Concluding there is room for improvement in the capacity and practice of evaluation in the nonprofit sector, a recently released study\(^1\) of more than 546 nonprofits across the country rated the state of evaluation as only “fair.” In fact, the assessment suggests that “more than two-thirds of organizations do not have the promising capacities and behaviors in place” to reap the benefits of evaluation that can improve outcomes and maximize impact. Below are some of the key findings.

- Organizations with larger budgets (over $5 million) and those that have been around longer (over 20 years) are more likely to evaluate their work than smaller, less established organizations.
- Only a little more than a quarter of the responding organizations were judged to have capacity or behavior in place to engage in meaningful evaluation.
- Agency self-assessment of their evaluation capacity appears to overstate actual ability. (For example only 42% of those that rated themselves as having high or moderate evaluation capacity had developed a logic model or similar document and even fewer had updated it in the past year.)
- More than 70% of the organizations are spending less than 5% of their budgets on evaluation. \(^2\)
- Almost a third (32%) of the responding agencies reported receiving support from foundations or philanthropy for evaluation.
- Quantitative practices (i.e. tracking statistics, feedback forms, etc.) are much more common than qualitative practices (case studies, focus groups, etc.) of data collection among responding agencies.
- Outcome evaluation is the type of design used by most (79%) of the responding organizations.
- 37% of respondents from large organizations reported that most data collected in their organization is not used.
- Less than one fifth (18%) of the responding organizations had a full-time employee dedicated to evaluation.
- Knowing where or how to find a professional external evaluator was cited as a challenge by 44% of the responding agencies.
- Of those organizations working with a professional external evaluator, nearly 70% (69%) reported a positive experience.
- The organizations’ CEO, Board and funders are reported to be the primary users of the data.
- Limited staff time, insufficient financial resources and limited staff expertise are the greatest barriers to evaluation.
- 75% indicated they regularly discuss evaluation findings with funders although only 37% thought funders are accepting of failures as an opportunity for learning.

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\(^2\) Generally, recommendations regarding the percent of budget to devote to evaluation range from 5-15%, but in this report, 5-10% is the recommended range.