

# The Foundation Review

---

Volume 9  
Issue 1 *Exit Strategies*

Article 13

---

4-2017

## Full Issue

Follow this and additional works at: <https://scholarworks.gvsu.edu/tfr>

 Part of the [Nonprofit Administration and Management Commons](#), and the [Public Affairs, Public Policy and Public Administration Commons](#)

---

### Recommended Citation

(2017) "Full Issue," *The Foundation Review*: Vol. 9: Iss. 1, Article 13.

<https://doi.org/10.9707/1944-5660.1356>

Available at: <https://scholarworks.gvsu.edu/tfr/vol9/iss1/13>

This Open Access is brought to you for free and open access by ScholarWorks@GVSU. It has been accepted for inclusion in The Foundation Review by an authorized editor of ScholarWorks@GVSU. For more information, please contact [scholarworks@gvsu.edu](mailto:scholarworks@gvsu.edu).

# THE **Foundation** Review<sup>®</sup>



## Exit Strategies

### Results

Legacy of a Philanthropic Exit .....	7
Partnership with Government .....	23

### Tools

Evaluation at Sunset .....	40
----------------------------	----

### Sector

Advice for Breaking Up .....	50
Exiting Large-Scale Initiatives .....	64

### Reflective Practice

End-Game Evaluation .....	78
The Skillman Foundation Experience .....	92

### Commentary

Reflections on Exits .....	103
----------------------------	-----

Executive Summaries .....	107
---------------------------	-----

Call for Papers .....	111
-----------------------	-----

CO-SPONSORED BY:  **S. D. BECHTEL, JR. FOUNDATION**  
STEPHEN BECHTEL FUND

the David & Lucile **Packard** FOUNDATION

The **ATLANTIC** Philanthropies

The Peer-Reviewed Journal of Philanthropy



**JOHNSON CENTER**  
AT GRAND VALLEY STATE UNIVERSITY



# Master of Philanthropy and Nonprofit Leadership



Grand Valley State University's Master of Philanthropy and Nonprofit Leadership prepares students for careers or advancement in the nonprofit and philanthropic sector through **classroom study, applied research, professional development,** and **field experience.**

Students learn to lead and manage philanthropic and nonprofit organizations ethically and effectively, and go beyond traditional boundaries in the pursuit of prosperous, safe, and healthy communities.

## Coursework includes:

- ▶ Financial management
- ▶ Fund development
- ▶ Grantmaking
- ▶ Marketing
- ▶ Nonprofit management
- ▶ Program evaluation
- ▶ Social entrepreneurship

For more information, visit [gvsu.edu/spnha](https://gvsu.edu/spnha)



# THE FoundationReview®

PUBLISHED QUARTERLY

VOL. 9 ISSUE 1 | MARCH 2017

*The Foundation Review* is the first peer-reviewed journal of philanthropy, written by and for foundation staff and boards and those who work with them implementing programs. Each quarterly issue of *The Foundation Review* provides peer-reviewed reports about the field of philanthropy, including reports by foundations on their own work.

**Our mission:** To share evaluation results, tools, and knowledge about the philanthropic sector in order to improve the practice of grantmaking, yielding greater impact and innovation.

*The Foundation Review* is a proud product of the Dorothy A. Johnson Center for Philanthropy at Grand Valley State University.



#### Photo Credit

Front cover: Shutterstock

**Editor in Chief**  
Teresa R. Behrens

**Associate Editor**  
Pat Robinson

**Assistant Editor**  
Michael Pratt

**Art Director**  
Karen Hoekstra

#### Editorial Advisory Board

Robert F. Ashcraft, Ph.D.  
Lodestar Center for Philanthropy  
and Nonprofit Innovation  
Arizona State University

Kathy Palumbo, Ph.D.  
The Community Foundation  
for Greater Atlanta

Patricia Patrizi  
Patrizi Associates

Michael Quinn Patton, Ph.D.  
Utilization-Focused Evaluation

Hallie Preskill, Ph.D.  
FSG Social Impact Consultants

Patrick Rooney, Ph.D.  
Lilly Family School of Philanthropy  
Indiana University

#### Statement of the Editorial Advisory Board

We believe that the forthright sharing of information among foundations and nonprofits builds a knowledge base that strengthens their ability to effectively address critical social issues. We encourage foundation donors, boards, and staff to honor this transparency in their own practices and to support others who do so.



Copyright © 2017 Dorothy A. Johnson Center for Philanthropy at Grand Valley State University. *The Foundation Review* is a registered trademark of Grand Valley State University.

# editorial

---

Dear Readers,

Since 2010, there has been a significant shift toward creating foundations that have a defined endpoint. According to one estimate,<sup>1</sup> about 19 percent of family foundations established between 2010 and 2014 plan to spend out their endowments, compared to only 3 percent of those created before 1970. The U.S.'s biggest foundation is a limited-life foundation — the Gates Foundation is set to close 20 years after the death of the donors.

Limited-life (also known as sun-setting, or spend-down) foundations have some things in common with perpetual foundations that are exiting a line of work. Beginning in the late 1990's with the rise of strategic philanthropy, many perpetual foundations began funding time-limited strategic initiatives. The Skillman Foundation in Detroit, for example, funded the "Good Neighborhoods" initiative for more than ten years, ending in 2016.



**Teri Behrens**

Both of these situations — ending the foundation or ending a line of work — create a specific set of challenges. What is the best way to exit and leave in place strong organizations, networks, and fields that can continue to achieve positive results for their communities? How do you preserve the knowledge and intellectual assets of the foundation? How do you manage foundation staff in the context of a spend-down or ending support for the line of work they are passionate about? How does the foundation ensure that the organizations in which they have invested will continue to honor the intent of the funding? How do you create partnerships with other funders, including government?

As new foundations are choosing to limit their lifespans and perpetual foundations continue to fund work in targeted, limited-time initiatives, their effectiveness at addressing these and other questions has a significant impact on the nonprofit landscape. It requires that, more than ever, nonprofits think of philanthropy as seed capital rather than on-going support. It requires that exiting foundations are extra diligent about mission alignment. It requires greater collaboration among funders. It requires creative approaches to human resources.

<sup>1</sup>"Trends in Family Philanthropy." *National Center for Family Philanthropy* 11/02/2015.

Fred Smith (2016) shared a compelling metaphor for what ideally happens when a foundation ends its grantmaking:

If I knew I was setting an end date, I would call it dissolution — but not in the way that term is normally used... When salt dissolves, it is absorbed and assimilated into the body... It becomes an integral part of the body, and long after we consume it, the effects remain...

That is how I see the most important work of a foundation. If we do our work right, we will do more than invest in a community or make financial gifts that evaporate when we are no longer there. Rather, we dissolve and the things that are truly lasting — our values, our way of seeing opportunities, our relationships, our non-financial contributions — become a lasting part of the community in which we live (para. 4–6).

The S. D. Bechtel, Jr. Foundation, Atlantic Philanthropies, and the David and Lucile Packard Foundation have co-sponsored this special issue of *The Foundation Review* on Exit Strategies to expand what we know about how to achieve that lasting impact.

**Gienapp, Reisman, Shorr, and Arbreton** describe the findings from a time-bound initiative of the Hewlett Foundation on nuclear security and how learning from that initiative has influenced how they think about exiting other fields of work.

Foundations have often proposed that their role is to pilot interventions, with government funding then taking over support for successful approaches. **Knox and Quirk** share the experience of exiting work in Northern Ireland and partnering with government as the exit strategy.

While many foundations now appreciate the importance of bringing evaluation in at the beginning of an initiative, thinking about how to conduct evaluations at the end of an initiative poses its own challenges. **Beadnell, Djang, Vanslyke, Masters, and Anderson** conducted a “sunset evaluation” and share some of their methodologies.

**Kibbe** draws on interviews of grantmakers and grantees to identify areas in which foundations can improve their exit practices, offering a summary of advice from both perspectives.

CONTINUED ON NEXT PAGE

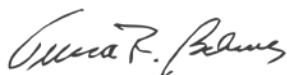
As part of exiting out of the Building Health Communities initiative, the California Endowment commissioned a research project to identify effective exit practices. **Yu, Jhawar, and Berman** report on the results of this national scan.

**Halverstadt and Kerman** share the emerging hypotheses of two foundations, The Atlantic Philanthropies and the S. D. Bechtel, Jr. Foundation — each four years from sunset — about the opportunities and challenges for evaluation in the limited-life context.

The issue includes an interview with **Marie Columbo**, director for strategic evaluation and learning at the Skillman Foundation, about the unique challenges of exiting place-based work.

We conclude with personal reflections from **Debra Joy Perez** about the role of relationships in exiting.

We hope these articles inspire our readers to plan their exits to be both graceful and impactful.



Teresa R. Behrens, Ph.D.

Editor in Chief, *The Foundation Review*

Director, Institute for Foundation and Donor Learning,

Dorothy A. Johnson Center for Philanthropy at Grand Valley State University

---

## Reference

SMITH, F. (2016, June 21). For Sunsetting Foundations, a Limited Life but a Perpetual Contribution. [Blog post]. Retrieved from <http://effectivephilanthropy.org/for-sunsetting-foundations-a-limited-life-but-a-perpetual-contribution>.

## Results

- 7** The Legacy of a Philanthropic Exit: Lessons from the Evaluation of the Hewlett Foundation's Nuclear Security Initiative

*Anne Gienapp, M.P.A., and Jane Reisman, Ph.D., ORS Impact; and David Shorr, M.P.A., and Amy Arbretton, Ph.D., William and Flora Hewlett Foundation*

- 23** Partnership With Government: An Exit Strategy for Philanthropies?

*Colin Knox, Ph.D., Nazarbayev University and Ulster University, and Padraic Quirk, Ph.D., Social Change Initiative*

## Tools

- 40** Evaluation at Sunset: Considerations When Evaluating a Program as It Concludes

*Blair Beadnell, Ph.D., Holly Carmichael Djang, M.A., Jan Vanslyke, Ph.D., and Tatiana Masters, Ph.D., Evaluation Specialists; and Barbara Andersen, M.P.A., Santa Barbara Foundation*

## Sector

- 50** Breaking Up Is Hard to Do
- Barbara Kibbe, J.D., S. D. Bechtel, Jr. Foundation*

- 64** Exiting From Large-Scale Initiatives: Lessons and Insights From a National Scan of Philanthropy

*Hanh Cao Yu, Ph.D., and Moninder-Mona K. Jhavar, M.P.H., The California Endowment, and Daniela Berman, M.P.P., Social Policy Research Associates*

## Reflective Practice

- 78** End-Game Evaluation: Building A Legacy Of Learning In A Limited-Life Foundation

*Ashleigh Halverstadt, M.P.A., S. D. Bechtel, Jr. Foundation, and Benjamin Kerman, Ph.D., The Atlantic Philanthropies*

- 92** Changing in Place: The Skillman Foundation, Detroit, and the Good Neighborhoods Initiative

*How did a hometown grantmaker conduct and conclude its largest-ever initiative?*

## Commentary

- 103** Exiting is a Natural Part of Philanthropy — Learning From it? Not so Much.

*Debra Joy Perez, Ph.D.*

## Plus

- 107** Executive Summaries

- 111** Call for Papers

## The Institute for Foundation and Donor Learning

Philanthropy is evolving quickly, presenting new opportunities and challenges for effective grantmaking. The Institute for Foundation and Donor Learning at the Dorothy A. Johnson Center for Philanthropy helps grantmakers adopt best practices and interact with other practitioners to strengthen their daily work.

Our programs are designed to meet the learning needs of grantmakers and donors: **The Foundation Review**, **The Grantmaking School**, **LearnPhilanthropy.org**, **OurStateofGenerosity.org**, the **Frey Foundation Chair for Family Philanthropy**, and the **W.K. Kellogg Community Philanthropy Chair**.

---

## Sponsorship and Sponsor Subscriptions

If you or your organization are interested in sponsoring an issue on a particular topic or in supporting the work of *The Foundation Review*, please contact Teri Behrens at [behrenst@foundationreview.org](mailto:behrenst@foundationreview.org).

---

## Permissions

Abstracting is permitted with credit to the source. Permission may be requested to photocopy or reproduce materials published in this journal by contacting the Copyright Clearance Center at [www.copyright.com](http://www.copyright.com), or by sending an email to [info@copyright.com](mailto:info@copyright.com).

Contact Pat Robinson at [pat.robinson@gvsu.edu](mailto:pat.robinson@gvsu.edu) for more information.

---

## Partner Discounts

Discounted subscriptions are offered to members of partner organizations. If you are a member of the following organizations, please use the discount code below when subscribing at <http://johnsoncenter.org/subscribe>.

Contact Pat Robinson at [pat.robinson@gvsu.edu](mailto:pat.robinson@gvsu.edu) for more information.

- American Evaluation Association (AEA17) [www.eval.org](http://www.eval.org)
- Association of Black Foundation Executives (ABFE17) [www.abfe.org](http://www.abfe.org)
- The Communications Network (CN17) [www.comnetwork.org](http://www.comnetwork.org)
- Council of Michigan Foundations (CMF17) [www.michiganfoundations.org](http://www.michiganfoundations.org)
- Council on Foundations (COF17) [www.cof.org](http://www.cof.org)
- Emerging Practitioners in Philanthropy (EPIP17) [www.epip.org](http://www.epip.org)
- Forum of Regional Associations of Grantmakers (FRA17) [www.givingforum.org](http://www.givingforum.org)
- Funders' Network (FN17) [www.fundersnetwork.org](http://www.fundersnetwork.org)
- Grantmakers for Education (GFE17) [www.edfunders.org](http://www.edfunders.org)
- Grantmakers for Effective Organizations (GEO17) [www.geofunders.org](http://www.geofunders.org)
- Grant Managers Network (GMN17) [www.gmnetwork.org](http://www.gmnetwork.org)
- LearnPhilanthropy (LP17) [www.learnphilanthropy.org](http://www.learnphilanthropy.org)
- National Network of Consultants to Grantmakers (NCCG17) [www.nncg.org](http://www.nncg.org)



*This publication is printed with soy ink. Printed in USA*

# The Legacy of a Philanthropic Exit: Lessons From the Evaluation of the Hewlett Foundation's Nuclear Security Initiative

Anne Gienapp, M.P.A., and Jane Reisman, Ph.D., *ORS Impact*; and David Shorr, M.P.A., and Amy Arbretton, Ph.D., *William and Flora Hewlett Foundation*

*Keywords: Summative evaluation, advocacy evaluation, time-bound investment, philanthropic exit, nuclear security*

## Introduction

The William and Flora Hewlett Foundation's Nuclear Security Initiative (NSI) began as an exploratory grant in 2007, and was extended into a seven-year, \$24.7 million initiative when the foundation's leadership saw a window of opportunity and the potential to make a significant impact within a relatively short time. The initiative was sunset in 2015.

The Hewlett Foundation currently organizes its grantmaking within five core program areas (William and Flora Hewlett Foundation, n.d.). Like many foundations, Hewlett pursues opportunities for impact beyond its primary program areas, reserving funds each year to support what it calls "special projects." These projects — including one-time grants or multiyear initiatives — are not required to align neatly with existing program goals, but must adhere to the framework (now called Outcome-Focused Philanthropy) that guides all of Hewlett's strategic work.

Once funded, special projects are often renewed or extended over several years, so it can be easy to lose sight of an impending end point. Such was the case with the NSI: partnerships had developed, momentum built, and expectations arose as the initiative was extended over seven years. Uncertainty among Hewlett staff, grantees, and co-funders about when the initiative would end led to disappointment within and outside the foundation when the NSI exit strategy began to take shape.

## Key Points

- As its seven-year Nuclear Security Initiative wound down in late 2014, the William and Flora Hewlett Foundation engaged ORS Impact to conduct a summative evaluation. That evaluation yielded insights pertinent to future work on nuclear security and other fields where policy-related investments, strategies, and goals are prioritized, as well as insights regarding Hewlett's approach to the initiative exit.
- During the life of the initiative, significant changes in the geopolitical landscape influenced both the relevance and the expected pace of advancement of its established goals and targets. Rather than focusing on whether identified targets had been achieved in a narrow "success/failure" framework, the evaluation explored where and how Hewlett's investments and actions made a difference and where meaningful progress occurred over the seven years of investment. Evaluation findings highlighted contributions and areas of progress that had not been explicitly anticipated or specifically identified in the initiative's theory of change.
- This article describes the initiative and its theory of change, evaluation methods and approaches, findings, and how these informed the foundation's planning for initiative exits and approach to measurement of time-bound investments. Although time-bound philanthropic initiatives are a well-established practice, the approach merits closer examination in order to discern effective ways to implement, evaluate, and wind down these types of investments.

*The initial Nuclear Security Initiative investments occurred at a time when many philanthropies were shifting from more traditional grantmaking to bolder approaches — sometimes called “big bets” — that were often designed to address complex, systemic issues and achieve meaningful social or environmental change. A common belief in the philanthropic sector was that with a high degree of accountability to impact, foundations could surgically and successfully realize ambitious goals within a reasonable time period.*

As the NSI drew to a close in late 2014, Hewlett engaged ORS Impact to conduct a summative evaluation. Although the NSI included specific goals and targets, the foundation team and evaluators determined that summative evaluation would not focus narrowly on assessing whether or not these had been achieved. Instead, evaluation sought to document how and where Hewlett’s investments made a substantive difference during the seven-year NSI, where meaningful progress occurred, and how Hewlett’s exit was perceived by the field. The timing of ORS Impact’s evaluation offered a rich opportunity for the foundation’s leadership and program staff to

deepen understanding about both philanthropic approaches and monitoring and evaluation (M&E) in the context of a time-bound initiative.

Although time-bound philanthropic initiatives are a well-established practice, the approach merits closer examination in order to discern effective ways to implement, evaluate, and wind down these types of investments. This article describes the NSI evaluation along with how findings informed Hewlett’s philanthropic approach, and provides a case example of a philanthropic-initiative exit. Key considerations for M&E practices that are particular to the context of philanthropic investments where an exit is planned are also presented.

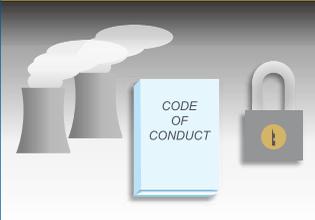
### Overview of the Nuclear Security Initiative

Security issues are not a central element in the Hewlett Foundation’s main programs, though it has a history of funding special projects in the peace and security space in response to perceived opportunities. At the time the NSI was launched in early 2008, the foundation assessed that near-term gains on pressing policy issues were possible, presenting a ripe opportunity for impact.

The initial NSI investments occurred at a time when many philanthropies were shifting from more traditional grantmaking to bolder approaches — sometimes called “big bets” — that were often designed to address complex, systemic issues and achieve meaningful social or environmental change. A common belief in the philanthropic sector was that with a high degree of accountability to impact, foundations could surgically and successfully realize ambitious goals within a reasonable time period (Brest, 2011). At the NSI’s inception, Hewlett’s philosophy of grantmaking was guided by this point of view, an approach known as “strategic philanthropy” (Brest & Harvey, 2008).

