A new Johns Hopkins University survey has revealed widespread innovation among the nation’s nonprofits, as well as efforts by those organizations to measure their programs’ effectiveness. The vast majority (82 percent) of responding organizations reported implementing an innovative program or service within the past five years, and 85 percent reported measuring program effectiveness.

“Given the focus of both Obama administration officials and U.S. foundation leaders on identifying and supporting innovative programs that truly work to address our nation’s long-standing social challenges, it is highly encouraging to see that the innovative spirit appears to be alive and well in the core of the nation’s nonprofit sector, and not just among new start-ups,” said Lester M. Salamon, director of the Johns Hopkins Center for Civil Society Studies, which conducted this survey as part of its Listening Post Project.

The study surveyed a nationwide sample of nonprofit organizations in four key fields—children and family services, elderly housing and services, community and economic development, and the arts—with 417 organizations responding. It defined an “innovative” program or service as “a new or different way to address a societal problem or pursue a charitable mission that is more effective, efficient, sustainable, or just than prevailing approaches.”

Substantial majorities of organizations in all four fields covered by the survey reported innovative activity during the previous five years, and this was particularly pronounced among larger organizations, challenging the common assumption that organizations become less innovative as they grow in size.
Examples of innovative programs cited by survey respondents included:

- A distance learning lab linking local grade schools with live feeds from NASA;

- A music and wellness program that connects a local orchestra to new segments of the community by arranging performances in hospitals, health care facilities, and even patient rooms;

- An Alzheimer’s day care and resource center that incorporates the latest research on lighting, colors, design, and acoustics; and

- A transitional support house for domestic violence victims with substance abuse issues that made provisions for residents to stay with their children.

Although innovation is widespread within the nonprofit sector, more than two-thirds of responding organizations also reported having at least one innovation in the past two years that they wanted to adopt but were unable to. The vast majority of respondents (86 percent) attributed their inability to adopt a proposed innovation to a lack of funding. Other key barriers included the inability to move promising innovations to scale due to lack of “growth capital” (74 percent), narrow governmental funding streams (70 percent), and a tendency among foundations to encourage innovations but then not sustain support for them (69 percent).

Despite concerns that an emphasis on performance measurement might distort organizational missions or cause organizations to sidestep programs with hard-to-achieve outcomes, the great majority of nonprofits not only reported measuring the effectiveness of their programs, but also reported positive impacts from doing so. These impacts included staying focused on long-term goals (72 percent), enhancing their reputation in the community (68 percent), and improving their services (68 percent).

Of the 85 percent of nonprofits reporting that they measure program effectiveness, virtually all used output measurements, such as the number of individuals served by a soup kitchen or the number of performances given by an orchestra. Nearly 70 percent also reported using outcome measures, which focus on ultimate effects.

The major barriers to more extensive use of performance measurements identified by respondents were a lack of staff time and expertise, and the cost of good evaluation.
“It’s clear that nonprofit managers have taken to heart the importance of being able to prove that their programs are effective,” observed Peter Goldberg, president and CEO of the Alliance for Children and Families and chairman of the Listening Post Project Steering Committee. “But what we’re hearing from them is that they that they need technical and financial assistance in implementing evaluation efforts.”

Recommendations from survey respondents for helping to overcome the remaining barriers to nonprofit innovation and performance measurement included better tools to measure qualitative impacts (82 percent of respondents), less time-consuming measurement tools (81 percent), financial resources to support the measurement and research functions (79 percent), greater help from intermediary organizations in fashioning common evaluation tools (67 percent), and training for personnel in how to use these tools (63 percent).

Sizeable proportions of respondents also urged the new White House Office of Social Innovation and Civic Participation to continue stressing the importance of innovation but to recognize as well the value of effective ongoing programs and the barriers that restrictive regulations, lack of coordination among federal agencies, and inadequate financial support for program evaluation place in the way of innovation and performance measurement.

The full report “Nonprofits, Innovation and Performance Measurement: Separating Fact from Fiction” is available online at http://ccss.jhu.edu.

About the project:
The Listening Post Project is a collaborative undertaking of the Center for Civil Society Studies at the Johns Hopkins University Institute for Policy Studies, the Alliance for Children and Families, the Alliance for Nonprofit Management, the American Association of Homes and Services for the Aging, the American Association of Museums, Community Action Partnership, the League of American Orchestras, Lutheran Services in America, Michigan Nonprofit Association, the National Council of Nonprofits, and United Neighborhood Centers of America. Its goal is to monitor the health of the nation's nonprofit organizations and assess how nonprofits are responding to important economic and policy changes. Support for the Listening Post Project has been provided by the Bill and Melinda Gates Foundation, the Kresge Foundation, the Charles Stewart Mott Foundation, the Rockefeller Brothers Fund, and the Surdna Foundation.

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