Measuring Program Performance Is Important to CEOs of Nonprofit Organizations

Nonprofit organizations understand the importance of measuring and communicating the performance of their programs. 93% of CEOs agree that program performance measurements are an important source for decision making. 83% of CEOs agree that measuring program performance is an important promotional tool.

Which programs' performances are most commonly measured?

- ALL programs: 43%
- The MAJORITY of programs: 30%
- NONE of the programs: 11%
- Programs REQUIRED by funders: 9%
- The LARGEST programs: 6%

Most Nonprofits Track Expenses or Outputs, But Fewer Measure Impact

How is program performance being measured?

<table>
<thead>
<tr>
<th>Metric</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program expenses</td>
<td>96%</td>
</tr>
<tr>
<td>Outputs</td>
<td>90%</td>
</tr>
<tr>
<td>Anecdotal data</td>
<td>66%</td>
</tr>
<tr>
<td>Service satisfaction</td>
<td>64%</td>
</tr>
<tr>
<td>Outcomes</td>
<td>60%</td>
</tr>
<tr>
<td>Logic Model</td>
<td>41%</td>
</tr>
<tr>
<td>Impact</td>
<td>23%</td>
</tr>
</tbody>
</table>

Output Tracking: recording the number of individuals receiving the program services.
Outcome Measurement: verifying if the program goals are being met.
Logic Model: using a road map created before the start of a program in order to plan for resources, activities, outputs and outcomes expected.
Impact Measurement: gathering control and comparison data over time to evaluate the impact of using the program services as compared to not using them.

Spreadsheets Are the Most Frequently Used Tools for Performance Measurement

What tools are used to measure program performance?

- Spreadsheets to track expenses and outputs: 51%
- E-mail surveys: 33%
- In-depth face-to-face interviews: 31%
- Phone interviews: 23%
- Computer tools to record time-series data: 21%
- Focus groups: 14%
Funding Social Impact Measurement Is an Ongoing Challenge

How is program performance funded?

- Internal Operating Funds: 79%
- Funds Included in the Grants or Contracts Negotiated: 44%
- There is No Additional Cost: 17%
- Through Grants Designated for Performance Measurement: 4%

86% of nonprofit organizations wish they had more funding to execute impact measurement.
81% of nonprofits say they need information on grant funding for impact measurement.

Nonprofits Have a High Interest in Building Their Capacity for Measuring Social Impact

- Training: 71%
  Would participate in training on different performance management methodologies and tools.
- Communities of Practice: 67%
  Would be interested in a community of practice where they could learn from each other how to improve social impact.
- Best Practices: 79%
  Would utilize knowledge about best practices from other organizations with similar programs.
- Grant Writing: 63%
  Would participate in training on how to write grants requesting funding for performance measurement purposes.
- Program Evaluators: 47%
  Would utilize a list of external nonprofit program evaluators.

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This report was researched and authored by Karina Lungo, M.B.A/MNPs, and Stephanie La Loggia, M.A. The information and findings in this report are based on a survey of Arizona nonprofit CEOs conducted in May of 2013; 79 CEOs responded to the survey. For full details and further information about our research and the Center’s other programs, please visit our website at lodestar.asu.edu.

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