The NSI had a bold, aspirational goal to reduce the risk of a nuclear disaster by a discernable margin. The initiative encompassed three main strategy areas, each one large and complex in its

**FIGURE 1** Overview of NSI Strategy Areas

Strategic Stability Among the P5 and Their Allies		
	Aspirational Outcomes	Sample of Grantees
	<p>The nuclear powers (P5) and their allies develop or maintain stable bilateral and multilateral strategic relations, and reduce their reliance on nuclear weapons in their defense policies.</p>	<p>Carnegie Endowment for International Peace Stanford University The China Institute of International Studies British American Security Information Council Center for Arms Control and Nonproliferation Center for Public Integrity World Security Institute Center for Strategic and International Studies</p>
Prudent Development of Nuclear Power		
	Aspirational Outcomes	Sample of Grantees
	<p>Where nuclear power is being pursued, it is developed to ensure safety &amp; security of fissile material and with minimal impacts on proliferation.</p>	<p>American Academy of Arts and Sciences Center for Strategic and International Studies Arius Association Nuclear Threat Initiative Center for Economic and Foreign Policy Studies Institute for Science and International Security Natural Resources Defense Council Carnegie Endowment for International Peace</p>
Better International Rules		
	Aspirational Outcomes	Sample of Grantees
	<p>The international nuclear nonproliferation regime becomes more effective, enforceable, and equitable. Non-nuclear emerging states commit to equitable and enforceable nonproliferation policies.</p>	<p>Ploughshares Fund National Security Initiative Carnegie Endowment for International Peace The Arms Control Association Center for Economic and Foreign Policy Studies NPSGlobal Foundation Fundacao Getulio Vargas Monterey Institute of International Studies</p>

own right and each with numerous ambitious policy targets.<sup>1</sup> (See Figure 1.)

During seven years of investment the NSI set over 100 specific targets that spanned numerous issues, including strategic developments within NATO, multinational as well as nation-specific actions, and the fair consideration and adoption of treaties and agreements.<sup>2</sup> The number and the array of targets reflected the foundation’s view

that a time-bound investment could be successfully and precisely calibrated.

The NSI grants were made to a range of organizations, including university-based research institutes and think tanks, as well as nonprofits engaged in advocacy and communications activities. Grants included both restricted support for specific programs and general operating support. Significant investments were made in five

<sup>1</sup>A target is a type of outcome that describes a specific change or specific amount of change (e.g., 90 percent of all third-grade students are reading at grade level). Targets communicate expectations about impact and are often used in strategic philanthropy or venture philanthropy. In the context of the NSI, targets reflected expectations about change and could be assessed as having been “achieved” or “not achieved.”

<sup>2</sup>Although some of the NSI’s targets may reflect the passage of legislation (based on inputs from grantees and experts in the field), the Hewlett Foundation does not lobby or earmark its funds for prohibited lobbying activities, as defined in the federal tax laws. Its funding for policy work is limited to permissible forms of support only, such as general operating support grants that grantees can allocate at their discretion and project support grants for nonlobbying activities (e.g., public education and nonpartisan research).

*[T]he evaluation was a broad and inclusive inquiry that aimed to systematically assess and determine how and where the NSI had made a substantive difference — where meaningful progress had occurred, and perceptions within the field about the foundation, the initiative, and the exit process.*

“anchor” grantees — organizations that the foundation viewed as key partners in the pursuit of initiative goals.

Beyond these financial investments, Hewlett invested human resources to boost the efforts of grantees and enhance impact. The NSI program officers took steps to convene grantees and support coordinated strategy, and were also careful to situate the initiative’s efforts with the ongoing work in the field, coordinating closely with their counterparts in the Peace and Security Funders Group. As time went on, program officers gained a sense of the nuclear security field’s strengths and weaknesses and shared insights with both peer funders and grantees in order to inform strategy.

A combination of shifts in the foundation’s strategic priorities and an assessment of diminished opportunity in the nuclear policy arena led the foundation to wind down the NSI in 2013. An important aspect of the wind-down strategy was intentional efforts to strengthen capabilities within the nuclear field via joint efforts with other funders and a number of organizational capacity-building grants.

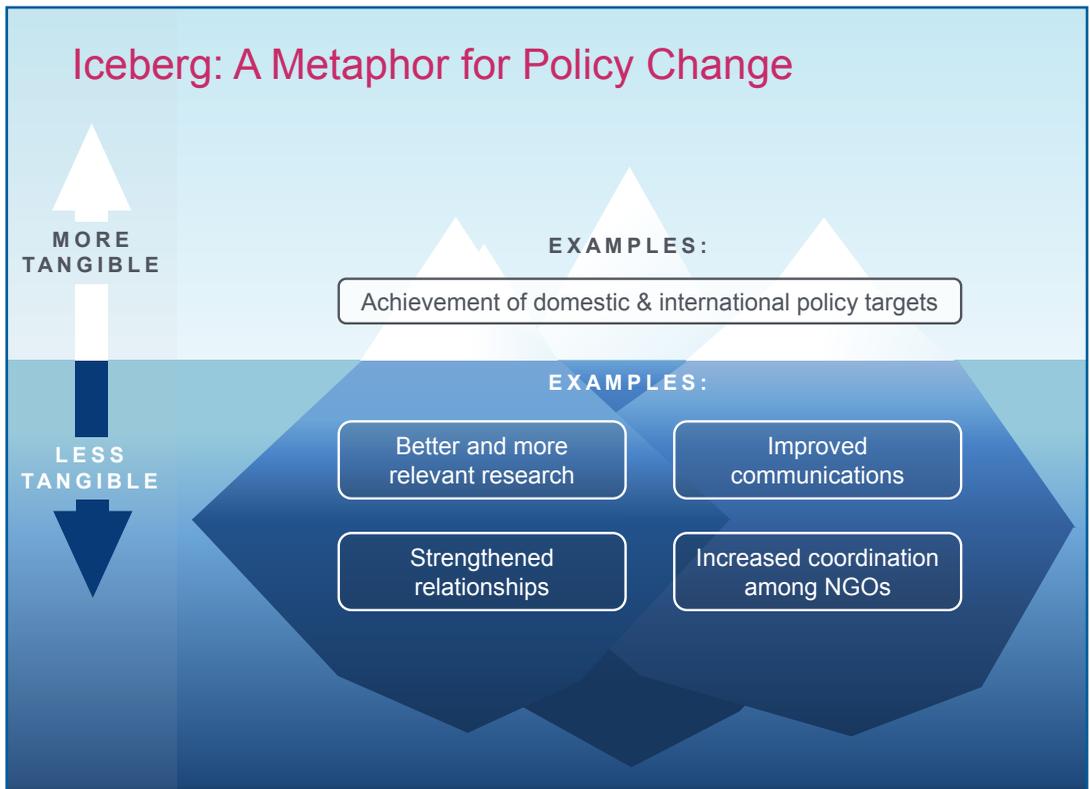
## NSI Evaluation Approach and Methods

The field of nuclear security is beset by a host of wicked problems. Thousands of destructive weapons — in the hands of regimes that are stable and in those that are less so — inevitably shape power relationships within a complex, global political system. Nuclear materials are transported and stored without proper protections and there is the risk that weapons or nuclear materials can wind up in the hands of nefarious actors. For these sorts of problems, the pathway to desired goals cannot always be plotted in advance. Despite established goals and targets, the actual results for any initiative tackling such a web of wicked problems are unlikely to conform to plan. To maintain relevance, targets — and sometimes goals — must evolve in response to an interplay of global factors. It is against this complex backdrop that the NSI summative evaluation took place.

Evaluation can be conducted for a number of purposes. The NSI evaluation did not focus on accountability; nor did it aim to assess the merit and worth of the NSI’s impact by examining its 100-plus targets within a narrow “success/failure” framework or by asking whether the initiative had advanced its bold goal to reduce the risk of a nuclear disaster. Instead, ORS Impact’s evaluation was intended to support the foundation’s learning and ongoing strategy decisions.<sup>3</sup> As such, the evaluation was a broad and inclusive inquiry that aimed to systematically assess and determine how and where the NSI had made a substantive difference — where meaningful progress had occurred, and perceptions within the field about the foundation, the initiative, and the exit process.

To support learning and decision-making, evaluation inquiry broadened the notion of what could be considered “success” in a global-scale policy-change effort and assessed where progress had occurred in forms other than achieving specific policy targets — certainly the most visible but also the most ambitious sorts of change.

<sup>3</sup>The NSI evaluation’s purpose and methods are consistent with strategic learning. For further description of this evaluative approach, see Patton, 2011; Coffman & Beer, 2011; and Lynn, 2012.

**FIGURE 2** Iceberg: A Metaphor for Policy Change. Adapted from Schlangen and Coe, 2014.

The NSI summative evaluation relied on four sources of data:

1. in-depth interviews with a broad cross section of actors in the field, including Hewlett staff, grantees, funders, policy-makers, and experts inside and outside of government (n = 35);
2. analysis of 720 grantee and program officer reports;
3. review of selected news articles, op-eds, websites, and grantee and funder publications; and
4. a focus group with four evaluation experts, including those with experience in philanthropy, where the intent was to discuss monitoring and evaluation approaches relevant to initiatives such as the NSI.

Using purposive sampling, key informants were carefully selected with the help of an advisor who consulted with the evaluation team. The evaluation advisor, Joy Drucker, brought deep expertise in peace and security issues and was able to identify and help broker connections to those who could provide rich perspectives on the questions of interest, including those inside and outside of government.

Key informant interviews and reporting documents underwent thorough content analysis. Interviews and reports were coded to surface particular patterns and themes where data offered a weight of evidence. To provide perspective on how and where meaningful differences had been realized over the life of the initiative, the evaluation drew on the metaphor of an iceberg. (See Figure 2.) The evaluation sought to describe the wide base of the iceberg “below the waterline” — the array of less visible changes

that constitute modest but important incremental progress or establish the enabling conditions for more visible policy changes, such as more effective dialogue, stronger alliances among key actors, and improved capacity for effective communications. In the case of the NSI, the “below the waterline” outcomes were highly relevant to the initiative’s strategies — including both grants and nongrantmaking approaches (Schlangen & Coe, 2014).

The methods employed in this evaluation were intended to generate useful findings that could inform action. Findings are not intended to be generalizable, though they may be reasonably applied to other, similar settings — e.g., policy-change initiatives implemented in an environment of complexity that are also time bound.<sup>4</sup>

The foundation understood that insights from the summative evaluation would not be applied directly to its efforts within the NSI; rather, the desire was for an inclusive, comprehensive set of lessons that could be applied to other foundation initiatives. The foundation was also interested in delivering insights to those that would remain in the nuclear security field — including its grantees and the Peace and Security Funders Group (PSFG).

Insights relevant to the foundation and the field that are described in this article include the following:

- Be thoughtful about the desired impacts of a time-limited initiative based on the context, the scale of investment, and the range of strategies.
- Regularly reassess the ongoing relevance of desired impacts and/or targets given changes within foundations or the surrounding environment.
- Apply broad measurement frames that allow a full, rich picture of progress to emerge — beyond quantifiable targets.

## Evaluation Findings: Notable Accomplishments

The weight of evaluation evidence pointed to key accomplishments that were attributable to Hewlett’s grantmaking and its role as a philanthropic partner. As a partner, the foundation spurred interchange and collaboration within the field by convening key players, identified and addressed the field’s biggest capacity gaps, contributed to significant policy agreements, and facilitated tighter alignment among grantees and funders.

### *The ‘Three-Legged Stool’*

The NSI addressed shortcomings and enhanced capacity within the nuclear security field by emphasizing that the field’s diverse organizations — including technical, research-focused organizations and politically savvy advocates — are necessary complements for one another. The NSI program officers recognized the need for grantees to adopt a sustained campaign mentality to marshal their strongest arguments and allies against the wicked problems inherent in the field. The NSI helped grantees and funders see that the field must function as a “three-legged stool” in order to be most successful. The concept refers to intentional integration of elements that together provide a solid base for advancing policy change: the “legs” being strong, relevant research and analysis; effective advocacy and communications; and seamless coordination among multiple actors, some of whom might specialize in either research or advocacy. The NSI supported an expansive group of grantees, including those that were described as “new voices, new players.” Noting that grant support in the field had previously been tilted towards research, interviewees credited Hewlett with proactively and intentionally leading the effort to build advocacy capacity within the field. The cohesive “three-legged stool” framework reflected a new way of operating for the field.

While emergence of a strong campaign mentality was not one of the targets specifically articulated within the NSI, evidence indicates that

<sup>4</sup>For more discussion of the generalizability of qualitative evaluation data, see Patton, 1980.

grantee efforts bore impressive fruit by helping create an enabling environment for adoption of the New START strategic arms reduction treaty in 2010. As one interviewee noted, “[to advance policy solutions], you want to have a set of grants that goes at the drivers of [nuclear security] policy.” In the case of the New START, well-coordinated actors with a greater range of expertise were well positioned for success. There is also evidence that the NSI’s ongoing, balanced investment in research and analysis, advocacy, and field building helped ensure that actors were prepared for future efforts.

### *Improved Nuclear Governance*

One of the NSI’s strategy areas was to create or strengthen international rules and governance structures to address weapons proliferation, prudent development of nuclear power, and safe handling of nuclear materials. Consistent with Hewlett’s approach, there were numerous policy targets associated with this strategy area, and the evaluation found evidence of progress on a number of them. Grantees also succeeded in highlighting urgent nuclear security issues confronting NATO. And, the NSI was credited with boosting the capacity of nongovernmental nuclear policy specialists in key countries to engage more effectively in the arena.

A notable international policy success arose via one of Hewlett’s anchor grantees — namely, the creation and adoption of the nuclear vendors’ code of conduct, which enlisted commercial vendors of nuclear energy technology in a new nuclear security regime and thus achieved an important paradigm shift. One NSI grantee observed that vendors had previously viewed those in favor of nonproliferation as radical: “You couldn’t be pro-nuclear energy and pro-nonproliferation. [With the code], that has now evolved.” Although the complexity of the policy-change process can make it difficult to confirm a clear causal relationship between philanthropic investment and policy outcomes, this was a rare instance where it was possible. As one expert put it, “This was the Hewlett Foundation punching above their weight.”

*Although the complexity of the policy-change process can make it difficult to confirm a clear causal relationship between philanthropic investment and policy outcomes, this was a rare instance where it was possible. As one expert put it, “This was the Hewlett Foundation punching above their weight.”*

Adoption of the code of conduct was one of the initiative’s targets, and highlights the notion of quality over quantity. There were numerous policy targets associated with this NSI strategy, and some may ask whether achievement of a single target qualifies as a notable accomplishment. However, it is important to recognize the code of conduct was a significant, multinational, cross-sector agreement that resulted from strenuous negotiations.

### *Perception of Hewlett as Leader*

The Hewlett Foundation’s re-entry into the nuclear security space was seen as bringing “excitement, energy, and innovation”; many key informants perceived the Hewlett brand as synonymous with innovation. Throughout the NSI, the foundation showed a willingness to embrace new, potentially high-value investment areas that had not received significant attention from other funders in the nuclear security space. An example was investments the NSI made in Turkey and Brazil, which were emerging both technologically and politically and thus bound to influence the trajectory of nuclear security. Hewlett was credited with being a leader and the main funder for this work, and those knowledgeable about the effort described the impacts as “huge.”

## *Hewlett's investments in building the capacity of both government and civil-society actors to develop localized solutions to nuclear challenges, enhance oversight, and shape the debate at the domestic and international levels were viewed as critical to improving nuclear security globally.*

Early in the NSI, there was concern that certain states entering the global nuclear security debate lacked a cadre of thought leaders with sufficient expertise, relationships, and funding to wield meaningful influence. Hewlett's investments in building the capacity of both government and civil-society actors to develop localized solutions to nuclear challenges, enhance oversight, and shape the debate at the domestic and international levels were viewed as critical to improving nuclear security globally. Those familiar with the NSI's work in Turkey and Brazil saw significant gains in both states in terms of knowledge, transparency, and relationships between governmental and civil-society actors.

Hewlett also made a concerted effort to encourage innovation in the field. During the final years of the NSI, the foundation forged a partnership with four other nuclear security funders — the Carnegie Corporation of New York, the John D. and Catherine T. MacArthur Foundation, the Ploughshares Fund, and the Skoll Global Threats Fund — to form the Nuclear Innovation Collaborative. A charge of this group is to bring “positive disruption” to the arena of nuclear security in order to identify new ideas and approaches. The ultimate aim is to update the archaic Cold War framework within which nuclear security is often discussed and address the waning prominence of nuclear weapons

issues in recent political debate (Ploughshares Fund, 2014). Although the collaborative is still young, one of its major areas of focus will be bringing together innovators from different backgrounds to pursue high-impact collaborations and draw more active and effective people into the field.

Like the campaign mentality that emerged, broadened innovation in the field was not articulated as an NSI target — although evidence indicates that the foundation's work in this area led to impressive results.

### **Insights Regarding Strategy, Evaluation, and Exit Planning**

Contemporary approaches to grantmaking employ a wide variety of philanthropic tools for addressing a problem or opportunity of interest to a foundation. Traditionally, grantmaking focused on establishing core programs and continuing to support them over a long time frame. The desire for high-impact approaches grew with the trends of venture philanthropy, strategic philanthropy, and grantmaking effectiveness. The concept of a targeted, time-bound initiative is an outgrowth of these newer philosophies; emphasis is on investment in specific strategies aimed at achieving clear goals in a limited time period. Given that the success of policy-focused efforts can be contingent on mercurial realities, it can be self-defeating to tie an initiative's success to overly specific or ambitious goals. This raises the questions of how a time-bound initiative can be both targeted and responsive, and which approaches are best to gauge progress. Discussion below illuminates insights from the NSI evaluation.

#### *Shifting Strategy Amid Changing Opportunities*

During its lifespan, NSI strategy shifted in response to changing opportunities in the global landscape while retaining many of its original targets. The foundation re-examined the NSI's strategies and goals after an initial three-year investment and, after some tweaks, extended the initiative for another three years. A mid-course evaluation of the initiative carried out by a respected expert in the field suggested that

the NSI's strategies had been largely successful to date — namely due to the code of conduct and the grantee's work on adoption of the New START — and that continuation of the NSI would likely achieve more of the initiative's targets. Hewlett's board agreed to extend the NSI, but as the second phase of the initiative began, a number of shifts occurred around the globe. Tensions between the U.S. and Russia intensified as Russia effectively annexed the Crimean Peninsula. At the same time, relations between the U.S. and China had begun to cool and the 2011 earthquake and tsunami, which resulted in a critical incident at Japan's Fukushima nuclear plant, dampened the potential for expansion of nuclear energy. These factors, along with increasing gridlock in Congress, meant that earlier hopes for rapid advances in nuclear security policies were starkly diminished. Internally, a new program officer assumed management of the NSI. With a strong background in policy work via years of experience working on Capitol Hill, this officer recognized that advancing policy-related targets would be challenging.

As the second phase of the NSI moved forward, strategies shifted to reflect a “perceived niche” for the foundation (Redstone Strategy Group, 2012). Goals continued to be ambitious, emphasizing alignment and agreements among global actors. The new program officer focused her efforts on building a stronger, campaign-style infrastructure across the field so that everyone — including a range of grantees and members of the Peace and Security Funders Group — would be more effective both individually and collectively.

#### *A Mismatched Focus on Policy Targets*

Continued focus on ambitious policy targets was a mismatch with both the time frame of the NSI and the mix of funded strategies. The NSI's multiple policy targets suggest that perhaps there were outsized expectations about what could be accomplished within given grant cycles and via the funded strategies.

As noted, Hewlett's philosophy of grantmaking at the outset of the NSI was guided by a strategic

philanthropy approach that emphasized setting clear goals and measureable targets. The targets were useful in so far as they helped establish what the initiative set out to achieve. However, many of the NSI's fixed targets became quickly outdated as global circumstances shifted and thus were less useful as longer-term benchmarks. Setting targets in the dynamic context of policy change work is challenging because impact is affected by a multitude of factors, including the evolving complexities of the decision-making environment as well as the types, scale, or combination of funded strategies (Guthrie, Louie, David, & Foster, 2005; Reisman, Gienapp, & Stachowiak, 2007; Morariu & Brennan, 2009). The potential pitfall of relying on highly specified targets as the measure of success is that they may skew toward a best-case scenario — what could happen given unfettered strategy. Targets may not accurately reflect what is achievable given fundamental capacity in the field and inherent obstacles in the landscape, or the less dramatic but often very important incremental steps necessary to advance goals.

