findings presented in this report primarily draw on data from surveys of the following groups, as well as follow-up interviews with the SIF grantees.

- **SIF grantees compared with themselves over time.** Using each SIF grantee as its own comparison, the evaluation assesses capacity building from a pre-SIF baseline (2009) to the time the survey was developed in 2014. This comparison allows examination of change by having SIF grantees serve as their own controls in the analysis, also known as reflexive control. This comparison does not, however, rule out the possibility that the observed change is part of a more general trend.
- **SIF grantees compared with SIF applicants not selected.** A comparison of SIF grantees to SIF applicants who were not selected for grants provides an important counterfactual for the SIF grantee experience. Those "Non-selected SIF Applicants" included in the comparison submitted applications that were compliant and scored "satisfactory" or above by CNCS (and its external reviewers) on both the program review and evaluation review. Comparing the performance of Non-selected SIF Applicants to that of SIF grantees controls for motivation and helps reduce selection bias.
- **SIF grantees compared to a nationally representative sample of grantmaking nonprofits.** This sample comprises a cross-section of grantmaking nonprofits in the United States that meet basic SIF eligibility criteria and are similar to the SIF grantees in terms of revenue and grantmaking size. Selection criteria included the size of the organization (gross revenue of \$1M or more) and the volume of grants made to community organizations (grants totaling \$800K or more). Including this comparison group allows us to control for changes in the broader philanthropic world.

Summary of Findings

The national assessment found promising evidence of improved organizational capacities among the SIF grantees. Exhibit ES-1 summarizes the quantitative findings. Between 2009 and 2014, SIF grantees grew in organizational capacities and behaviors in 13 out of 14 measures related to selection of grantees, support for grantees, evaluation, scaling up, and collaboration. The decrease in one item was largely due to change from one grantee.¹

To assess whether to attribute these changes to the SIF, the evaluation also examined whether the comparison groups of Non-selected SIF Applicants and the National Sample of Grantmaking Nonprofits experienced changes in their organizational capacity during this time, and the extent of any change. Although all three groups reported important changes, reflecting shifts in the nonprofit world in recent years, there were some noticeable differences between the SIF grantees and the comparison groups. In-depth interviews with SIF grantees provided additional insights into the nature of the change they experienced. The changes include:

- **Evaluation:** Compared to the National Sample of Grantmaking Nonprofits, SIF 2010-2012 grantees experienced significantly more growth between 2009 and 2014 in three areas, including: 1) conducting rigorous evaluations of the programs; 2) using evaluation findings to improve programs; and 3) using evaluation findings to demonstrate and communicate effectiveness of programs funded by the organization. The sizes of the differences in all three areas were large.

Compared to Non-selected SIF Applicants, SIF

2010-2012 grantees experienced significantly greater changes between 2009 and 2014 in the extent to which the organization conducted rigorous evaluations of programs funded by the organization and the effect size was large. Although the differences in the other two areas were not statistically significant due to small sample sizes, the effect sizes were medium and small, respectively.

“Strengths of the model are in the rigor of the evaluations and the partnership and transparency of the staff. SIF has proven to have some of the most rigorous evaluation requirements that any of our partners or subgrantees have experienced. This led to very strong evaluations. The transparency and partnership of the CNCS staff was invaluable. CNCS and JBS staff made themselves immediately available to talk with our staff and the subgrantee evaluation team to help determine ways to overcome the obstacles.”
—a SIF grantee

Themes that emerged from the follow-up interviews included: 1) the SIF focus on evaluation helped grantees plan and implement more—and more formal—evaluation; 2) grantees increased their evaluation capacity with evaluation staff hires and the use of external evaluation partners; 3) the SIF focus on evaluation helped grantees use evidence to improve results; and 4) the assistance helped position SIF subgrantees to attract new funders, because they had the skills to conduct rigorous evaluation and communicate program effectiveness.

¹ For selecting subgrantees through an open competition, 6 of the 20 grantees reported changes. The average response was largely influenced by one grantee who reported “always” using open competition in 2009, but “never” using open competition in 2014.

