

Foundations Lack Understanding of Causes They Support, Study Says

By Maria Di Mento

Most nonprofit leaders believe foundations that support their groups don't fully understand the needs of the people the charity serves, according to a new study.

Only 31 percent of respondents said that most grant makers that support their charities' have a "deep understanding" of the needs of the nonprofits' beneficiaries, according to the study by the [Center for Effective Philanthropy](#). Only 28 percent said that most of their grant makers understand what factors have contributed to the problems that the nonprofits are trying to help resolve.

And when it comes to how foundations prioritize their grant making, less than one-third of respondents said that their supporters' long-term grant-making priorities reflect a deep understanding of the needs of those the charities serve.

Meanwhile, only 16 percent of charity leaders said that the program strategies designed by their funders show any real grasp of the needs of those the charities seek to help.

While it is not unusual for nonprofit leaders to feel this way, the survey results underscore why foundations should make more of an effort to understand the needs of those they want to help, says Phil Buchanan, president of the Center for Effective Philanthropy.

"You live in a bubble when you work at a foundation, and you've got to really actively break out of that bubble to understand what's really going on," says Mr. Buchanan. "If you don't really understand their perspectives, chances are your strategies are not going to be as solid as they might be because, how can you really help people if you don't know what they need."

Charity leaders say they find this lack of understanding particularly frustrating because many of them make a point of sharing feedback from their beneficiaries with their funders.

According to the study, 60 percent of respondents say they share beneficiary feedback with their foundation donors. Grant makers that understand a charity's beneficiaries' needs, nonprofit leaders say, are much more engaged with the nonprofits they support. In addition, respondents said, well-informed grant makers seem more humble, open, and collaborative in their approach than others, or at least better connected to the communities the charities serve.

Collecting Feedback

The study also found that more than 90 percent of nonprofits collect feedback from those they serve and that many are using the data to improve their programs and services.

Almost three-quarters of respondents said they had made changes to their programs or services in response to such feedback, despite complaints by some charity critics that nonprofits, unlike businesses, are not interested in listening to those they serve.

The only question, says Mr. Buchanan, is whether nonprofits can get better support for their efforts to gather information from the people they serve to improve operations.

The respondents said that collecting such data would be much easier with foundation support specifically dedicated to the task, but only slightly less than half (46 percent) said they actually receive such assistance. And among those that receive such support, it is usually because they have asked for it specifically.

More than half of the respondents said a lack of resources is their greatest challenge in collecting such data.

One reason why more foundations do not provide dedicated support to collect beneficiary feedback is that, like individual donors, many grant makers want their money going toward program delivery.

"There's a lack of recognition that a great investment is in helping somebody to be able to improve the delivery of that program by collecting the right information," says Mr. Buchanan.

The report, [Hearing From Those We Seek to Help](#), collected responses from 235 nonprofit leaders with annual expenses between \$100,000 and \$100-million (hospitals and universities were excluded).

The report is available free at effectivephilanthropy.org.

Editor's note: This report was corrected from an earlier version that stated the share of organizations that said all of their funders have a deep understanding of the people they serve and the factors that contribute to the problems the groups seek to solve.