While the NSI realized progress on many fronts — including the enhanced capacity of certain actors, stronger dialogue and debate, and adoption of the New START and the code of conduct — it was probably overly optimistic to expect the initiative to advance so many ambitious targets without more sustained and targeted investment (Harvey, 2016). In addition, important successes of the initiative were not reflected within the 100-plus targets — e.g., greater alignment and cohesiveness among grantees and funders in the field and increased momentum due to new energy and innovation in the field.

As noted above, policy work is somewhat like an iceberg: it is not always easy to see in its entirety. Major policy advances are typically visible — like the tip of the iceberg — but reflect only one component of a much greater set of achievements, i.e., the deep, wide base of related results that are less visible. The base of the policy-change iceberg is comprised of elements that signal the right conditions for big policy “wins” as well as less newsworthy budgetary or technocratic steps that can still be quite valuable, so

*Because the NSI's measurement tended to focus on achievement of targets and did not intentionally assess progress on interim outcomes, measurement efforts were not as comprehensive or valuable as they could have been. As is common with a strategic philanthropic approach, measurable goals and targets were viewed as the markers of progress for the initiative. Many of the targets were built on linearly predictive "x will lead to y" assumptions.*

it is important to bring them to light (Reisman, et al., 2007). As noted, there is evidence that the NSI influenced change "below the waterline" — e.g., greater capacity to build bridges, stronger relationships with decision-makers, and enhanced coordination among a range of actors in the field. Although these outcomes were not identified as expected targets at the outset of the initiative, these types of changes were nonetheless a logical fit given the mix of NSI strategies. During the NSI's second phase, as the landscape shifted, a greater focus on advancing the necessary preconditions for policy change rather than precise policy targets would have been more reasonable and "right sized" given the initiative's breadth and time frame.

### *Challenges to Measurement*

Because the NSI's measurement tended to focus on achievement of targets and did not intentionally assess progress on interim outcomes, measurement efforts were not as comprehensive or valuable as they could have been. As is common with a strategic philanthropic approach, measurable goals and targets were viewed as the markers of progress for the initiative. Many of the targets were built on linearly predictive "x will lead to y" assumptions. As policy targets appeared to be less obtainable later in the initiative's life cycle, the NSI program officer focused on advancing "below the waterline" outcomes. However, grantee reporting and the foundation's measurement remained narrowly focused on targets. Grantee reporting focused on performance, such as the number of conferences organized, the satisfaction of conference participants, the production of conference proceedings, and number of white papers developed. The vast majority of grantee reports stated that performance targets had been "met" or "exceeded." However, there was no formal or intentional measurement of how grant-funded work was advancing policy targets or broader strategy outcomes.

The increased infrastructure and development of champions realized by investing in a few "anchor" grantees, for example, was not identified as a key expectation or measure of the NSI's progress. In reality, infrastructure development is largely accepted in the field of advocacy and policy-change evaluation as a key progress indicator for advocacy investment.<sup>5</sup> Similarly, the convening role that the foundation played led to stronger alliances among the PSFG. While increased capacity, the championing of development, and alliance building are not adequately captured by quantitative targets, these changes can in fact be directly measured through many innovative techniques that are becoming common practice in the advocacy-evaluation field. Intentional measurement in these areas can help foundations to better estimate progress

<sup>5</sup>A few existing frameworks describe outcome areas related to advocacy and policy-oriented work, and describe the areas of infrastructure and other interim outcomes that reflect enabling conditions or otherwise signal progress for long-term policy change or social change. See Reisman, et al., 2007; Coffman, 2007; Reisman, Gienapp, & Kelly, 2015; Alliance for Justice, 2013; and Klugman, 2010.

and inform decisions about strategies or funding approaches.

### *Approaches to Gauging Success*

The NSI evaluation acknowledged the weaknesses inherent in a too-narrow assessment of policy work, and applied a broader frame to describe the initiative's successes. Gauging success by documenting the percent of targets achieved over the course of the initiative would have provided a more quantified but a much more limited picture of the results of the initiative. While some targets were achieved, the changing global landscape meant that many targets were off the mark and out of reach. The assumptions upon which targets were built became overtaken by events — assuming, that is, that the original optimistic views of the opportunity were solid in the first place.

By probing deeply in the areas “below the waterline,” the NSI summative evaluation was able to provide rich data about the varied types of success that were actually realized and pointed toward areas of opportunity to continue the work. Significantly, the evaluation was also able to lift up important messages about the exit strategy and the effects of the initiative sunset on partners who were continuing to forge ahead to keep nuclear weapons out of the hands of bad actors. While the foundation's intent was to make a gracious and conscientious exit and leave the field in a strong place, there were unique aspects to Hewlett's role and the expectations applied to its presence and actions in the field that left questions about how key efforts would be sustained following the NSI's sunset.

### **Impact of Evaluation Findings on Hewlett's Thinking**

Many of the NSI evaluation findings illuminate how careful thought about goals, outcomes, and strategy — at the heart of the foundation's Outcome-Focused Philanthropy (OFP) approach — reflects both strengths and potential pitfalls (William and Flora Hewlett Foundation, 2016).

While the foundation's approach to OFP has evolved, its commitment to reflect on both

successes and failures has been consistent (Hartnell, 2003). When Hewlett staff commissioned the NSI evaluation, a hope was to use the results for learning. Aside from documenting achievements of the NSI, the evaluation surfaced provocative issues and recommendations relevant to complex, policy-oriented, and time-bound initiatives — features that characterize the foundation's existing work. The NSI evaluation findings brought timely value to Hewlett staff in a number of areas.

### *Outcome-Focused Philanthropy*

The evaluation affirmed a reorientation of outcome-focused grantmaking already in progress at the foundation. Outcomes-Focused Philanthropy retains a focus on outcomes already in place at Hewlett, but more explicitly recognizes the need at times to flex and adapt outcomes throughout a philanthropic strategy's life cycle. As described earlier, there was a too-strict management to the NSI's highly aspirational goals and myriad specific targets and not enough attention to how developments in the field suggested the needs for course adjustments, such as closing opportunity windows. While management to goals continues, OFP places greater emphasis on the utility of interim outcomes, scanning for developments in the field and at the foundation, and learning and adaptation through every stage of a strategy's life cycle — origination, implementation, refresh, and, in the case of some strategies and all time-bound initiatives, exit.

A subsequent evaluation of another Hewlett Foundation policy-oriented strategy provides an example of how the foundation flexed and adapted outcomes. Program officers intentionally shifted monitoring and evaluation (M&E) questions to better recognize the initiative's early stage. Given the context, foundation staff recognized that the greatest value of M&E would be to guide decision-making and future implementation of the strategy. The initial M&E questions focused heavily on the extent of progress toward policy goals. Upon reflection, those questions were recognized as too far-reaching and too summative, given the strategy's stage of development. Foundation staff instead adopted

*For initiatives such as the NSI that are implemented within a highly complex environment, continuing to hammer away at specific targets even when opportunities have changed suggests the need to establish better triggers during strategy origination that can spur reflection about whether or when it is necessary to change course. For example, staff may need to periodically ask and answer questions such as: What facilitates or creates barriers to progress? How will we assess whether to keep going or change directions? It is important to ask these questions early enough to make a difference, and to be open and transparent with grantees, engaging them with regard to these questions as appropriate.*

questions that explored grantees' access to policymakers, grantee alignment with the established policy goals, and the degree to which grantees might form an effective coalition. These questions were a better fit with the strategy context and M&E purpose, and ultimately more useful as findings informed the strategy's adaptation and ongoing implementation.

### *Balancing Expectations*

The evaluation underscored the need to balance expectations about the timeline for progress with an understanding of what information is needed to make good decisions at key strategic moments. As the NSI case illustrates, attacking complex, wicked problems — which are the focus of many of the Hewlett Foundation's programs and initiatives — is tricky, and progress is almost always nonlinear. It is also true that advancing ambitious goals often requires a long time horizon. To guide learning and decision-making in both long-term efforts and those known to be time bound, the foundation's evaluation guidance — including its Evaluation Principles and Practices (William and Flora Hewlett Foundation, 2012) — encourages staff to establish comprehensive evaluation questions in a project's origination phase, then prioritize and sequence, and apply evaluation findings to learning and adaptation throughout the life cycle. Evaluation questions may address the overall effectiveness of the work, value for money, or continued "fit" of the strategy and approach, particularly given any changes in the external environment.

The NSI evaluation also confirmed the importance of assessing field capacity thoroughly before launching an ambitious initiative, as well as the need to align a strategy's scope and goals with the capacity of the field to accomplish those goals. In the NSI example, the need for significant capacity building was identified only after the foundation was deep into the work. Taking that to heart, Hewlett has included questions about capacity and needs in the OFP framework; these are to be addressed throughout the strategy life cycle.

Finally, the NSI findings illustrate the need for caution about targets. Targets can be useful to help gauge progress, particularly when initiatives are mature, when strategies are stable, when a robust evidence base has been established upon which to base expectations about future outcomes, or when there is a clear and logical time frame for achievement. For initiatives such as the NSI that are implemented within a highly

complex environment,<sup>6</sup> continuing to hammer away at specific targets even when opportunities have changed suggests the need to establish better triggers during strategy origination that can spur reflection about whether or when it is necessary to change course. For example, staff may need to periodically ask and answer questions such as: What facilitates or creates barriers to progress? How will we assess whether to keep going or change directions? It is important to ask these questions early enough to make a difference, and to be open and transparent with grantees, engaging them with regard to these questions as appropriate.

### *Methods Aligning With Principles*

The NSI evaluation illustrated methods that aligned well with the Hewlett Foundation's evaluation principles. The foundation's first principle of evaluation is "lead with purpose." The NSI evaluation offered a clear model of how to do so when engaged in complex work, be it policy change or other long-term endeavors. Given that the policy arena can be unpredictable, it is a mistake to focus only — or too much — on whether a particular policy change has happened. "Progress" — frequently the basis for decisions about whether to continue an investment — should encompass key intermediate steps that make ultimate change more likely, such as improvements in the capacities of advocates or the addition of new allies. The foundation increasingly recognizes the value of including such interim achievements as relevant markers of headway in policy-focused strategies. There is more emphasis on how Hewlett's investments can help create conditions for positive change: "below the waterline" outcomes versus emphasis

on specific tactics and whether they generate high-profile targets. And there continues to be recognition of evaluation data's value for learning and enhancing the efforts of the foundation and its partners. This approach has been applied recently in two foundation initiatives.<sup>7</sup>

### *Exit Planning*

The NSI evaluation helped refine thinking about exit planning. The Hewlett Foundation is now even more cognizant about the need to be as crisp and clear as possible regarding the definition of an initiative and the expectation of exit. It is important to point out how initiatives fit into the foundation's ecosystem. In most areas, Hewlett invests for the long haul (e.g., performing arts, Western conservation, reproductive health). Initiatives are launched when the foundation sees the potential to have an impact in a specific area, and can learn and test whether and how its philanthropic dollars can be leveraged to make a difference. However, the default expectation is that an initiative is time bound.

Two issues arose regarding the decision to end the NSI and exit the field of nuclear security. First, although the NSI was intended as a time-bound effort, the work gained momentum, opening up the hope that the foundation's investment might continue. There was ambiguity among Hewlett staff, grantees, and partner funders about when, exactly, the NSI would end. Once the decision was made to exit, it caught the field by surprise — there was no sense of a planned or intended end.

The NSI's finite time horizon was not communicated clearly at the outset, either internally or

<sup>6</sup>For further discussion of sense-making in complex systems, see Snowden, 2010. The framework sorts issues facing leaders into five contexts defined by the nature of the relationship between cause and effect. Four of these — simple, complicated, complex, and chaotic — require leaders to diagnose situations and to act in contextually appropriate ways. The fifth — disorder — applies when it is unclear which of the other four contexts is predominant.

<sup>7</sup>The Cyber Initiative commissioned its first evaluation in 2016, focusing on progress in building a network of experts. While it was one of five initiative outcomes, staff believed it should be evaluated first because findings provide an opportunity for learning. To that end, they have identified a number of questions to investigate: Have cyber experts in industry, government, academia, and other relevant sectors begun working together? If not, why not? If so, what are the key enablers? Are there particular forces that can promote or inhibit the emergence of a network? The Madison Initiative commissioned an external evaluation group to work closely with the staff team throughout the initial three-year grantmaking period. The evaluators played the role of "critical friend" and helped the team take a developmental approach by asking tough questions, uncovering assumptions, and collecting and interpreting data to aid the initiative's development with ongoing feedback offered in real time.

*The NSI's finite time horizon was not communicated clearly at the outset, either internally or externally. Although justification for the decision to exit was laid out for stakeholders in 2013, the hope that had mounted for the NSI's extension led to disappointment both inside and outside the foundation. External stakeholders perceived the decision as abrupt and opaque, and contrary to the openness, frankness, and spirit of collaboration that program officers brought to the PSFG.*

externally. Although justification for the decision to exit was laid out for stakeholders in 2013, the hope that had mounted for the NSI's extension led to disappointment both inside and outside the foundation. External stakeholders perceived the decision as abrupt and opaque, and contrary to the openness, frankness, and spirit of collaboration that program officers brought to the PSFG. As one funder said, "we had spent so much time collaborating and being as open as possible that it would have been useful for us to have been involved earlier on before the foundation's decision to completely pull out was made."

For grantees, Hewlett's decision to exit resulted in significant uncertainty, and organizations had to make hard choices about where to focus their energy. Organizations' need to increase their fund-development efforts necessarily resulted in

diminished program resources — and this at a time when there were significant demands and activity in the field during the lead-up to the U.S.-Iran nuclear framework. In retrospect, it seems clear that the foundation could have done a better job signaling its intentions and communicating the decision to exit.

Once the decision was made, the foundation sought to exit the NSI as conscientiously as possible, augmenting staff and taking other steps to leave the field and grantees in a strong position. Grantees were informed of the decision a full year prior to the NSI's final grants. Many of these grants, supported in part by the foundation's Organizational Effectiveness grantmaking program, enabled grantees to hire consultants and address particular areas of organizational weakness. One such grant, for instance, went toward a communications consultant to work with a leading center of scholarship on nuclear security. Two grants supported organizations facing transitions of longtime leadership, and another supported an international network of next-generation security professionals to develop a case statement to bolster deeper engagement of their constituents. In addition to these targeted capacity-building grants, some anchor grantees received general support at larger than normal levels so they would have running room to adapt. The foundation commissioned the ORS Impact evaluation in part to harvest lessons for the NSI grantees and other funders — conducting the evaluation in an open manner and providing grantees and grantmakers with opportunity to provide input on evaluation questions and preview findings, digest, and comment.

The Hewlett Foundation also took steps to preserve funding for nuclear security efforts by both encouraging peer funders to stay in the field and supporting the recruitment of new funders to the field. The foundation was particularly concerned about continuation of support for its field-building efforts in Brazil, Turkey, and Israel, and the foundation's staff stressed the value of this work to peer donors.

Drawing from these and other lessons, the foundation has heightened intentionality regarding

good exit planning. Hewlett is specifically mindful of the need to begin planning for exit as early as possible, communicate early and frequently with grantees and other stakeholders, and work collaboratively to ensure a smooth transition for all. There is also greater intentionality with regard to drawing actionable lessons from a planned exit. The foundation's OFP materials also encourage program staff to consider a range of questions as they gear up for and carry out an exit:

- To what extent did the strategy achieve its goals, outcomes, and key implementation markers?
- What were major accomplishments?
- What were significant factors enabling or inhibiting success?
- What lessons were learned?
- What would you have done differently?
- What are recommendations for colleagues, other foundations, and the field?

## Conclusion

The NSI leaves behind a proud legacy: a strengthened professional community, significant policy accomplishments, noted progress in priority strategy areas such as nuclear energy and emerging powers, and the infusion of new energy and innovation into the nuclear policy field. These outcomes were beneficial to the field, though they weren't initially identified as the focus of the initiative.

Evaluation highlighted the importance and value of thoughtfully identifying outcomes for a time-limited investment — particularly an investment that aims for ambitious policy results. In addition, the evaluation points to the utility of regularly reassessing the relevance of established outcomes (or targets) given likely shifts in the operating environment, and application of broader measurement frames that generate learning and inform action. The Hewlett

Foundation has applied lessons and insights from the NSI summative evaluation in order to enhance and strengthen efforts regarding implementation and measurement of complex work, including exit planning for time-limited initiatives. While not broadly generalizable, we believe that the NSI evaluation findings nevertheless offer lessons that are widely applicable in the field as investment in time-bound special initiatives has become a more common philanthropic approach.

## References

- ALLIANCE FOR JUSTICE. (2013). *Advocacy capacity tool*. Retrieved September 8, 2016, from <http://bolderadvocacy.org/tools-for-effective-advocacy/evaluating-advocacy/advocacy-capacity-tool>.
- BREST, P. (2011, May 25). Strategic philanthropy [Web log post]. Retrieved May 8, 2016, from [http://www.huffingtonpost.com/paul-brest/strategic-philanthropy\\_b\\_143675.html](http://www.huffingtonpost.com/paul-brest/strategic-philanthropy_b_143675.html)
- BREST, P., & HARVEY, H. (2008). *Money well spent*. New York: Bloomberg Press.
- COFFMAN, J., & BEER, T. (2011). *Strategic learning principles and practices*. Washington: Center for Evaluation Innovation.
- COFFMAN, J. (2007). *A framework for evaluating systems initiatives*. Boston: Build Initiative.
- GUTHRIE, K., LOUIE, J., DAVID, T., & FOSTER, C. C. (2005). *The challenge of assessing policy and advocacy activities*. Los Angeles: The California Endowment.
- HARTNELL, C. (2003, December). Paul Brest interview. *Alliance*. Available online at <http://www.alliancemagazine.org/interview/paul-brest-interview/>.
- HARVEY, H. (2016, April 16). Why I regret pushing strategic philanthropy. *The Chronicle of Philanthropy*. Retrieved from <https://gwpa.org/sites/default/files/resources/Chronicle%20-%20Why%20I%20Regret%20Pushing%20Strategic%20Philanthropy.pdf>
- KLUGMAN, B. (2010). *Less is more: Thoughts on evaluating social justice and advocacy*. New York: Ford Foundation.
- LYNN, J. (2012). *Strategic learning in practice: Tools to create the space and structure for learning*. Washington: Center for Evaluation Innovation.
- Morariu, J., & Brennan, K. (2009). Effective advocacy evaluation: The role of funders. *The Foundation Review*, 1(3), 100-108. <http://dx.doi.org/10.4087/FOUNDATIONREVIEW-D-09-00031.1>
- PATTON, M. Q. (1980). *Qualitative evaluation and research methods*. Newbury Park, CA: Sage.
- PATTON, M. Q. (2011). *Developmental evaluation: Applying complexity concepts to enhance innovation and use*. New York: Guilford Press.
- PLOUGHSHARES FUND. (2014). *Nation's largest nuclear security funders hire Erika Gregory to lead new initiative*. San Francisco: Author. Retrieved from <http://www.ploughshares.org/nations-largest-nuclear-security-funders-hire>
- REDSTONE STRATEGY GROUP. (2012). *Clarifying outcomes for the nuclear security initiative*. Menlo Park, CA: William and Flora Hewlett Foundation. Retrieved from [http://www.redstonestrategy.com/wp-content/uploads/2013/07/Redstone-Report\\_-\\_NSI-Strategy-2012.pdf](http://www.redstonestrategy.com/wp-content/uploads/2013/07/Redstone-Report_-_NSI-Strategy-2012.pdf)
- REISMAN, J., GIENAPP, A., & KELLY, T. (2015). *I2L2: A formula for change*. Seattle, WA: ORS Impact. Available online at <http://orsimpact.com/5-insights-to-achieve-greater-social-impact/i2l2-a-formula-for-change>.
- REISMAN, J., GIENAPP, A., & STACHOWIAK, S. (2007). *Guide to measuring advocacy and policy*. Baltimore: Annie E. Casey Foundation.
- SCHLANGEN, R., & COE, J. (2014). *The value iceberg: Weighing the benefits of advocacy and campaigning*. Retrieved from <http://betterevaluation.org/sites/default/files/Advocacy%20and%20the%20value%20iceberg.pdf>.
- SNOWDEN, D. (2010). Cynefin framework [Video file]. Retrieved from <https://cognitive-edge.com>.
- WILLIAM AND FLORA HEWLETT FOUNDATION. (n.d.). *Our programs*. Menlo Park, CA: Author. Retrieved from <http://www.hewlett.org/programs>.
- WILLIAM AND FLORA HEWLETT FOUNDATION. (2012). *Evaluation principles and practices*. Menlo Park, CA: Author. Retrieved from <http://www.hewlett.org/uploads/documents/EvaluationPrinciples-FINAL.pdf>.
- WILLIAM AND FLORA HEWLETT FOUNDATION. (2016, February). *Outcome-focused philanthropy guidebook*. Internal draft document.