Exhibit ES-1. Summary Table for Impact on SIF Grantee Organizational Capacity

Organizational capacity	Change in SIF grantees from 2009 to 2014	Difference in changes: SIF 2010-2012 grantees vs National Sample of Grantmaking Nonprofits	Difference in changes: SIF 2010-2012 grantees vs Non-selected SIF Applicants
Evaluation			
A. Conducted rigorous evaluations of programs funded by your organization	↑	+Large*	+Large*
B. Used evaluation findings to improve programs funded by your organization	↑	+Large*	+Medium
C. Used evaluation findings to demonstrate and communicate effectiveness of programs funded by your organization	↑	+Large*	+Small
Support for subgrantees			
A. Provided funding to carry out an evaluation or hire an external evaluator, as part of the grant or through other means	↑	+Large*	No
B. Provided training or technical assistance by your staff consultants or other means to conduct rigorous evaluation	↑	+Large*	+Small
C. Provided training or technical assistance by your staff consultants or other means to support implementation of the program	↑	No	+Small
Scale up			
A. Undertook efforts to scale up existing program(s) – i.e., to expand the program(s) within the community or to other communities or populations	↑	+Small	+Small
B. Selected programs for scale-up based on rigorous evaluation that shows them to be effective	↑	+Medium*	+Small
Collaboration			
A. Participated in funding alliance(s) with other nonprofit sector organizations. (For example, co-funding programs through joint funding; providing or receiving matching funds; or other collaboration)	↑	+Small	No
B. Participated in collaborations with other nonprofit organizations to share knowledge	↑	+Small	+Small
C. Collaborated with other organizations for purposes of advocacy – to advocate for or develop public support for programs or approaches to addressing social problems	↑	No	No
Selection of subgrantees to fund			
A. Used an open competitive process to solicit and review applications and to make selection decisions	↓	-Medium*	-Small
B. Required applicant organizations to provide evidence of intervention effectiveness to be eligible for funding (includes pre- and post-test outcome data or other evidence based on evaluation studies)	↑	-Medium	+Small
C. Required applicants to submit a plan for rigorous evaluation of intervention to be eligible for funding (that is, quasi-experimental designs with a comparison group, experimental designs or other similarly rigorous designs)	↑	-Small	+Small

↑SIF grantees experienced positive change, ↓SIF grantees experienced negative change

*statistically significant difference at 0.05 level. A lack of significant difference between SIF grantees and Non-selected SIF Applicants is partly attributed to the small sample sizes.

According to Cohen, Large effect size at 0.8 or more; medium effect size at 0.5-0.79; small effect size at 0.2-0.49; no effect size smaller than 0.2. +difference favoring SIF grantee; -difference favoring comparison group

- **Support for subgrantees:** Compared to the National Sample of Grantmaking Nonprofits, SIF 2010-2012 grantees experienced significantly greater changes between 2009 and 2014 in the extent to which the organization 1) provided funding to subgrantees to carry out an evaluation or hire an external evaluator, whether as part of the grant or through other means, and 2) provided training or technical assistance to conduct rigorous evaluation. The effect sizes in the first two areas were large but negligible in 3) providing TA to support program implementation. Compared to Non-selected SIF Applicants, although the change patterns for SIF 2010-2012 grantees were not statistically significant, we found small differences in favor of SIF grantees in the magnitude of the differences regarding provision of TA to evaluation and TA to program implementation.

“SIF has been a partner in the work. With the focus on innovation, change, and impact, the relationship was more dynamic than with other government funding relationships.”—a SIF grantee

In addition, follow-up interviews indicated: 1) SIF grantees had increased their investment in growing the capacity of their subgrantees in terms of compliance capacity, evaluation capacity, and communication capacity; 2) the SIF helped grantees become more strategic in how they support their subgrantees; and 3) the support grantees provided gave their subgrantees a solid foundation upon which to grow.

- **Scale-up:** Compared to the National Sample of Grantmaking Nonprofits, SIF 2010-2012 grantees experienced significantly greater changes between 2009 and 2014 in the extent to which they selected programs for scale-up based on rigorous evaluation that shows them to be effective, and the effect size was medium. Although no statistically significant difference was found in undertaking efforts to scale up existing program, we found small differences in favor of SIF grantees in the magnitude of the differences. Compared to Non-selected SIF Applicants, although the change patterns for SIF 2010-2012 grantees were not statistically significant, we found small differences in favor of SIF grantees in the magnitude of the differences in both areas

Themes related to scaling included: 1) the SIF helped grantees develop methods for choosing which interventions to scale up and 2) grantees packaged what they learned from the SIF to support scaling.

- **Collaboration:** No statistically significant differences were found between SIF grantees and the comparison groups. However, compared to the National Sample of Grantmaking Nonprofits, we found small differences in favor of SIF grantees in the magnitude of the differences regarding participating in funding alliances with other nonprofits, and participating in collaborations with other nonprofits to share knowledge. Compared to Non-selected SIF Applicants, we found small differences in favor of SIF grantees in the magnitude of the differences in collaborations to share knowledge.

*“The community of funders created through monthly calls, issue area groups, and the national convenings was extremely strong compared to other federal grant programs.”
—a SIF grantee*

Follow-up interviews revealed: 1) the SIF gave grantees a variety of collaborative learning opportunities; 2) the SIF influenced how grantees support peer learning among their subgrantees; and 3) the SIF highlighted the value of external partnerships.

- **Selection of subgrantees to fund:** Compared to the National Sample of Grantmaking Nonprofits, SIF 2010-2012 grantees experienced significantly less change between 2009 and 2014 in the extent to which the organization used an open competitive process to solicit and review applications and to make selection decisions, again largely due to change from one grantee. We also found medium to

small differences in favor of the National Sample of Grantmaking Nonprofits in all three areas. The findings were somewhat inconsistent from the Non-selected SIF Applicants. While the same was true in using open competitive process, we found small differences in favor of SIF grantees in effect sizes with regard to requiring applicants to provide evidence of effectiveness, and to submit a plan for rigorous evaluation in order to be eligible for funding.