**Anne Gienapp, M.P.A.**, is a senior consultant at ORS Impact. Correspondence concerning this article should be addressed to Anne Gienapp, ORS Impact, 1100 Olive Way, Seattle, WA 98101 (email: [agianapp@orsimpact.com](mailto:agianapp@orsimpact.com)).

**Jane Reisman, Ph.D.**, is founder of and senior advisor at ORS Impact.

**David Shorr, M.P.A.**, is a former program officer with the William and Flora Hewlett Foundation.

**Amy Arbreton, Ph.D.**, is evaluation officer at the William and Flora Hewlett Foundation.

# Partnership With Government: An Exit Strategy for Philanthropies?

Colin Knox, Ph.D., *Nazarbayev University and Ulster University*  
and Padraic Quirk, Ph.D., *Social Change Initiative*

*Keywords: Atlantic Philanthropies, exit strategy, Delivering Social Change, Northern Ireland*

## Introduction

Atlantic Philanthropies is a limited-life foundation that has been making grants since 1982 in eight countries. In 2002 the foundation announced its intention to distribute all of its assets and close down by 2020; by that point it will have granted an estimated \$7.7 billion worldwide, the largest exercise in limited-life philanthropy to date. Atlantic Philanthropies has described its philosophy in the following way: “Our goal, simply put, is to do as much good as possible, for as many disadvantaged and vulnerable people as possible, as soon as possible” (2005, p. 3). Underpinning this general goal is a particular focus on tackling global inequalities and injustice. The founder of Atlantic Philanthropies, Chuck Feeney, imbued the foundation with his personal philosophy of “giving while living” to achieve profound social change during his lifetime.

This article will examine Atlantic’s work in Northern Ireland, where since 1991 it has supported three thematic intervention areas: aging; children and young people; and reconciliation and human rights. Across these program areas some basic working principles applied: tackle the root causes, rather than the symptoms, of disadvantage; lever new or match funding for interventions; and mainstream successful policy and practice across Northern Ireland and beyond. Atlantic’s funding approach involved supporting key nongovernmental organizations to drive and advocate for change. As part of its exit strategy, Atlantic Philanthropies has moved to partnering with the power-sharing Northern

## Key Points

- This article is a case study of Atlantic Philanthropies’ work in Northern Ireland, where it supported three thematic intervention areas: aging; children and young people; and reconciliation and human rights. Atlantic, a limited-life foundation that has been making grants since 1982 in eight countries, will close down by 2020 and is engaged in an exit strategy.
- Atlantic’s original funding approach involved supporting key nongovernmental organizations to drive and advocate for change; its work helped to support and consolidate the peace process in that country. Its exit strategy has involved a formal partnership arrangement with the Northern Ireland Assembly to take external interventions to scale and mainstream services previously funded through NGOs.
- This article draws on qualitative data gathered through interviews with key stakeholders — the funder, government officials, and NGOs — and considers the consequences of this approach for sustaining and mainstreaming policies and practices. It also offers both specific and general lessons on partnering with government as an exit strategy.

Ireland Assembly, a radical shift in both strategic and operational terms.

Based on reflective practice, this article will examine Atlantic Philanthropies’ move from a bottom-up external funder that worked through

NGOs to a top-down, insider, partnership role with the government of Northern Ireland. It will also draw on qualitative data gathered through interviews with key stakeholders — the funder, government officials, and NGOs — and consider the consequences of this approach for sustaining and mainstreaming policies and practices. The article concludes with an examination of the lessons learned from partnering with government as an exit strategy: Atlantic’s role changed from funding NGOs to advocate for policy change outside government to one in which Atlantic is actively collaborating with government. The aim is to capture the learning from actors directly involved in the partnership process. What is offered is a formative overview of issues considered important by the stakeholders based on early reflections on their experience with Atlantic’s exit strategy. Interviewees remain anonymous and no reference is made to their host departments for reasons of confidentiality; within Northern Ireland’s small policy community, members could otherwise identify respondents who gave freely of their time and opinions in good faith.

### The Northern Ireland Context

The context of Atlantic’s work in Northern Ireland is important in understanding the role it has played. The island of Ireland was partitioned in 1921, with the southern 26 counties gaining independence from Britain and the remaining six counties in the northeast remaining part of the United Kingdom. The new state of Northern Ireland had a Protestant majority (roughly 65 percent at the time of partition) and acquired its own parliament and considerable autonomy within the U.K. A chronically insecure Protestant majority, an alienated Catholic minority, electoral malpractice, ethnic bias in the distribution of housing and welfare services, and a declining economy meant that the state could never command full political legitimacy. During the 1960s a civil rights movement began to campaign for more equitable access to political power, social provision, and cultural recognition. It met with resistance and divisions within unionism — those with allegiance to the U.K.

Politics spilled onto the streets. In 1969 the London government deployed the British army in an attempt to restore order. By the mid-1990s, more than 3,500 people had been killed. Between 1974 and the cease-fires of 1994 there were seven attempts to reach a political and constitutional settlement. All of the initiatives were London-led and included an element of power-sharing between Catholics and Protestants; all foundered in the face of local opposition. The first moves toward peace progressed along two parallel routes: Route one sought to maintain momentum between the constitutional parties; route two saw the first tentative moves to involve republicans (supporters of a united Ireland) in talks. On Aug. 31, 1994, the Irish Republican Army declared “a complete cessation of military operations” and the main loyalist paramilitary organizations followed its example in October, paving the way to the Good Friday/Belfast Agreement of April 1998 (Darby, 2003).

The Ulster Unionist Party agreed to share power with Sinn Fein (the republican political party) on the condition that it decommission its weapons; Sinn Fein didn’t do so, and the Assembly (established under the 1998 agreement) was suspended in February 2002. This fitful process was to continue, and devolution was suspended indefinitely for the fourth time by Northern Ireland’s secretary of state in October 2002 due to a “lack of trust and loss of confidence on both sides of the community” (Reid 2002). A political breakthrough came in the form of the St Andrews Agreement in October 2006. Northern Ireland has enjoyed a period of political stability since 2007 and a significant decline in political violence, although legacy issues around flags, parading, and otherwise dealing with the past continue to dog political progress. While regularly described as a post-conflict society, peace remains fragile not least because of such issues as the highly segregated nature of Northern Ireland on ethno-national grounds and the lack of political consensus on how to deal with the past. There also remains an insidious undercurrent of dissident loyalist (Protestant) and republican (Catholic) activities aimed at vulnerable communities, where those factions exercise greatest influence.

**TABLE 1** Timeline of Atlantic's Work in Northern Ireland

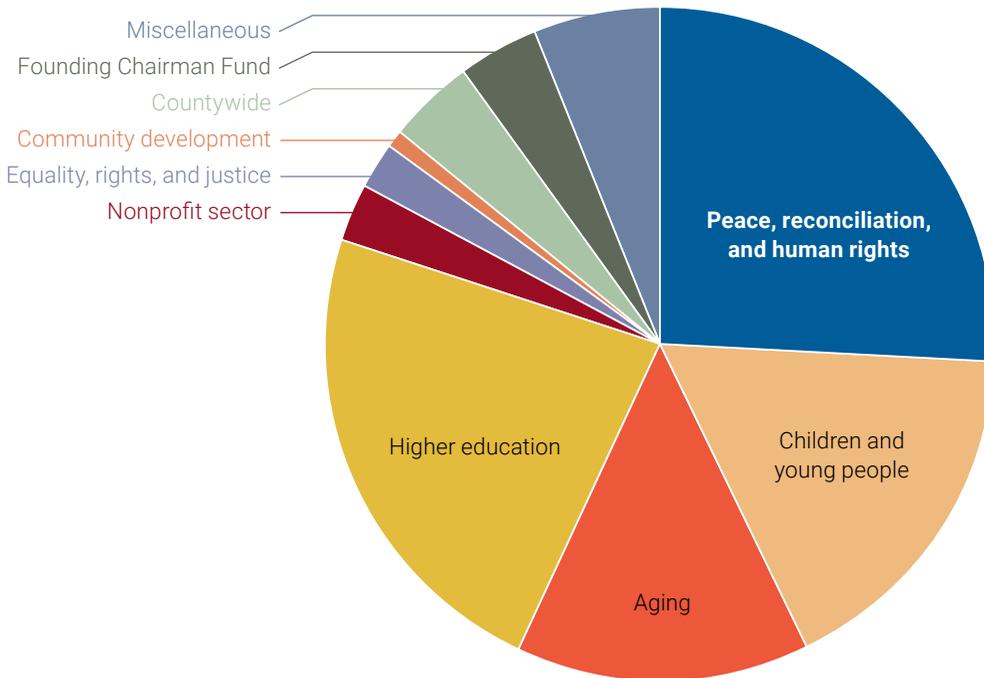
<b>1990</b>	No political settlement	Atlantic makes its first grant in Northern Ireland (from Dublin office), for low-risk, cross-community peace-building work.
<b>1993–95</b>	Downing Street Declaration  IRA cease-fire	Chuck Feeney negotiates with Sinn Fein (republican party) on funding a Washington office to promote a political alternative to violence.  Atlantic establishes its office in Belfast.
<b>1998</b>	Good Friday/Belfast Agreement	A shift in Atlantic's work supports higher-risk reforms in policing, justice, and dealing with the legacy of the past.
<b>2001–02</b>	Northern Ireland Assembly suspended	Atlantic supports building research capacity in higher education.
<b>2003–14</b>	2007: Power-sharing Assembly restored  2014: Stormont House Agreement	Atlantic's role is in cementing peace through interventions in aging; children and youth; and reconciliation and human rights.
<b>2014–present</b>	Fresh Start political agreement on power sharing	Atlantic partners with the Northern Ireland government.  Atlantic's Belfast office closes (2016).  A strategic decision by its board will end all Atlantic grant-making by 2016 and close it by 2020.

Virtually all of Atlantic Philanthropies' work in Northern Ireland can be traced back to Chuck Feeney's overarching desire to help build a lasting, sustainable peace and to reconcile deeply divided communities. Feeney's distress over the violence in Northern Ireland became particularly acute on Nov. 8, 1987, when an IRA bomb placed at a British war memorial killed 11 people attending a remembrance service in the town of Enniskillen, close to his ancestral home. Feeney saw the gruesome aftermath on television while in London and said that he wanted to see peace, in his lifetime, in Northern Ireland (O'Clery, 2007). Starting in 1990, Atlantic began making grants in Northern Ireland, for the first five years from its Dublin office. At a time of intense and continuing political violence, funding opportunities were limited. Atlantic supported noncontroversial cross-community and cross-border contact and dialogue aimed at broadening political debate (Atlantic Philanthropies, 2015). Throughout more than 2 1/2 decades

of grantmaking in Northern Ireland, Atlantic Philanthropies sought to address the legacy of violent conflict that prevented movement toward reconciliation, stability, and the protection of human rights. (See Table 1.)

### Atlantic Philanthropies in Northern Ireland

The role of Atlantic Philanthropies in Northern Ireland has received almost no attention in the literature. Jung, Harrow, and Phillips examined community foundations across the U.K., which they define "as independent philanthropic organizations working in a specific geographic area which build up a permanent collection of endowed funds contributed by many donors" (2013, p. 411; see also, Daly, 2008). The only foundation referenced in Northern Ireland, Community Foundation of Northern Ireland (CFNI), makes grants to meet a wide variety of needs in its service area. While recognizing

**FIGURE 1** Atlantic Philanthropies' Grants in Northern Ireland: 1991–2015

Source: Atlantic Philanthropies (2015)

the absence of high-net-worth donors in Northern Ireland, Jung, et al. noted that the position of CFNI was “greatly enhanced by major funding from Atlantic Philanthropies” (2013, p. 420) and the European Union’s Peace and Reconciliation Fund. Beyond that, there has been no in-depth academic examination of the significant role played by Atlantic Philanthropies in Northern Ireland.

During the period 1991–2015, Atlantic Philanthropies awarded 618 grants totaling about \$603 million in Northern Ireland; the average grant was around \$976,000. (See Figure 1.) To put the total grants provided by Atlantic into perspective in the context of public-sector spending, the Northern Ireland public expenditure budget is around \$12 billion per year. Hence, over the lifetime of Atlantic Philanthropies’ involvement in Northern Ireland it has provided grants equal to approximately 3.6 percent of one year’s public expenditure budget.

In the areas of peace, reconciliation, and human rights specifically, it spent almost \$156 million, or 26 percent of its total funding for Northern Ireland. This was the largest percentage of its spending, followed by grants to higher education, at 22.5 percent; children and young people, at 16.8 percent; and aging, at 13.5 percent. The remainder of the funding was spent on a variety of areas, including community development and civic engagement, youth development, early childhood development, and strategic learning and evaluation.

Spending patterns in Northern Ireland reflected the wider move by Atlantic Philanthropies from 2007–09 to support a social-justice framework broadly characterized as focusing on the root causes of inequality, which perpetuate disparities in power and access and which can be addressed only through systemic and institutional change (LaMarche, 2009; Proscio, 2010, 2012). This approach captured the mood of political change

in Northern Ireland. The political settlement synonymous with the Good Friday/Belfast Agreement in 1998 resulted in a power-sharing devolved government, but there remained many of the underlying issues that gave rise to the conflict. As noted by Gara LaMarche, then chief executive of Atlantic Philanthropies, how the social framework applies in Northern Ireland “might lead us to see all of our work through the lens of whether it serves to perpetuate peace through supporting emerging political and social structures that encourage the integration of a deeply divided society” (2009, p. 3).

Atlantic’s role in supporting a social-justice model appeared at odds with the pattern of spending in the field of American philanthropy (National Committee for Responsive Philanthropy, 2003, 2005; Jagpal & Laskowski, 2011). Suárez’s research, for example, indicated that larger private foundations were much less likely to discuss social justice than public foundations for fear of “drawing attention to their work by using potentially contentious language like social justice and social change in their programming” (2012, p. 272). Conversely, those foundations that mentioned “social justice or social change in their programming reject the legal and normative restrictions on social action, sending signals to activist grant seekers that their ideas and tactics are welcome”; as a consequence, foundations become “institutional entrepreneurs, pushing the broader philanthropic community to reconsider funding strategies and acceptable priorities” (p. 273).

Although broadly informed by a social-justice framework, it is perhaps a more accurate assessment that Atlantic Philanthropies adopted a generic theory of change in Northern Ireland that had unwritten principles: judiciously select well-respected NGOs, set broad parameters for the social changes sought, provide them with resources to effect change, build their capacity to advocate through the use of robust evidence funded by Atlantic, and take their pilot projects to scale. In that sense, the wider theory-of-change agenda was to build from the bottom up, and Atlantic’s role was, as one Atlantic interviewee said, one of “leading from

behind” and “oiling the wheels of high-level advocacy” where its positional and financial clout added value to the work of NGO groups. There is no consensus within Atlantic on whether such an approach demonstrated clear intentionality or if those loose parameters simply offered the space for flexibility in the highly volatile political environment that is Northern Ireland. What became clearer as Atlantic’s funding in Northern Ireland shifted to reflect the wider concerns of building peace is that it sought to “normalize” society through tackling social and religious inequalities that had fueled the violence and left those impacted by the conflict most vulnerable (Beirne & Knox, 2014; Borooah & Knox, 2014). Atlantic points to a range of successes across the thematic areas it supported. (See Table 2.)

While these achievements cover a number of issues, a set of core themes and approaches emerge from the work of Atlantic Philanthropies. Atlantic has always sought to build and consolidate peace in Northern Ireland — from early support for organizations involved in dialogue (former combatants) through challenging work with those on the margins and on to large-scale partnership investments in shared education. It sought ways to use Atlantic’s unique position and perspective to encourage moves toward a more peaceful and stable society. As Atlantic staff envisioned how to make lasting impact with its work, the final phase of grantmaking in Northern Ireland, from 2014 onward, focused on working with government to enshrine the most successful models the foundation’s grantees had helped develop. We examine this exit strategy in some detail.

### The Exit Strategy: Partnering With Government

The interface between government and philanthropy has received limited attention in the European literature. Smyllie, Scaife, and McDonald (2011), for example, argue that for some philanthropic organizations, the willingness of government to subsidize or fund projects initiated by philanthropy is a measure of success. Whether this happens can depend on the nature and form of the particular welfare state. European foundations see value in partnering

**TABLE 2** Atlantic Philanthropies: Key Successes in Northern Ireland

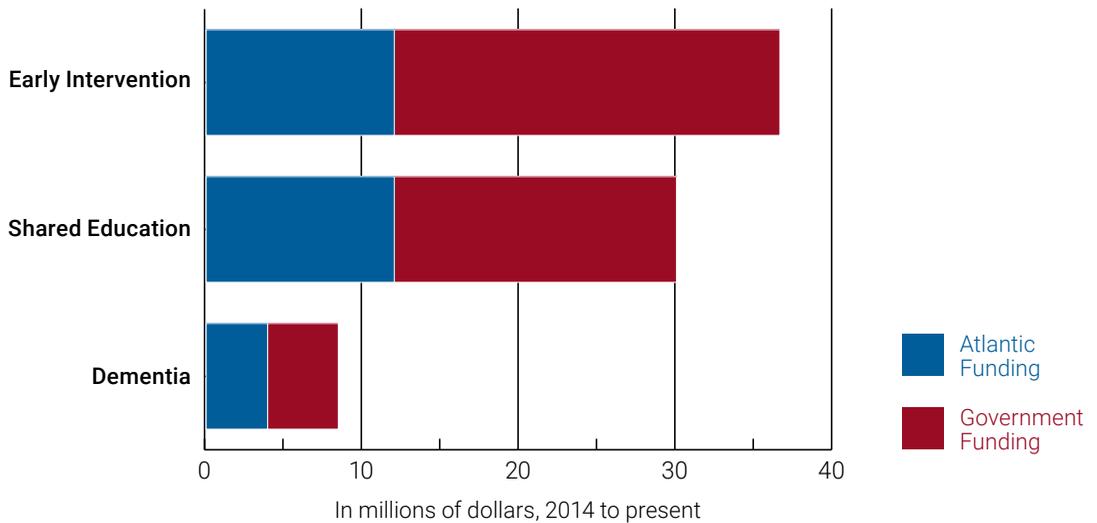
<b>Reconciliation</b>	<ul style="list-style-type: none"> <li>▶ Programs of shared services were developed at hostile “interface” communities, improving delivery on issues such as early years and parenting, cyber-bullying, and youth engagement for many individuals and families.</li> <li>▶ The number of integrated schools and preschools (where Catholics and Protestants are taught together) nearly doubled, from 49 to 90, and the number of students being educated in integrated schools nearly tripled, from 7,000 to 21,000.</li> <li>▶ In 2016, some 325 schools (one-third of all schools) were actively involved in shared education, engaging 17,000 pupils.</li> <li>▶ The shared-education model was replicated in the deeply divided societies of Macedonia and Israel-Palestine, disseminating lessons learned from Northern Ireland.</li> </ul>
<b>Human Rights</b>	<ul style="list-style-type: none"> <li>▶ Downing Street Declaration</li> <li>▶ IRA cease-fire</li> <li>▶ Chuck Feeney negotiates with Sinn Fein (republican party) on funding a Washington office to promote a political alternative to violence.</li> <li>▶ Atlantic establishes in office in Belfast.</li> </ul>
<b>Aging</b>	<ul style="list-style-type: none"> <li>▶ Good Friday/Belfast Agreement</li> <li>▶ A shift in Atlantic’s work supports higher-risk reforms in policing, justice, and dealing with the legacy of the past.</li> </ul>
<b>Children and Young People</b>	<ul style="list-style-type: none"> <li>▶ Northern Ireland Assembly suspended</li> <li>▶ Atlantic supports building research capacity in higher education.</li> </ul>

Source: Knox & Quirk, 2016

with the state; U.S. and U.K. foundations are less inclined, although this is changing (Anheier & Daly, 2006). Smyllie, et al. pose the question of whether “this activity [partnership between government and philanthropy] results in public policy development,” an area they argue is currently unexamined (2011, p. 1141). Thümler’s study of the role played by philanthropic foundations that co-operated with public actors in school-improvement partnerships in Germany and the U.S. highlighted “essentially symbolic types of action that satisfy the social appetite for reform while they spare their audiences the impositions of ‘real’ change — instances of ‘successful failure’” (2011, p. 1112). Anheier and Daly (2006, citing Prewitt, Dogan, Heydemann, & Toepler, 2006) argue that while redistribution is linked to notions of charity, social and

public-policy change is associated with philanthropy — an area that is being given greater attention in research. Overall, in a European context, research on philanthropic/government partnership working, from the paucity of published work, is therefore underdeveloped.

Atlantic Philanthropies took the strategic decision, as part of its legacy, that it would partner with government to sustain and embed key strands of the work it had supported in Northern Ireland. However successful external interventions are, philanthropic funding cannot and should not be a substitute for publicly funded services for which the state often has a legal or societal responsibility, whether as a safety net provider for the most vulnerable or as a public good. Atlantic’s programmatic strategies had

**FIGURE 2** Atlantic Philanthropies' Signature Programs

been about creating knowledge and evidence; designing, implementing, and testing models; and advocating for policy change rather than funding large-scale service delivery. As Atlantic moved to end its grantmaking by 2016, it wished to see how the learning and practices it had supported could change or influence mainstream state-run services.

Atlantic partnered with government via a wider policy framework, entitled Delivering Social Change (Northern Ireland Office of the First Minister and Deputy First Minister, 2013), which was established by the Northern Ireland Executive branch to tackle poverty and social exclusion through the combined efforts of several government departments. Atlantic's plan to partner with government therefore coincided with a period when the Northern Ireland Executive feared it was proving difficult to deliver cross-cutting outcomes that straddled the individual portfolios of several departments. In that sense, the evolution of the partnership between Atlantic and the devolved government in Northern Ireland was opportunistic rather than strategic. Indeed, project leaders within Atlantic had been negotiating with individual departments before the emergence of Delivering

Social Change (DSC), which offered an overarching policy mechanism to work across government. The specific focus of Atlantic's work involved three signature programs launched by the first minister and deputy first minister in September 2014: early intervention, dementia, and shared education, each of which had formed part of Atlantic's previous grantmaking portfolio.

The total investment in these programs amounted to \$75.5 million; Atlantic Philanthropies contributed about \$28 million of that investment and the remainder came from the Office of the Minister and Deputy First Minister and from government departments with a direct interest in their functions (e.g., Education, Health, and Justice). The Early Intervention Transformation Program tries to transform mainstream public services by enabling a shift to early intervention and prevention. The Dementia Together Program contributes to the government's regional strategy, Improving Dementia Services in Northern Ireland. The Shared Education Signature Program aims to scale up the number of schools involved in sharing classes on a cross-community basis and in sharing resources and teachers as a way of breaking down sectoral boundaries

**TABLE 3** Atlantic Philanthropies' Partnership Programs With the Northern Ireland Government

Partnering With Government	Early Intervention Transformation Program	Shared Education Signature Program	Dementia Together Program
<b>Funding</b>	\$36.7 million total partnership funds	\$30 million total partnership funds	\$7.73 million total partnership funds
<b>Aims</b>	To transform mainstream services by enabling a shift to early intervention and prevention through a greater use of evidence and focus on outcomes.	To develop the extent, frequency, and continuity of meaningful shared contact between peer groups within cross-community school partnerships. Aim is to support sustained cross-community learning through shared classes, but at the same time for schools to retain their own community identity.	To make a significant contribution to the regional dementia strategy, which promotes a holistic model involving the community, family, caregivers and services in support of people with dementia.
<b>Details</b>	<p>Three work streams:</p> <ul style="list-style-type: none"> <li>• Equip all parents with the skills needed to give their child the best start in life.</li> <li>• Support families when problems arise, before need for statutory involvement.</li> <li>• Address the impact of adversity on children.</li> </ul>	Funds high-quality programs that provide opportunities for shared-learning experiences that directly support the delivery of the curriculum. The program also supports the professional development of teachers and school leadership to improve the quality of sharing and collaboration among schools.	<p>Three work streams:</p> <ul style="list-style-type: none"> <li>• Develop human capital, including skills training for dementia workforce.</li> <li>• Provide respite, short breaks, and support to caregivers.</li> <li>• Raise awareness and provide information and support about dementia.</li> </ul>
<b>Expected Outcomes</b>	<ul style="list-style-type: none"> <li>• A significant improvement in quality and quantity of prevention and early intervention services.</li> <li>• Improved staff development through integrated teams.</li> <li>• Mainstream resources redirected to make initiative sustainable.</li> </ul>	<ul style="list-style-type: none"> <li>• Improved educational outcomes and enhanced access to the curriculum for all pupils involved in shared education.</li> <li>• Normalized peer-to-peer cross-community relationships built through regular contact within mainstream education.</li> <li>• Shared education as a component of regular inspection processes in schools and strategic plans.</li> </ul>	<ul style="list-style-type: none"> <li>• The onset and progression of dementia in the Northern Ireland population is delayed.</li> <li>• People with dementia have the health and social-care services they need.</li> <li>• People with dementia live well in Northern Ireland.</li> </ul>

that reflect wider divisions in society. (See Figure 2 and Table 3.) We consider in some detail the views of stakeholders operating within and outside the philanthropy-government partnership to deliver these three Atlantic Philanthropies exit programs.

## Stakeholder Views

### *Conception, Design, and Content*

Having three signature programs operating under the same Delivering Social Change policy framework conceals some significant similarities and differences. The Shared Education Signature Program, for example, was largely seen as scaling up Atlantic's antecedent Shared Education Program. The Dementia Together Program was unambiguously about working alongside government to implement the regional strategy, Improving Dementia Services in Northern Ireland (Northern Ireland Department of Health, Social Services, and Public Safety, 2011). In so doing, it carved out areas of work that would add value to the implementation of the strategy: human capital development, respite care, awareness raising, and delirium. The Early Intervention Transformation Program (EITP), on the other hand, could be considered a successor program to the work Atlantic had been doing for the previous 10 years — improving outcomes for children through early intervention. Much of its work to date had been about testing, through children's NGOs, various preventive measures early in the lives of children and whether they produced better outcomes.

As one Atlantic respondent noted:

When we decided to work directly with government, each of the three strands had been doing their own thing, negotiating directly with potential government partners in terms of what we might do. Delivering Social Change then came along and that seemed to us to be a wrapper which could usefully provide a rubric for our work.

The design and content of the signature programs, however, attracted criticism from external stakeholders. Those grantees previously working on shared education detected a loss in passion and commitment to its essence as the

*Those grantees previously working on shared education detected a loss in passion and commitment to its essence as the effort became absorbed into the public-sector bureaucracy.*

effort became absorbed into the public-sector bureaucracy. In the Shared Education Program's original conception, creativity and risk-taking were encouraged and, in the spirit of learning from errors and rethinking practice, schools were not criticized for making mistakes. While probity of spending was important, accountability tended to focus on outcomes — what had been achieved in the schools. Inevitably those working outside the system on shared education felt a sense of loss when it became mainstreamed. Beyond the specifics of this program, moving from pilots to scale can result in a perceived or real diminution of core content (Ross, 2014).

The design of the dementia program was criticized for failing to take sufficient account of existing provisions and, in some cases, duplicating what was already there. The slow pace of the program was linked to what one NGO interviewee described as “the clunkiness of the system, particularly around commissioning, procurement, and recruitment processes, which [is] exacerbated when a number of public bodies are involved.” However, most criticism by former grantees was leveled at the early-intervention program, for a “lack of coherence.” Complaints took a number of forms: interventions in which Atlantic had invested significantly not appearing to any extent in the signature program; the number of pilots in a program whose purpose was perceived by former grantees as taking proof of concepts to scale; the absence of due diligence applied to partnering with government compared with what had been required of NGOs who worked with Atlantic; and the seemingly

*An example to illustrate the problems around implementation came from shared education. The Shared Education Signature Program faltered at the outset as its introduction became entangled with a trade union dispute over academic assessment. From this stuttering start the SESP has begun to gather momentum, but external interviewees expressed the view that its implementation is being carried out in the most minimalist way.*

lower priority of evidence as a consideration in program work.

Officials disagreed with these criticisms:

What we are now looking at are projects that draw from existing practice and, by improving that practice, become part of a systemic change process going forward — antenatal and postnatal pathways involving holistic support from midwives and health visitors respectively in the EITP programme is a case in point. This is changing the system.

It is also worth pointing out that while the EITP, with an investment of about \$37 million, is the largest of the three signature programs, Atlantic Philanthropies makes a contribution of approximately one-third of the overall budget (\$12 million). It is not therefore unreasonable for contributing departments to promote ideas that they deem worthy of support rather than see the EITP

as simply a vehicle to take Atlantic's prior interventions to scale. Officials also disliked some of the branded early-childhood programs supported by Atlantic that required licensing and the use of copyrighted training materials. Moreover, DSC expenditure overall is relatively small. As one civil servant pointed out:

Year-on-year, going back to 2012, we should not lose sight of the fact that DSC expenditure is less than 1 percent of public spending — it's tiny. Even if you want the "tail to wag the dog," you have a very small tail on a very big dog, so it needs to be kept in perspective.

#### *Implementation*

The key concern raised by external stakeholders on implementation was that the signature programs were being treated like "an initiative, a project, or a time-limited intervention." In other words, they did not have confidence that the implementation process to date offered reassurance on mainstreaming. In part, this may have been a feature of just how slow the process of implementation had been up to that point, for a variety of reasons. As one external stakeholder pointed out,

When we were working on shared education, it got to the point where every member of our team would walk through fire to make this work. There was a solid, unbending belief that this was the right thing to do, buoyed up by a network of teachers with the same ambition and commitment. The energy that you draw from these experiences is amazing. The reality is that it is never going to be like that when it is part of the mainstream.

An example to illustrate the problems around implementation came from shared education. The Shared Education Signature Program (SESP) faltered at the outset as its introduction became entangled with a trade union dispute over academic assessment. From this stuttering start the SESP has begun to gather momentum, but external interviewees expressed the view that its implementation is being carried out in the most minimalist way. As one NGO interviewee observed,

Shared education is about much more than shared classes. It is about changing the way in which education is delivered by pushing the boundaries to embrace joint-faith schools, federations, shared campuses, jointly appointed teachers, changes to the area planning process, and a host of other things.

A key aspect of implementing the signature programs is the interagency work associated with all three areas of work. Interviewees saw considerable merit in this idea and credited DSC as the vehicle for making cross-departmental work happen. As one official noted,

Given the unique mandatory political coalition which we have in Northern Ireland, DSC offers a vehicle in which a centre left and centre right administration can approach diverse issues that straddle their ambitions for growing the economy while, at the same time, creating a more socially just or equitable society. ... For some DSC can be an article of faith, others may see it in a more mechanistic way — for me, it has afforded a real opportunity to work horizontally.

The fact that departments made a financial commitment to the signature programs “guaranteed their presence at the partnership table, if only for accountability purposes,” an NGO interviewee said. One criticism is that their commitment will wane after activities have been commissioned, but still allows them to point to their stake in the signature programs. More fundamentally, some interviewees criticized the kind of principal-agent model (Cairney, 2012) that prevailed across interagency work, citing the relationship between the Department of Education and Education Authority as one of a number of examples: the Education Authority may act in its own interests rather than the expectations of the Department of Education, causing a principal-agent problem.

### *Mainstreaming and Sustainability*

While a number of interviewees were vocally critical of Atlantic Philanthropies’ move to partnering with government (see Table 4), few offered plausible alternatives. Rather, they provided nuanced comments on the process (more explicit intentions on Atlantic’s part of what they wanted from the partnership and greater overall

*There was, in general, an acknowledgment that to mainstream provision, services piloted by Atlantic’s former grantees had to move from external interventions into recurrent spending by government departments. The issue for NGOs was how this process happened in practice.*

coherence within the three signature programs). There was, in general, an acknowledgment that to mainstream provision, services piloted by Atlantic’s former grantees had to move from external interventions into recurrent spending by government departments. The issue for NGOs was how this process happened in practice.

It is unlikely that the multiple activity streams associated with the EITP can be fully resourced into the future. What internal stakeholders argue is that the working model of the EITP represents an approach to transforming children’s services through prevention and early intervention that can be sustained and embedded in the way services are delivered. This approach attempts to “change the way we do things” by posing the following questions: Where is the evidence for introducing the proposed practice change? What is the transformation — which piece of the system are you going to change? How will this change be sustained in the long term?

In shared education, there was an acceptance that prior work under Atlantic’s Shared Education Program had been hugely instrumental in securing significant policy and legislative gains that would help in the process of sustainability. There were concerns that shared education needed to be given greater priority within the education system if it was not to suffer the fate of integrated

**TABLE 4** Stakeholder Views on Partnership With Government

	Internal (Government) Stakeholders	External (NGO) Stakeholders
<b>Delivering Social Change</b>	Did not attract widespread governmental support as a framework for change.	Largely seen as unimportant in the operation of the 3 signature programs.
<b>Interagency working</b>	Departments with “skin in the game” were attentive to where their resources were going.	Government departments still find it difficult to work cross-departmentally. Government officials didn’t always value third-sector involvement in partnership arrangements.
<b>“Do no harm” to grantees</b>	Not seen as particularly relevant – the relationship between NGOs was with Atlantic.	Atlantic more concerned with legacy of partnering with government than substance/ success of signature programs.
<b>Challenge role</b>	Signature programs have a “top-down” orientation owned and managed by government departments.	Atlantic’s partnership with government has muted its challenge function. There is a need for an external voice.
<b>Mainstreaming and sustainability</b>	There is a legitimate role for departments to pilot ideas in signature programs.	Fidelity of Atlantic pilots taken to scale (Shared Education) in other areas (Dementia and EITP). Where is the change in professional practice?
<b>Role of Atlantic Philanthropies</b>	“Keeping us honest” so that resources are not absorbed into recurrent expenditures.	Transformative influence in the way government does things.

education (i.e., low growth in numbers, plateauing at under 7 percent of all school children). Shared education is not fully embedded in the system and political parties see it in very different ways — unionists (loosely Protestants) as a route to a single, state education system, and nationalists (loosely Catholics) as consistent with the principles of parental choice. There is also a concern, however, that infrastructure and buildings — shared-education campuses — will become synonymous with shared education and, in so doing, its core principles will get lost.

The Dementia Together Program was designed to complement the rollout of the regional strategy, Improving Dementia Services in Northern Ireland. The portents for sustainability are not good as pressure grows on public expenditure

and there is little sign of a follow-up strategy. As one NGO interviewee put it:

There is talk that the [dementia strategy implementation group] will be stood down, which is a worrying development, on the basis that if we don’t have another strategy, then there is no need for an implementation group. My concern is that when Atlantic’s money goes we could lose the significant gains we have made to date.

**Lessons Learned**

What have been the general lessons learned so far in partnering with government as an exit strategy, based on Atlantic Philanthropies’ experience of working outside and more recently inside the system?

- *Expectations.* External funders may have high expectations of what can be achieved with their resources. From 1991 to 2015, Atlantic awarded grants totaling more than \$600 million in Northern Ireland, or 3.6 percent of one year's public spending. This is not to minimize the level of funding involved: far from it. The key learning point for external funders is to be very targeted and selective in areas where interventions are most likely to influence change. So, although Atlantic's overall financial commitment set against the total public-sector budget appeared small, within the three targeted areas — shared education, early intervention, and dementia — the funding was significant and its track record in modeling professional practice was impressive.
- *Bureaucracies.* Public bureaucracies are slow, cumbersome, and must adhere to strict rules of accountability in spending taxpayers' money. In partnering with the public sector, external agencies have to accept that their funding becomes partly subject to the same exigencies, although foundations have the power to set and hold expectations because of the resources they commit to partnering with government. Hence, it becomes frustrating when procurement or staffing processes suck the momentum out of opportunities when, previously, philanthropic funding could be deft and fleet of foot. Somewhat perversely, however, government partners have used Atlantic's involvement as a way of bringing pressure to bear on other parts of the public sector, either to leverage pre-agreed resources or to prompt action. Such is the inertia in some parts of the bureaucracy that an external agent can, through its resources, be used to kick-start public agencies.
- *The change process.* Effecting change in the public sector is fraught with difficulties for myriad reasons. The particular experience of Atlantic Philanthropies in Northern Ireland was at the level of policy implementation. Early negotiations around partnership arrangements tended to take place at the strategic level with parent government departments in a particular area (e.g., Education, Health, Justice), but the responsibility for rolling out the programs lay with government agencies or arms-length bodies. Departments often adopted a principal-agent role and, as a result, implementation bodies did not wholly own the signature programs or fully endorse what Atlantic wanted from them. The significant lesson for external funders is to recognize the importance of managing public-policy networks, or what Osborne (2010) describes as new public governance that is "both a product of, and a response to, the increasingly plural and fragmented nature of policy implementation and service delivery" (p. 9). There should also be some recognition of the problems associated with systemwide change in the U.K. public sector, best illustrated by Pettigrew, Ferlie, and McKee (1992), who highlighted the factors most likely to create a receptive context for change.
- *Relationships with government.* Partnering with government has the potential to change relationships. Working as an external funder allowed Atlantic to support NGOs in developing alternative public-service delivery models with accompanying evidence of their effectiveness. These organizations then advocated for policy change based on proof-of-concept ideas. In some cases, this pitted NGOs against the public-sector status quo by challenging existing professional practice. In fact, Atlantic encouraged and incentivized much more than this. It supported organizations in developing advocacy campaigns that would "take on" public-sector organizations with the aim of changing public policy and/or introducing legislation. By association, Atlantic could have been perceived as a policy agitator at best, or, at worst, a thorn in the side of government. Moving to partner with government changed the nature of that relationship, although not its history. Atlantic's capacity to be indirectly critical of government through NGOs it previously

*Philanthropic money allows for experimentation, creativity, permission to get it wrong, and learning from these experiences. The public sector does not easily embrace this approach; the career trajectory of officials and ambitious politicians can be tied to the success of policies.*

funded has, of necessity, been muted. Its new role, however, offered insider status, a working relationship with senior officials, and, as a result, influence at the highest level of decision-making to advocate for mainstreaming.