In spite of this, follow-up interviews indicated: 1) the SIF helped grantees build a more systematic process for subgrantee selection; 2) the selection process helped grantees identify subgrantees with a stronger evidence base; and 3) the SIF's competitive solicitation process allowed grantees to reach subgrantees in new markets and geographic areas.

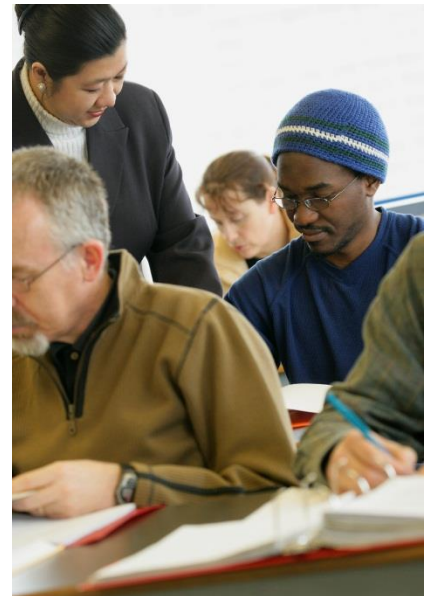
The SIF grantees attributed many organizational changes to their participation in the SIF program. In particular, they credited technical assistance or support (e.g., coaching, facilitation, tools) received during the SIF funding period to help increase capacity or accomplish change. These supports include providing guidance on federal compliance, networking opportunities, evaluation plan, general support by SIF program office, annual convening, and other outside training and resources. Other factors that contributed to the reported change included direction from the organizational leadership and trends in the larger grantmaking world.

The SIF grantees observed capacity development among their subgrantees: 1) implementing the interventions in their communities; 2) designing and conducting rigorous evaluations of these interventions; 3) making use of evaluation findings for program improvement; 4) raising matching funds for the intervention; 5) scaling up the intervention; and 6) sharing knowledge and best practices.

Recommendations

The SIF grantees regarded rigorous evaluation, collaborating, and engaging in peer-learning experience as the main strengths of the SIF model. They also valued the transparency and accessibility of the CNCS staff, their flexibility, and the requirement for rigorous documentation. While these early areas of progress are encouraging, the grantees also offered recommendations for program improvement.

- **Modifying matching requirement.** Although the match requirement is set by the SIF statute, many grantees reported that meeting the matching requirement was a major challenge. Even for those who had early success, by years 2 and 3, several grantees mentioned that it became an exercise of moving existing funds around to meet the match, but not truly leveraging new dollars.
- **Providing even stronger support for complying with federal regulations.** Although the SIF has provided substantial compliance support, grantees found that federal requirements in the areas of financial regulations and criminal background checks were particularly challenging. It may be helpful for CNCS to provide additional support.
- **Including a planning year.** Although the SIF underwrites evidence-based intervention, a few grantees recommended including a planning year.



- **Expanding collaboration.** SIF grantees recommended continuing collaboration among SIF grantees and funders, and reiterated the importance of securing engagement and feedback from private foundations and philanthropies.
- **Improving the application process.** SIF grantees and applicants offered additional recommendations to improve the SIF application process, such as adjusting the timeframe, including a pre-qualification phase, more transparency about implementation requirements, and further streamlining and clarifying of application requirements.

Limitations

Limitations of this study include the small number of SIF grantees and Non-selected SIF Applicants in the sample. The relatively small number of cases renders analyses of the survey data vulnerable to such factors as the presence of outliers. We used various strategies to mitigate the issue including the use of non-parametric assumption in statistical significance testing, effect size calculations, etc. Another limitation is that much of the change was reported retrospectively and depends on self-report. We address it by acquiring documentary evidence from SIF grantees to support changes reported in the survey. Finally, discussion with CNCS staff and grantees indicates that the experience of the initial 2010 SIF cohort differed from that of subsequent cohorts, which may affect comparisons and analyses of trends. Additionally, the mix of SIF-funded organizations over time has varied, with the result that, although this study can provide evidence about the experience of this specific group of organizations, because the future mix of organizations and the experience of later SIF cohorts may differ, the potential to generalize from this study to the broader population of future SIF grantees is limited. We combined qualitative and quantitative methods to obtain more in-depth understanding of survey findings. Overall, we tried to carefully present findings so that readers understand the strengths and limitations of the data.

Next Steps

Building organizational capacities requires a multi-faceted approach and long-lasting commitment. Although this report provides promising evidence that the SIF program moved grantee organizations in the right direction, we also found that these changes were often incremental and that time was required for changes in one program to permeate the rest of the organization.

We will continue to examine these questions next year. In addition to relying on surveys to document and capture changes in intermediary capacities and experiences over time, and provide broad-brush findings, we plan to use other methodologies, such as case studies. Our purpose will be to provide an in-depth examination of selected grantees, to understand their internal and external contexts, the factors that facilitate and inhibit capacity building, and further uncover best practices and lessons learned.

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