- *Relationships with NGOs.* Not only do relationships with government change, but those with erstwhile NGO grantees can alter for the worse. In part this may be explained by the fact that NGOs have lost a valuable funding stream and, hence, there is an element of sour grapes. However, it is also true that NGOs, whose passion for their work helped inform the very changes now being supported in government, get lost in the routine of what officials might see as “yet another project.” NGOs have handed over their “baby,” and look with a very critical eye at the adoptive government parents. Moreover, NGOs witness what they would see as Atlantic exercising much less rigor in selecting government as a partner than they had experienced at the outset in their relationship. There will, of course, always be criticisms from NGOs that government officials do not exercise the same personal investment and level of commitment to the transferred work. When pressed for alternatives, however, NGOs accept — albeit
- reluctantly — that services cannot be sustained outside the remit of the public sector and their role must be to ensure fidelity to the good-practice models they helped to develop. For Atlantic, DSC came along at a time when it was looking for a way to partner with government, and its standards of due diligence, given the partner, may well have been lower than those expected of NGOs — a double standard, from the perspective of former grantees.
- *External voice.* This weakening as an external advocate is borne out in the role Atlantic plays in the governance of the signature programs. While Atlantic clearly deserves a seat at the oversight board by dint of its significant financial contribution, civil servants can be resentful of external “meddling” their work. Even those officials who accept Atlantic’s presence can reduce its role to one of “keeping us honest” — ensuring that philanthropic money isn’t absorbed into revenue spending in straitened financial times. Hence, having taken philanthropic money, some officials resist external funders playing anything more than a prosaic role. The lesson for Atlantic here was to make its presence felt not only by virtue of its financial contribution, but also in the expertise it brought to the table in substantive public-policy areas. The wider lesson for foundations may be that governments can seek to marginalize their influence but take their money — not with malign intent, but simply by absorbing it into the financial black hole that represents the public purse.
- *Risk aversion.* It is not surprising that with mainstreaming external interventions comes the prospect of working with public officials and elected politicians who are risk averse. Philanthropic money allows for experimentation, creativity, permission to get it wrong, and learning from these experiences. The public sector does not easily embrace this approach; the career trajectory of officials and ambitious politicians can be tied to the success of policies. Civil servants,

of course, must be guardians of public money and their actions can be restricted in the knowledge that they may at some point be called on to publicly account for how and why they took a particular course of action. That said, the spirit of “delivering social change” offered an opportunity for external funders to promote innovation and support ways of changing professional practice. In public-policy theory, these circumstances might be described as “a policy window of opportunity in which ‘policy entrepreneurs’ (Atlantic Philanthropies) frame issues and promote their solutions to policy makers or ‘solutions chasing problems’” (Kingdon, 1984, p. 174). So, notwithstanding a policy environment in which risk aversion is the norm, there are policy windows that allow external funders to influence change with policies and programs that are demonstrably effective.

- *The role of evidence.* Despite the overt commitment by the public sector to evidence-informed policymaking, in the cut and thrust of everyday life and the fluid political environment in which they operate, officials and politicians can be quite short-termist in their need for and use of evidence. This is different from the external interventions funded by Atlantic that placed an emphasis on producing a strong evidence base to substantiate the effectiveness of the work, including funding randomized controlled trials over several years. This could well be seen as a luxury that the public sector can ill-afford in terms of time and resources. External funders, therefore, offer a robust evidence base that can be persuasive in making the case for policy change, and find political advocates who can promote common interests.
- *Sustainability.* Clearly an important element for philanthropic organizations in partnering with government is to sustain the interventions, principles, and approaches they have funded. It would be relatively easy for government departments, without intent, to simply absorb

philanthropic funding and continue with the status quo. The question for external funders is how best to position themselves to ensure the optimum opportunity for long-term sustainability. One way could be to demonstrate cost savings to hard-pressed government departments. The experience from the three signature programs has varied. In one case, sustainability has been pursued through successfully advocating for a legal commitment to shared education and an education policy that rolls out that commitment. In the case of early intervention, sustainability has been promoted by changing professional practice and doing things differently — and not necessarily with additional resources — to make public services more effective. With dementia, the approach has been to assist government in the implementation of its strategy while testing models of respite care. The learning for external funders is that approaches to sustainability can be multifaceted and context specific, but that how to mainstream their interventions must always be a key element in any funding strategy.

## Conclusions

None of these limitations should be read as reasons for philanthropy not to partner with government. Rather, they are set out as reflective learning and potential issues to be aware of. Indeed, partnering with government offers real opportunities to embed models that have been developed externally and moved to the mainstream. There are senior officials in government receptive to change, open to the challenge of doing things differently, and grateful for external funding that affords them the opportunity for experimentation and innovation. Some are simply weighed down by the bureaucracy in which they operate and find it difficult to change course. Others seize the opportunity, value the evidence base of external funders, and promote change internally.

What is the reflective learning for Atlantic Philanthropies from partnering with government so far? First, the evolution and nature

of the partnership may have been different in circumstances where Atlantic had not been a spend-down foundation. A broader time frame would have been available to forge relationships with government officials who were conscious that Atlantic was in spend-down mode. This could have encouraged officials to be less receptive, adopting an “Atlantic is leaving the stage” attitude. Where Atlantic encountered dyed-in-the-wool officials, conservative in their opinions and resistant to the whole idea of external intervention, it simply circumvented and went directly to politicians. The risk in such a strategy is to unintentionally antagonize officials who ultimately are there to implement government policy. While this approach is undesirable, it has sometimes resulted in a complete volte-face by officials faced with policies that have been put in place by their political masters; a longer time frame may have prevented such an outcome. Second, Atlantic underestimated the pace of change in partnering with government and overestimated its ability to effect systemwide change. This was made more problematic in a political context where power-sharing arrangements accentuated ministerial fiefdoms and made cross-departmental cooperation problematic. Third, Atlantic had developed a strong evidence base illustrating the success of its pilot projects and advocated for direct implementation through a partnership with government. Here again, Atlantic underestimated the difficulties in taking pilots to scale within a complex public-sector system. Finally, the degree of negativity from NGOs and erstwhile grantees toward the foundation’s partnership with government came as a surprise and disappointment to Atlantic. It had anticipated that, at worst, its actions would “do no harm” and, at best, that NGOs would be more understanding of the need for mainstreaming. Atlantic was therefore unprepared for the feelings of abandonment expressed by some grantees, who may well have developed a degree of unintentional dependency simply because of the funding stream they have enjoyed. But grantees’ passion for their work and a desire to witness systemic changes were factors far more profound than the loss of Atlantic as a funding source.

While it is no road map to effecting social change in the public sector, this article has highlighted where the tensions exist and ways in which Atlantic Philanthropies is attempting to address them. It is too soon to conclude if the partnership between Atlantic and the government of Northern Ireland will lead to embedding external interventions into the mainstream of public services, but there is now good will on both sides to make this happen.

## References

- ANHEIER, H. K., & DALY, S. (2006). Roles of foundations in Europe: A comparison. In K. Prewitt, M. Dogan, S. Heydemann, & S. Toepler (Eds.), *The legitimacy of philanthropic foundations: United States and European perspectives* (pp. 192–216). New York: Russell Sage Foundation.
- ATLANTIC PHILANTHROPIES. (2005). *2004 annual report*. Retrieved from <http://www.atlanticphilanthropies.org/annual-reports/2004-annual-report>
- ATLANTIC PHILANTHROPIES. (2015). *Telling the story of the Atlantic Philanthropies in Northern Ireland and the Republic of Ireland*. Dublin, Ireland: Author.
- BEIRNE, M., & KNOX, C. (2014). Reconciliation and human rights in Northern Ireland: A false dichotomy? *Journal of Human Rights Practice*, 6(1), 26–50.
- BOROOAH, V., & KNOX, C. (2014). Access and performance inequalities: Post-primary education in Northern Ireland. *Journal of Poverty and Social Justice*, 22(2), 111–135.
- CAIRNEY, P. (2012). *Understanding public policy: Theories and issues*. London: Palgrave Macmillan.
- DALY, S. (2008). Institutional innovation in philanthropy: Community foundations in the UK. *Voluntas* 19(3), 219–241.
- DARBY, J. (2003). *Northern Ireland background to the peace process*. Retrieved from <http://cain.ulst.ac.uk/events/peace/darby03.htm>
- JAGPAL, N., & LASKOWSKI, K. (2011). *The philanthropic landscape: The state of social justice philanthropy*. Washington: National Committee for Responsive Philanthropy. Retrieved from <https://www.ncrp.org/wp-content/uploads/2016/11/PhilanthropicLandscape-StateofSocialJusticePhilanthropy.pdf>
- JUNG, T., HARROW, J., & PHILLIPS, S. (2013). Developing a better understanding of community foundations in the UK’s localisms. *Policy and Politics* 41(3), 409–427.
- KINGDON, J. (1984). *Agendas, alternatives, and public policies*. New York: Harper Collins.

- Knox, C., & Quirk, P. (2016). *Public policy, philanthropy, and peace building in Northern Ireland*. London: Palgrave/Macmillan.
- LAMARCHE, G. (2009). *The Atlantic Philanthropies' embrace of a social justice approach to grantmaking*. Retrieved from <http://www.atlanticphilanthropies.org/speeches/foundation-embraces-social-justice-approach-grantmaking-atlantic-philanthropies-emerging-ca>
- NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY. (2003). *Understanding social justice philanthropy*. Washington: Author.
- NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY. (2005). *Social justice philanthropy: The latest trend or a lasting lens for grantmaking?* Washington: Author.
- NORTHERN IRELAND DEPARTMENT OF HEALTH, SOCIAL SERVICES, AND PUBLIC SAFETY. (2011). *Improving Dementia Services in Northern Ireland: A regional strategy*. Belfast, Northern Ireland: Author. Available online at <https://www.health-ni.gov.uk/publications/improving-dementia-services-northern-ireland-regional-strategy>
- O'CLERY, C. (2007). *The billionaire who wasn't: How Chuck Feeney secretly made and gave away a fortune*. New York: Public Affairs.
- NORTHERN IRELAND OFFICE OF THE FIRST MINISTER AND DEPUTY FIRST MINISTER. (2013). *Delivering Social Change*. Retrieved from <https://www.executiveoffice-ni.gov.uk/articles/delivering-social-change-introduction>
- OSBORNE, S. (2010). The (new) public governance: A suitable case for treatment? In S. Osborne (Ed.), *The new public governance? Emerging perspectives on the theory and practice of public governance* (pp. 1–16). London: Routledge.
- PETTIGREW, A., FERLIE, E., & MCKEE, I. (1992). *Shaping strategic change*. London: Sage.
- PREWITT, K., DOGAN, M., HEYDEMANN, S., & TOEPLER, S. (Eds.). (2006). *The legitimacy of philanthropic foundations: United States and European perspectives*. New York: Russell Sage Foundation.
- PROSCIO, T. (2010). *Winding down the Atlantic Philanthropies: The first eight years: 2001–2008*. Durham, NC: Duke University Center for Strategic Philanthropy and Civil Society.
- PROSCIO, T. (2012). *Winding down the Atlantic Philanthropies: Beginning the endgame: 2009–2010*. Durham, NC: Duke University Center for Strategic Philanthropy and Civil Society.
- REID, J. (2002). Statement by Secretary of State to the House of Commons, 15 October. *Hansard Official Record*: columns 192–207.
- ROSS, R. (2014, Spring). We need more scale, not more innovation [in special section, Smarter philanthropy for greater impact: Rethinking how grantmakers support scale]. *Stanford Social Innovation Review*, 18–19. Available online at <http://www.geofunders.org/resource-library/all/record/a06600000FcZDJAA3>
- SMYLLIE, S., SCAIFE, W., & McDONALD, K. (2011). That's what governments do. *Public Management Review*, 13(8), 1139–1154.
- SUÁREZ, D. F. (2012). Grant making as advocacy: The emergence of social justice philanthropy. *Nonprofit Management & Leadership*, 22(3), 259–280.
- THÜMLER, E. (2011). Foundations, schools, and the state-school improvement partnerships In Germany and the United States as legitimacy-generating arrangements. *Public Management Review*, 13(8), 1095–1116.
- WU, X., RAMESH, M., HOWLETT, M., & FRITZEN, S. (2010). *The public policy primer: Managing the policy process*. Oxfordshire, UK: Routledge.

**Colin Knox, Ph.D.**, is an emeritus professor of public policy at the Ulster University, Northern Ireland, and a professor in the Graduate School of Public Policy at Nazarbayev University, Kazakhstan. Correspondence concerning this article should be addressed to Colin Knox, Graduate School of Public Policy, 53 Kabanbay Batyr Avenue, Astana, 010000, Kazakhstan (email: [colin.knox@nu.edu.kz](mailto:colin.knox@nu.edu.kz)).

**Padraic Quirk, Ph.D.**, is deputy director of the Social Change Initiative in Belfast, Northern Ireland. He was formerly Atlantic Philanthropies' country director for Northern Ireland, where he oversaw its grantmaking in the areas of aging; children and young people; and reconciliation and human rights.

# Evaluation at Sunset: Considerations When Evaluating a Program as It Concludes

Blair Beadnell, Ph.D., Holly Carmichael Djang, M.A., Jan Vanslyke, Ph.D., and Tatiana Masters, Ph.D., Evaluation Specialists; and Barbara Andersen, M.P.A., Santa Barbara Foundation

*Keywords: Evaluation, innovation, methods, facilitation, collaboration*

## Introduction

While the benefits of beginning evaluation efforts at program inception are well known, many organizations simply cannot do so. There are a variety of practical reasons for this: funding concerns, lack of capacity, the need to focus energies on program development and implementation, and changing program goals and activities. As a result, many such efforts begin closer to a program's conclusion — they are often termed “sunset evaluations.”

The “sunset” descriptor has been used since the 1970s in such phrases as “sunset review” and “sunset evaluation” — public-policy terms referring to an almost always mandated periodic review of a statute, agency, or program to determine whether it should be terminated, continued, or modified. Here, we reframe the phrase “sunset evaluation” to describe a rigorous and useful evaluation that is conducted at or nearing a program's conclusion. Characteristics of these sunset evaluations are that they are voluntary and are intended to provide a road map for other foundations by describing program effects, accomplishments, and lessons learned.

We previously reported findings from an evaluation conducted at the end of a communitywide effort to improve school food sponsored by the Orfalea Foundation. This sunset evaluation of the foundation's School Food Initiative (SFI) showed positive outcomes from the initiative's activities and provided recommendations for organizations interested in engaging in similar efforts (Carmichael Djang, Masters, Vanslyke, & Beadnell, 2016). Because the evaluation was begun as the foundation was spending down and exiting initiatives, it required creative

## Key Points

- While the benefits of beginning evaluation efforts at a program's inception are well known, for a variety of reasons many organizations are unable to do so and instead begin these efforts closer to a program's conclusion.
- Previously reported findings from a sunset evaluation of the Orfalea Foundation's School Food Initiative showed positive outcomes of the initiative's activities and provided recommendations for organizations interested in engaging in similar efforts. Because the evaluation was begun as the foundation's activities were winding down, it required creative design approaches.
- This article uses the evaluation of the Orfalea Foundation's initiative to provide a case example of a rigorous and useful sunset evaluation, and discusses other possible extensions of these kinds of methods.

design approaches. This article's goal is to use the foundation's SFI evaluation as a case example showing methods for engaging in this kind of sunset evaluation. This example illustrates approaches we implemented as well as other extensions of the methods used.

## Case Example: A Foundation's Perspective

Philanthropists are increasingly choosing to donate all of their wealth within their lifetime, instead of holding it in perpetuity. As a result, foundations are building timelines for spending down and exiting support for programs. This

was the situation with the Orfalea Foundation, which had invested in the SFI over a long-term period and when the Obama administration elevated school-food reform to a national priority. Foundation leaders wanted to share initiative best practices and lessons learned with other donors and foundations upon their exit.

The SFI is a case in which conducting a sunset evaluation was a useful, even necessary, solution. Over an eight-year period, Orfalea had invested \$14.3 million in operating its own educational programs as well as providing grants to schools, school districts, and other nonprofit partners. The goal of these efforts was to improve the quality of food served in schools in Santa Barbara County, California. During this period, the foundation prepared for evaluation by developing a logic model and by having both foundation personnel and grant recipients collect field data.

However, there was minimal capacity to integrate or analyze this data and to prepare comprehensive evaluation reports. Thus, the foundation used these data primarily to make real-time adjustments with a given grant recipient or to provide updates when reporting to the board. For many small to medium-size foundations, using data in this limited way is common. While desirable and beneficial, it is far less common for foundations to integrate evaluation findings across grant recipients in order to draw evaluative conclusions about a complex, multi-year program. There are a variety of reasons for this: foundations may prioritize directing funds to programming rather than to evaluation, or their personnel may have limited evaluation expertise or face competing leadership and organizational priorities. Sunset evaluations, fortunately, can provide organizations that have engaged in limited data-collection and evaluation efforts the opportunity to salvage the data they have collected and better understand and evaluate their overall efforts.

### Evaluator Approach in Sunset Evaluation

Before presenting the methods we used in our case example, it is useful to point out two “soft

skills” woven through each of the methods. Soft skills are typically defined as behaviors associated with well-functioning relationships with other people, such as communication, interpersonal and social skills, management practices, and leadership. These skills — sometimes understood as emotional intelligence in action — are frequently undervalued in professional settings, but their use can often differentiate between average and outstanding performance (Goleman, 1998; Wilkins, 2014). The two most salient soft skills we identified when reflecting on this case example are collaborative spirit and group process facilitation.

#### *Collaborative Spirit*

Intensive collaboration between organization staff and the evaluators was the most essential of the soft skills woven through the SFI evaluation. First, we worked to develop effective relationships with foundation staff to foster successful brainstorming sessions. These sessions were particularly important in efforts to identify previously collected data that could be mined. Second, it allowed the identification and engagement of key individuals (such as front-line staff and community stakeholders) who had knowledge about the context and effects of the initiative. This collaborative process also fostered the buy-in needed to understand the SFI’s evolution and identify the effects that had occurred over the previous several years.

Researchers have identified two factors that strengthen the collaborative work of foundation staff and evaluators (Mattessich, Murray-Close, & Monsey, 2001): open and frequent communication, and mutual respect and understanding. Building a collaborative relationship can be as simple as a timely and friendly email response or as complex as tuning into the nonverbal or emotional nuances of communication (Mintzberg, Dougherty, Jorgensen, & Westley, 1996). We used these and other approaches to communication to ensure successful collaboration. One way we demonstrated mutual respect was to explicitly reiterate the importance of foundation personnel input and expertise to this work. We also worked hard to foster a willingness on the part of all parties to step out of their positions

*True collaborative spirit involves open and honest dialogue. Engaging in this way in a professional context can be challenging to evaluators and organizational staff alike. Yet this type of emotional intelligence in action is particularly important in sunset evaluations, which require identifying creative solutions for compiling and collecting evaluative information — often in the context of staff reductions, increased demands, diminishing resources, and differing expectations.*

---

as experts in order to hear and learn from one another. Doing so set the norm that all evaluator and staff dialogues were opportunities for mutual learning.

This type of collaboration, however, is more than a set of techniques. True collaborative spirit involves open and honest dialogue. Engaging in this way in a professional context can be challenging to evaluators and organizational staff alike. Yet this type of emotional intelligence in action is particularly important in sunset evaluations, which require identifying creative solutions for compiling and collecting evaluative information — often in the context of staff reductions, increased demands, diminishing resources, and differing expectations.

### *Facilitating Group Processes*

Another key soft skill used in this evaluation was facilitating group activities and discussions to draw out and harness the accumulated knowledge of multiple players. These players were not limited to initiative staff, but also included participants, community members, and other stakeholders. In addition to surveys and individual interviews, we gathered information from various constituencies using facilitated group processes. Group work can help guide participants through a process of assessing their current situation, envisioning and setting goals, developing strategies, and planning action steps. Skilled facilitation of group processes can produce powerful results — for example, an evaluation plan that has been “created, understood, and accepted by all participants” (Wilkinson, 2012, p. 5).

Skillful facilitation of groups is an especially important tool in sunset evaluation. It can maximize the quality and validity of the evaluation’s findings in two ways. One way it does this is by eliciting important information that informs the evaluation’s design and interpretation. Another way is by providing the benefit of bringing together the inevitable differences in viewpoints that stakeholders have developed over time. For example, we encountered differences in opinion among individuals, all of whom had high investment in the initiative, about the primary outcomes of interest. Maneuvering these differences can be particularly challenging without both access to a range of facilitation techniques and the ability to use them competently. Successful group facilitation by the evaluators or foundation personnel can bring varying perspectives together and position the group to work toward a common viewpoint.

The facilitation techniques we applied in this case were guiding, acting as taskmasters, motivating, and building bridges (Wilkinson, 2012). To do this, we began with a documented facilitators’ guide describing how we intended to move the group through this process, though we also allowed for flexibility. By sharing this facilitation guide with the group, we made our plans transparent. This transparency served multiple aims. First, knowing that we had a plan increased

participant comfort. Second, an explicit agenda framed the tasks and helped keep the work on track. Third, seeing progress on these tasks created a great source of energy and momentum, helping us to motivate those involved.

Perhaps the most important facilitation technique we used in this case was bridge building. We encountered many different perspectives on the initiative's theory of change and its evolution. By creating a safe space to discuss them, we were able to illustrate how differences in perspective were useful. This enabled us to find and focus on areas of agreement, and to carefully and respectfully dissect areas of disagreement. We believe these facilitated processes helped foster commitment to the evaluation among foundation staff and board members. In turn, this commitment increased the likelihood that the evaluation would meet their learning needs as well as their desire to share valuable lessons with others.

### Methods Useful in Sunset Evaluation

The Orfalea SFI evaluation highlights that while some methods cannot be used at or near program completion, many others are still available. Not usable are methods that must be implemented before a program begins, such as wait-list and randomized-control group trials. However, many other options remain available and appropriate. (See Table 1.) Because sunset evaluation occurs at the conclusion of a program, these options typically involve a process of working backwards. Here, we present three approaches that we used to design and conduct the SFI evaluation: mapping program evolution, leveraging existing data, and collecting retrospective assessments of program effects.

#### *Mapping Program Evolution*

Many organizations develop their theories of change and logic models at the beginning of program implementation. These theories and models serve as guides for framing program evaluations because they explain how resources will be dedicated and what effects upon targeted populations are expected. However, many times these frameworks shift during a program's life, whether tacitly or intentionally. In sunset

*Key elements in the process of mapping program evolution include understanding the initial theory of program change, factors that led to adjustments, decisions made accordingly, and the concluding theory of change. By engaging in this process the evaluator could learn, for example, that the program shifted its activities specifically because program staff found that a given activity was too cumbersome to implement. This information itself is an important evaluation finding that can help others avoid going down problematic paths when doing similar kinds of work.*

evaluations, it therefore becomes important that evaluators understand the history of the program, including how guiding theories evolved over time.

Key elements in the process of mapping program evolution include understanding the initial theory of program change, factors that led to adjustments, decisions made accordingly, and the concluding theory of change. By engaging in this process the evaluator could learn, for example, that the program shifted its activities specifically because program staff found that a given activity was too cumbersome to implement. This

**TABLE 1** Approaches to Conducting Sunset Evaluations

Approach	Map Program Evolution	Leverage Existing Data	Retrospective Assessment of Program Effects
<b>Purpose</b>	Understand program evolution: <ul style="list-style-type: none"> <li>Initial theory of program change</li> <li>How and why adjustments occurred</li> <li>Concluding theory of change</li> <li>Difference in stakeholder perspectives about theory of change</li> </ul>	<ul style="list-style-type: none"> <li>Identify outcomes to be measured in any new data collection</li> <li>Answer evaluation questions</li> </ul>	Answer evaluation questions
<b>Potential Data Sources</b>	<ul style="list-style-type: none"> <li>Archived documents (e.g., theory of change, logic models, grant applications, internal communications documents)</li> <li>Current and prior website content</li> <li>Stakeholder surveys</li> <li>Staff, stakeholder interviews</li> <li>Facilitated, structured activities with stakeholders to map understanding of program theory of change</li> <li>Facilitated discussions with organization leaders about maps</li> </ul>	<p><b>Primary data:</b></p> <ul style="list-style-type: none"> <li>Past interview data (formal, informal)</li> <li>Past survey data</li> <li>Program participation data</li> <li>Participant demographics</li> </ul> <p><b>Secondary data:</b></p> <ul style="list-style-type: none"> <li>Community surveys</li> <li>Government records</li> </ul>	<ul style="list-style-type: none"> <li>Participant questionnaires administered at end of program</li> <li>Participant interviews conducted at end of program</li> </ul>
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>Identification of drivers of change</li> <li>Identification of barriers to, facilitators of implementation</li> <li>Creation of agreement about evaluation questions to pursue</li> </ul>	<ul style="list-style-type: none"> <li>Creation of new scales and variables to be included in additional data collections</li> <li>Assessment of participant characteristics</li> <li>Evaluation of program effectiveness, overall and for subgroups</li> </ul>	Evaluation of program effectiveness, overall and for subgroups
<b>Strength/Weakness</b>	<p><b>Strength:</b> Evaluators and stakeholders are able to understand program theory of change and shifts in this theory.</p> <p><b>Weakness:</b> Understanding of the program is circumscribed by who participates and what archived data are available.</p>	<p><b>Strength:</b> Cost- and time-effective</p> <p><b>Weakness:</b> Limited by availability, completeness, and reliability of data</p>	<p><b>Strength:</b> Provides findings on participant response to program</p> <p><b>Weakness:</b></p> <ul style="list-style-type: none"> <li>Subject to inaccurate recall</li> <li>Limited empirical data on validity for CSEPP approach</li> </ul>

Tools

information itself is an important evaluation finding that can help others avoid going down problematic paths when doing similar kinds of work. Similarly, it is important to understand if stakeholders had differing perspectives and if so, the degree to which these contributed to refinements in the theory of change. This knowledge can be particularly illuminating. For example, it may turn out that leadership had perspectives on program goals or pathways that differed from those of program staff, or that external stakeholders were not aware of a specific program activity.

There are a variety of approaches in the evaluation literature that describe processes using images or maps to represent program theory and evolution. The two most common are “concept mapping” (Kane & Trochim, 2007) and “outcome mapping” (Earl, Carden, & Smutylo, 2001). While each describes a distinct approach, all share a focus on using participatory methods to bring out diverse perspectives to create insight, understanding, and consensus among stakeholders. The goal and challenge for an evaluator in using these methods, for a sunset or other evaluation, is to facilitate and manage a process that helps participants develop a shared vision of a program’s goals, evolution, and outcomes.

In the evaluation of the SFI, we used elements of these approaches to map the initiative evolution by reviewing archived documents and facilitating discussions with organizational leadership. We first reviewed logic models that had been created in each year of the initiative. Doing so allowed us to identify changes across years. We then facilitated structured activities in which stakeholders independently mapped what they believed the theory of change was at the beginning, middle, and end of the initiative, and then compared their thoughts to those of other stakeholders. Following this activity, we facilitated a discussion about the similarities and differences in their maps, with brainstorming about the reasons behind the differences as well as the reasons changes had occurred. In this way, both evaluators and stakeholders were able to understand how the initiative evolved, the drivers behind change, and barriers and facilitators to successful implementation. Additionally, the activity helped

*Most programs accumulate data throughout the course of implementing their program, whether or not it is documented. However, program staff may not realize the value of these types of data for use in program evaluation. While it is not unusual to harvest program data for evaluation purposes, this practice is especially useful in sunset evaluations, with the particular advantage of being cost-effective.*

clarify and create agreement about the evaluation questions to be pursued.

While not used in this example, extensions to these approaches exist. For instance, evaluators can uncover programmatic shifts from other types of archived documents, such as mission statements and internal program documentation. Another potential source of archived data is previous content from an organization’s website, since that is a location where programs often publish their goals and intentions. Reviewing both current and prior website content can uncover changes in goals and the theories underlying the change process. Using stakeholder surveys is another option for gathering input on past and current program goals as well as shifts in focus that occurred.

#### *Leveraging Existing Data*

Most programs accumulate data throughout the course of implementing their program, whether or not it is documented. However, program staff may not realize the value of these types of data

for use in program evaluation. While it is not unusual to harvest program data for evaluation purposes, this practice is especially useful in sunset evaluations, with the particular advantage of being cost-effective (Bamberger, Rugh, Church, & Fort, 2004). Such data could be as simple as the institutional knowledge among program personnel that evaluators formally collect through interviews. Alternatively, it could be data that the program team collected for reasons other than evaluation, such as program participation rates or attendance. Weitzman and Silver (2013) argue for the use of existing data in program-evaluation activities, and point out that while they may not always have all the information desired, they often have information that is useful or closely linked.

The case of Orfalea's SFI evaluation provides an example of the value, as well as potential pitfalls, of mining existing data. One evaluation question was whether schools that more fully participated in the initiative had greater improvements in the intended outcomes. To explore this question, we were able to elicit from the initiative director her existing knowledge about how engaged each school was in the SFI. Based on this information, we created a scale that measured the level of engagement of each school. We used this scale to perform a subgroup analysis in which we compared less- to more-engaged schools. Indeed, we found that more-engaged schools perceived a greater need for the initiative services and had greater improvements in outcomes. While creating this measure of engagement was valuable, it points out a potential danger to keep in mind — specifically, that creating measures from staff recollections carries the danger that the knowledge of outcomes may, without them being aware of it, color their assessments. Evaluators must consider — and take steps to eliminate — such threats to the validity of measures developed in this way.

Many sources of existing data can support a sunset evaluation, and some can even allow for the use of a number of traditional evaluation designs (Shadish, Cook, & Campbell, 2002). For example, data may be available that allow for pre- to post-program tests of participant improvement.

Additionally, data may exist on people who have not received a program (or who have received different services) who can serve as a comparison group. An additional, great example of existing data is when a program team has collected demographic information about participants during the course of its program purely to help with recruitment efforts. Evaluators could use that information to conduct subgroup analyses to identify whether a program works better for some people than for others, thereby giving findings more precision, richness, and nuance.

Typically, other sources of data also exist. For example, it is useful to keep in mind the value of institutional knowledge as a type of existing data. Evaluators can learn about this using thoughtful and reflective interviewing techniques, and this information can inform the evaluation design, process, and interpretation. Additionally, when evaluating programs that intend to make community-level changes, secondary data sources and records (such as community surveys or government records) may provide valuable outcome data. Examples include using arrest data to examine how a program influences violence, emergency room data to explore how a program influences access to health care, or population surveys to track behavioral changes.

### *Retrospective Assessments of Program Effects*

In testing whether a program led to the desired changes, evaluators at program sunset can be limited in two ways. First, they may not have baseline data available to calculate whether change occurred. In such cases, evaluators sometimes collect participant perspectives using retrospective questionnaires. Such questionnaires ask participants to rate the direction and amount of change that occurred as a result of the program. This approach provides some information about possible program effects, but does not solve the second limitation, the lack of a comparison (also known as counterfactual) condition. Specifically, evaluators may not have access to individuals or groups who did not

receive the program and who could serve as a comparison group.

A recent innovation in retrospective data collection has shown promise in this regard. This technique is called “counterfactual as self-estimated by program participants” (CSEPP). With this method, evaluators ask participants to answer outcome questions in two ways: an assessment of themselves currently and how they would be had they not received the program. Evaluators then compare the two answers. In effect, participants serve as their own comparison, providing both program and counterfactual data. Research comparing this method to traditional random-controlled designs indicates that it is a valid way of assessing changes in intentions and attitudes, though further research is needed to validate it as a method to assess changes in behavior (Mueller & Gaus, 2015).

In the Orfalea SFI evaluation, we used this method to collect data from cafeteria staff representing how things actually were after the evaluation and a counterfactual comparison — how they would have been without the initiative. The technique provided very useful information supporting the effectiveness of the initiative’s efforts. For example, the data showed improvements attributable to the initiative in personnel’s professionalism and skills, kitchen equipment, technical assistance, and quality of the food served.

Variations on this approach are also available. While the CSEPP approach emulates a comparison group evaluation design, a slightly different question wording gathers data more like a traditional pretest-posttest design. This retrospective approach asks participants to answer based on how things are at the posttest and also to think back and describe how things were for them before the program (Pratt, McGuigan, & Katzev, 2000). Evaluators have used this method over a much longer period compared to CSEPP, and a larger amount of research on it exists. Studies have found retrospectively-collected, compared to pretest-collected, information to correlate more strongly with objective measures (Bray, Maxwell, & Howard, 1984; Howard, et al., 1979).

Moore and Tananis (2009) point out one issue the retrospective method is meant to address, which is that respondents may not correctly understand and interpret questions before an intervention. For example, participants may overestimate their knowledge on a topic before receiving information about it in a program. Hence, their self-assessment of knowledge would be inaccurately high if asked before the program. After reviewing the literature on retrospective data collection, these authors concluded that there is substantial evidence supporting this concern, with the end result being a less accurate estimation of program effects using pre- and posttesting compared to retrospective measures.

An example of our use of this traditional retrospective approach occurred in a different evaluation project. There, we assessed the effectiveness of training we provided to human-service agency staff on evaluation techniques. To do so, our post-training questionnaires asked them to think back and estimate their skill level before the training. This approach allowed us to compare actual post-training knowledge to their estimates of pre-training knowledge.

These methods can be quite useful in sunset evaluation, although they have a number of important caveats. As with any self-report data, respondents’ answers are subject to potential sources of error such as presenting oneself in a positive light, imagining they should illustrate an intervention was effective, or misunderstanding survey questions. While both the CSEPP and retrospective approaches are often the only choice for collecting participant data on initiative effects, continued research is needed to further identify the conditions that maximize the accuracy of information collected using these methods.

### Recommendations for Foundations Contemplating Sunset Evaluation

For a foundation, there is significant value in investing in a sunset evaluation at the end of a program or initiative. Doing so can address common goals of foundation leadership. For

*Sunset evaluation can also contribute to grant recipients' and other partners' learning. For example, engaging in the evaluation process provides an opportunity for such stakeholders to reflect on their contributions and success (or failure), and this can help improve organizational effectiveness and future partnering with foundations or donors.*

example, sunset evaluation can capture and describe the impact of a long-term investment, which helps build a legacy of giving for the foundation and a culture of philanthropy in the communities that they serve. More importantly, providing opportunities for foundations to learn from one other can help the philanthropic sector better understand and invest in critical community needs. Sunset evaluation can also help build a unified vision of multiyear or complex efforts among foundation leadership. Engaging various levels of leadership and program staff in the evaluation process — for example, mapping the evolution of an initiative — can unite leadership around a common vision of initiative success. Sunset evaluation can also contribute to grant recipients' and other partners' learning. For example, engaging in the evaluation process provides an opportunity for such stakeholders to reflect on their contributions and success (or failure), and this can help improve organizational effectiveness and future partnering with foundations or donors.

To increase the likelihood of a sunset evaluation's success, foundation leadership and board

members have several important tasks. First, they should engage in a facilitated conversation to establish how highly they prioritize evaluation. Once the decision has been made to dedicate resources to sharing foundation learnings through an evaluation, it is paramount to ensure the level of investment aligns with the prioritization and will adequately support the work. Once this has been achieved, foundation staff must vet and select an evaluator or evaluation firm to guide the work. Important evaluator characteristics to take into consideration include the creative design approaches and soft skills discussed above that are necessary for a successful sunset evaluation. There are other important considerations as well. Does the evaluator align with your organizational values? Do they understand the level of resources that you have available and the implications for the scope of work? Do they communicate with you in a way that helps you understand expectations and feel comfortable asking questions? Lastly, depending on the intended audiences and uses for the evaluation findings, the experience, credentials, and reputation of the evaluation consultant or firm may be important to the perceived credibility of the evaluation.

## Conclusions

The evaluation of the Orfalea Foundation's SFI is an example of how rigorous evaluation can occur late in the life of a program, even in its final stages. Specialized techniques such as retrospective assessments of program effects play an important role in these types of sunset evaluations. Soft skills like facilitation are equally key, and their importance should not be undervalued. Together these approaches can produce rigorous, useful evaluations while working within the timing of programs drawing to a close. This is good news given that evaluation is an important element in organizations' missions to address challenging social problems, and that the reality of many programs does not position them to begin their evaluation efforts early.

## References

- BAMBERGER, M., RUGH, J., CHURCH, M., & FORT, L. (2004). Shoestring evaluation: Designing impact evaluations under budget, time, and data constraints. *American Journal of Evaluation*, 25(1), 15–37.
- BRAY, J. H., MAXWELL, S. E., & HOWARD, G. S. (1984). Methods of analysis with response shift bias. *Educational & Psychological Measurement*, 44(4), 781–804.
- CARMICHAEL DJANG, H., MASTERS, T., VANSLYKE, J., & BEADNELL, B. (2016). Key ingredients for school food systems: An evaluation of the Orfalea Foundation's School Food Initiative. *The Foundation Review*, 8(2), 20-38. Retrieved from <http://dx.doi.org/10.9707/1944-5660.1295>
- EARL, S., CARDEN, F., AND SMUTYLO, T. (2001). *Outcome mapping: Building learning and reflection into development programs*. Ottawa, Canada: International Development Research Centre.
- GOLEMAN, D. (1998). *Working with emotional intelligence*. New York: Bantam.
- HOWARD, G. S., RALPH, K. M., GULANICK, N. A., MAXWELL, S. E., NANCE, D. W., & GERBER, S. K. (1979). Internal invalidity in pretest-posttest self-report evaluations and a re-evaluation of retrospective pretests. *Applied Psychological Measurement*, 3, 1–23.
- KANE, M., & TROCHIM, W. M. K. (2007). *Concept mapping for planning and evaluation*. Thousand Oaks, CA: Sage.
- MATTESSICH, P., MURRAY-CLOSE, M., & MONSEY, B. R. (2001). *Collaboration: What makes it work*. Saint Paul, MN: Amherst H. Wilder Foundation.
- MINTZBERG, H., DOUGHERTY, D., JORGENSEN, J., & WESTLEY, F. (1996). Some surprising things about collaboration: Knowing how people connect makes it work better. *Organizational Dynamics*, 25(1), 30–71.
- MOORE, D. M., & TANANIS, C. A. (2009). Measuring change in a short-term educational program using a retrospective pretest design. *American Journal of Evaluation*, 30, 189–202.
- MUELLER, C. E., & GAUS, H. (2015). Assessing the performance of the “counterfactual as self-estimated by program participants”: Results from a randomized controlled trial. *American Journal of Evaluation*, 36(1), 7–24.
- PRATT, C. C., MCGUIGAN, W. M., & KATZEV, A. R. (2000). Measuring program outcomes: Using retrospective pretest methodology. *American Journal of Evaluation*, 21(3), 341–349.
- SHADISH, W. R., COOK, T. D., & CAMPBELL, D. T. (2002). *Experimental and quasi-experimental designs*. Boston: Houghton Mifflin.
- WEITZMAN, B. C., & SILVER, D. (2013). Good evaluation measures: More than their psychometric properties. *American Journal of Evaluation*, 34(1), 115–119.
- WILKINS, M. M. (2014, December 31). Signs that you lack emotional intelligence. *Harvard Business Review*. Retrieved from <https://hbr.org/2014/12/signs-that-you-lack-emotional-intelligence>
- WILKINSON, M. (2012). *The secrets of facilitation: The SMART guide to getting results with groups*, (2nd ed.). San Francisco: Jossey-Bass.

**Holly Carmichael Djang, M.A.**, is a principal evaluator at Evaluation Specialists, a public health evaluation firm. Correspondence concerning this article should be addressed to Holly Carmichael Djang, Evaluation Specialists, 7040 Avenida Encinas, Suite 104, Carlsbad, CA 92011 (email: [Holly@evaluationspecialists.com](mailto:Holly@evaluationspecialists.com)).

**Blair Beadnell, Ph.D.**, is a principal evaluator and quantitative specialist at Evaluation Specialists.

**Jan Vanslyke, Ph.D.**, is founder of and a principal evaluator at Evaluation Specialists.

**Tatiana Masters, Ph.D.**, is an evaluator and qualitative specialist at Evaluation Specialists.

**Barbara Andersen, M.P.A.**, chief strategy officer at the Santa Barbara Foundation, was the former director of strategic partnerships at the Orfalea Foundation.

# Breaking Up Is Hard to Do

Barbara Kibbe, J.D., S. D. Bechtel, Jr. Foundation

*Keywords: Foundation exits; funder-grantee relationships; communication; impact of foundation exits; capacity-building; final grants*

*You tell me that you're leavin'; I can't believe it's true. ...  
Think of all that we've been through.* (Sedaka & Greenfield, 1962)

 Neil Sedaka

## Introduction

Funding relationships begin, and they end. All foundations periodically revisit program priorities and strategies. Course corrections can and often do include exits. Some exits occur at the planned end of a time-limited initiative. Others may be occasioned by new insights that come from research or evaluation. Still others are the result of new leaders bringing different priorities to the fore.

Yet little is known about the effects of foundation exits on the work, the grantees, and the related fields. Given the frequency and ubiquity of foundation exits, the literature is painfully thin.

Grantcraft's monograph *The Effective Exit: Managing the End of a Funding Relationship* (Mackinnon & Jaffe, 2007) was published a decade ago and focuses primarily on the grant-or-grantee relationship. It describes funder exits as normal. The authors admonish foundations to communicate clearly, build grantee capacity, and help grantees find replacement funding.

In 2011, *Exiting Responsibly*, a rigorous, cross-cutting study funded by the Robert Wood Johnson Foundation, looked at the broad context for funder exits and discussed the approaches and implications of ending field-level support. The authors argued that planning for and carefully executing the end of a funding relationship can help maximize the results of past investments and solidify progress even as the funder

## Key Points

- What do funders leave behind when they exit? What is lost? Are there approaches to exits that are more effective at preserving the results of good work? Through interviews with 19 professionals who have experienced or are currently working through a foundation exit, this article draws on stories of more than a dozen such exits to fill the gaps in what is known about how to exit well.
- This article discusses four areas where foundation exits present particular challenges and where there are significant opportunities to improve practice – deciding on and planning to exit, funder leadership, clear communication, and final grants – and includes summaries of advice from funder and grantee perspectives.
- This article aims to offer practical insights that may help improve what is all too often an uncomfortable, confusing, and potentially damaging process, and, it is hoped, will spur continued research and contribute to a sustained dialogue about how to preserve, or even extend, value in the context of a foundation exit.

exits. “Responsible and respectful field exits require careful and deliberate procedures,” they observed; however, they continued: “It is quite usual for foundations to exit fields, and disconcertingly common for them to do so with

little advance notice and unclear rationales” (Petrovich, 2011, p. 4).

Six years and many foundation exits later, there is still too little known about how to exit well or what the results of foundation exits might be — even while recent research and a number of recent, high-profile examples of limited-life foundations are generating increased interest in foundation exits and spend-downs (see, e.g., Loh & Buteau, 2017). This article is intended to make a modest contribution toward filling that gap.

### Study Design and Approach

What do funders leave behind when they exit? What is lost? Are there approaches to exits that are more (or less) effective at preserving or extending the results of good work? At ensuring that grantees and fields thrive? Or even that the work continues when there is a persistent need?

These and other questions were explored in the research to inform this article. In all, the research draws from stories of more than a dozen exits, some from multiple perspectives (e.g., funder and grantee, or funder and intermediary or consultant). This article focuses on the experience of and with perpetual foundations in connection with an exit from one or more major initiatives or lines of work.

In addition to a literature review, interviews were conducted with 19 professionals representing a range of foundations, nonprofit grantees, intermediaries, and consultants. Each person interviewed has experienced or is currently working through a foundation exit. Interviews were conducted using structured protocols. Interview subjects were asked to explain the initial goals or theory of change for the program or initiative that ended or was winding down, the planning process for the exit, and the structure of the final grants. They were also asked to reflect on challenges confronted and the ramifications of exiting on the work and its field. Funders were asked to offer advice to other funders and to speak to any evaluation plans. Grantees were asked to offer advice to other nonprofit organizations that are facing the withdrawal of a major funder. At the conclusion of each interview, subjects were asked

for recommendations of others knowledgeable about foundation exits and, in this way, additional interview subjects were identified.

All interviewees were promised confidentiality. As a group, they responded with great candor and willingness to be self-critical in the interest of helping others identify pitfalls in the process. Many characterized the topic as understudied and underdiscussed. The content covered in this article ranges from cautionary tales of precipitous changes in direction with clear damage to grantees and fields to stories of considered and deliberate exits where great care was taken, resources committed, and success achieved. In all cases studied for this report, the exits were, in a word, complicated.

This article aims to offer practical insights that may help improve what is all too often an uncomfortable, confusing, and potentially damaging process. It is also hoped that this article will spur continued research and contribute to a sustained dialogue about how to preserve — or even extend — value in the context of a foundation exit.

Although the interviews were wide-ranging, this article discusses four areas where foundation exits present particular challenges and where there are significant opportunities to improve practice: (1) deciding and planning to exit, (2) implications of funder leadership; (3) the confusion of communications; and (4) final grants. Summaries of advice — from funders to funders and from grantees to grantees — are also included.

---

*If I go, there will be trouble.  
And if I stay it will be double.*

(Headon, Jones, Simonon, & Strummer, 1982)

♪ *The Clash*

---

### Deciding and Planning to Exit: “Should I Stay or Should I Go?”

The reasons for a funder exit vary. Adjustments to funding priorities can come from a new

strategic direction — often brought about by a change in foundation executive leadership or the expressed desires of the founder or board. Exits can also be the byproduct of a desire to seize a window of opportunity — for example, when new data or shifts in context illuminate a promising path. In some cases, midcourse evaluation findings may suggest a redirection of resources. In others, a time-limited initiative comes to its planned conclusion. In short, a foundation that exits a grantee relationship, initiative, or issue area may be responding to internal shifts, changing external circumstances, or both.

In the situations examined for this study, one interviewee oversaw a patient and careful planning process that led to a responsible exit from approximately 75 long-standing grantee relationships. Another, very different case, was described by a funder who was troubled by the fact that nearly all the grantees in the portfolio had been created by the foundation and were seriously and unhealthily dependent on the foundation at the time of the exit.

Some exits examined were expected from the outset, as with time-limited initiatives. Funders and grantees generally found these situations easier to navigate, although not routine and far from simple. In other situations, where the expectation was for long-term or ongoing support — or where the extent of the funder's commitment was not clear — the exit was challenging for all sides.

Not surprisingly, nearly every interviewee strongly recommended that foundations plan for exit upon entry into a new relationship, issue area, or initiative. However, this advice was offered with the benefit of hindsight, and heeding it may not always — or even often — be feasible; virtually none of the funders in this study did so themselves. Still, some exits were more intentional than others and, in all instances, there is room for improvement and there are big lessons to be learned.

In one notable case, a recently appointed foundation CEO was eager to divert funding to a suite of new initiatives but was persuaded by a

midcourse evaluation that, although some adjustments could and should be made, an abrupt exit would undo a great deal of progress:

We had a succession of leadership changes. By the end of Phase 1 [of the initiative] there was a new president and senior leaders who wanted to embrace new opportunities, and there was a desire to wind down some existing work to make room for the new. There was a proposal to end the initiative after five years, but an external evaluation recommended that we stay the course. We went into Phase 2 and readjusted to include more of a focus on systemic change. We pared down so that we could go deeper with what was working and emphasized building institutional capabilities to carry on the work.

In this example, although some grantees may have lost funding, the work was protected and continued via a thoughtful approach that included regular dialogue with grantees.

In another situation, which also involved a new CEO, external consultants led the foundation through an extensive process to reassess its grantmaking. This resulted in a fundamentally new set of decisions about future focus that necessitated foundation staffing changes as well as exits from initiatives and whole lines of work. Grantees and other field leaders were involved in the planning process. The foundation responded to grantee feedback with a five-year ramp-down plan and significant funding to see the grantees and the work through the transition. In the words of the CEO, “Our attempt to begin making amends was by collectively planning for the field to step into the leadership role and for the foundation to move out of the center of things.”

A third example relates to a significant shift at a large foundation interested in deepening outcomes. It chose to reduce the number of grantees in its portfolio, offering larger, longer support to fewer organizations over time. That foundation is gradually exiting many long-term grantee relationships with a commitment to transition funding:

[We] did set up a transition fund. ... Every unit had to cut back by 25 percent. That 25 percent went

into a transition fund, and there was a process by which you could apply internally for either a grant or a set of grants for organizations that you knew you would be giving [final grants] to. ... That has budgetary implications for us. ... On the other hand, it is a respectful way to treat grantees.

In all three of these cases, foundation leaders put significant additional resources on the table to help them and their grantees navigate the exit. They operated in a consultative manner, seeking the input of grantees and other field leaders as they planned their exits. And they supported grantees to pivot, formulate new strategies, and build new capabilities.

Another case offers a stark contrast; staff had no advance notice of the board's decision to exit a field-building line of work, leaving them in the unenviable position of needing to notify grantees immediately of the shift and of the fact that no additional funding would be forthcoming:

A combination of a constrained program budget, staff restructuring, and shifting priorities precipitated the decision to exit. We received the news that we were going to exit about three weeks before we saw all of the grantees at a conference.

Although this example is far from isolated, previous examples demonstrate that there are funders that do take a proactive stance regarding future exits. They are aware of the complexities of exits and realize that funders simply do not control all the variables. They know that context matters. According to these funders, there is no single or reliably right way to conclude a grant relationship or initiative. But there is a way (and, arguably, a mandate) to be thoughtful and constructive. One interviewee said:

When a decision has been made to exit, it requires careful planning and you need to think about how you structure the end of that grant relationship. It

could be a grant, capacity-building grant, a flexible final grant, or you can set it up so that they [grantees] can leverage support from other funders. This is all context-specific. There is no formula for this other than a standard for what seems fair or reasonable. If you funded a two-year project, sometimes four months into that second year can be enough of a heads-up for ending support. It is different for a long-term, highly funded relationship. You need to think in budget terms, in the context of providing a fair and reasonable warning. Always, when you think about this, ask yourself: How will ending funding to this organization affect the field? How will it impact the individual organization? Will it mean layoffs? How will it affect [the foundation's] reputation and credibility? That is basically the framework that we have laid out.

---

*How you ever gonna know if  
you never take a chance?  
You know failure isn't failure if  
a lesson from it's learned.*

*(Brooks & Blazy, 1997)*

♪ *Garth Brooks*

---

### Implications of Funder Leadership: "How You Ever Gonna Know?"

In this, the heyday of strategic philanthropy,<sup>1</sup> the time-limited initiative is very popular. Funders are going beyond (and, at times, far beyond) responding to worthy requests for support. It is now generally accepted that foundations can and should lead efforts at social change — funding and convening networks, supporting learning communities, and engaging in proactive advocacy related to the goals and specific timelines they themselves establish. There is a healthy debate in the field about the practice and the

<sup>1</sup>Paul Brest and Hal Harvey (2008) defined strategic philanthropy as consisting of "clearly defined goals, commensurate with resources; strategies for achieving the goals; strategies that are based on sound evidence; and feedback to keep the strategy on course." At that time, they wrote, "Strategic philanthropy deploys resources to have maximum impact — to make the biggest possible difference. This approach is captured by the idea of social return on investment, where 'return' refers to improving the world rather than financial gain" (p. 17). In 2009, the Center for Effective Philanthropy articulated a definition of strategy for foundations: "a framework for decision-making that is (1) focused on the external context in which the foundation works, and (2) includes a hypothesized causal connection between use of foundation resources and goal achievement" (Buteau, Buchanan, & Brock, 2009, p.3).

value of strategic philanthropy, with smart, thoughtful leaders on both sides of the argument (Buchanan & Patrizi, 2016).

More than half of the cases studied for this article offered examples of funders taking center stage in an initiative or issue area. In all of these cases, funders were engaged in field building: They were pioneers in bringing focus to an issue, along with significant resources. They created new knowledge and new infrastructure. Along the way, organizations were created or scaled that were dependent on their foundation partner, its leadership, and its reputation.

Regardless of the reasons, when a major funder decides to shift priorities away from field-building work, exiting without harming the field or the organizations operating in that field is particularly difficult. As one funder noted, “Our central presence in the field actually made attracting other funders more difficult because we were seen as being so involved.” In the words of the foundation CEO who championed such a change in direction and approach:

We did a lot of stuff that was heavy handed from a funder perspective. ... It was successful, but I don't think we would want to do it again. We experienced lots of staff turnover and lots of grantee frustration.

The lack of collaboration with others in the field was viewed as a handicap, according to a grantee formerly funded in connection with this work. Also, according to grantees interviewed, the foundation's central role in the direction of the field preempted the opportunity for organizations to learn how to work together without mandated collaboration. In the words of one grantee, “It remains to be seen whether we are all able to learn to play together without the funder forcing that.”

Across the range of cases studied, funders, grantees, and intermediaries discussed the challenges associated with an exit where the funder was in the lead. When asked what they would do differently if given the chance, many echoed this funder's statement: “Initial conversations should

have included more dialogue about distributed leadership and about how to replace the foundation's funding. If I had it to do over again, I would look at a more open leadership model.”

Leaders in philanthropy talk and write about the role of funders in providing more than money. In general, the funder is lauded when it invests in capacity building; funds evaluation, knowledge building, and infrastructure for fields; and is unafraid to be visible and vocal in service of a big goal. But it is precisely when there is more than money at stake that an imminent exit is most likely to cripple grantees or stall fields.

What, then, is the path forward for a funding initiative that has field building at its core? What can or should a funder do where there is a compelling need, an alignment of donor intent, and a will on the part of foundation board and leadership to address that need? If there is no mature ecosystem of grantees and funders, the work will be inherently risky.

The first step is to acknowledge that risk.

When interviewed, exiting funders that pursued a central role were reflective and self-critical. Most saw significant downsides to their prominent and visible place in the work and the field, and would take a different approach in the future. In the words of three different funders:

I have especially strong feelings about the situation where a funder is the last donor — a situation where it is clear that there is not a critical mass of ingredients that will take the grantee anywhere good, especially where we helped the organization get started and develop. We have a long, poor track record of staying in there when we shouldn't have. Donors should not try to substitute themselves in terms of agency and leadership.

What became pretty clear was that the grantees really relied on [foundation] staff and energy to come together. ... They were not staffed in a way that really had anyone to coordinate group convenings. We offered them a consultant to help organize convenings. After that, they really had to tear down group expectations of what they were going to be able to do. In hindsight, it seems

obvious. Whether it was wishful thinking that this would be able to continue merrily without us or a real misassessment of their capacity, in hindsight it seems so obvious.

I'm much more attuned to how well the initiative aligns with the core business of the organization that we are funding. If they're really taking on new work because [the funder] is kind of focused on an area, that requires a lot of careful thought. Whereas, if it is much more embedded in their core mission, I am less worried because after five years, if you need to tie off support, you haven't affected the DNA of the organization as much.

The most thoughtful funders interviewed confronted their exits with a desire to leave grantees strong. Some put significant resources into final grants, capacity-building efforts, and consulting for themselves and their grantees. Some did an admirable job of mitigating risk, and others offer advice born of lessons learned the hard way. What emerged in the course of the interviews was a sense that the more central the funder's role, the more challenging the exit and — arguably — the more responsibility the funder should shoulder.

---

*I say high, you say low. You say why, and I say I don't know. You say goodbye, and I say hello.* (McCartney & Lennon, 1967)

♪ *The Beatles*

---

### The Confusion of Communications: “Hello, Goodbye”

The common wisdom on communicating about an exit is easy to recite: (1) communicate early and often, and (2) deliver consistent messages. The reasons often cited are: (a) the grantee should have as much time as possible to prepare for the loss in funding, and (b) any change or

inconsistency in messaging will signal to the hopeful grantee that there may in fact be an opening for future funding.

Literally all of the funders, grantees, and intermediaries interviewed for this report would quickly agree that early, clear, and consistent communication about an impending foundation exit is a worthy goal.<sup>2</sup> At the same time, interviewees all shared stories about how hard it is to follow this seemingly straightforward advice.

Over the course of the research, it became more and more clear that communicating effectively about a foundation exit requires more than one-way messaging. In case after case, we heard that without sustained and genuine dialogue, momentum can be lost, organizations damaged, and fields diminished in their influence. In one case, there was a serious gap between foundation board and staff about the time frame of support for an initiative. Staff believed that the initiative would span a decade; the board declined to renew support after five years. This was a failure of communication within the foundation that had significant ripple effects. The fundamental disconnect resulted in confusing and contradictory communications; reasonable expectations in the field were unmet, leaving many disappointed:

It was a five-year commitment from the board. I don't know how else to describe it, but there was a 10-year commitment from the staff. I think the idea was that the board would launch it and then it would get incorporated into the regular programming. Depending on whom you talked to it was a five-year or a 10-year initiative. ... If you are inside a foundation, you understand what it means for a board to back something for five years and then, after that, it depends on the program priorities. From the outside looking in, it looks as though that program has a 10-year lifespan. The true length of time was unclear internally. It was also a lack of clarity in the messaging; the messaging was not good — internally and with the grantees.

<sup>2</sup>As stated in the William and Flora Hewlett Foundation's *A Practical Guide to Outcome-Focused Philanthropy*, “It is imperative when the foundation exits a strategy or initiative to do so thoughtfully, openly, and respectfully. This includes careful planning, beginning as soon as exit is on the table. Still more important, it includes communicating clearly to grantees, funding partners, internal colleagues, and the larger field why, when, and how we are leaving” (Twersky & Grange, 2016, p. 85).

The foundation executive interviewed in connection with this exit reported that out of 10 grantees supported through the initiative, only two have been able to continue the work as envisioned.

A second funder described a similar challenge with internal alignment:

One problem with exits is the foundation's own ambivalence, which makes the whole process more complicated. We were challenged by our own inability to be clear about the foundation's objectives on exit. For example, I asked many folks about our goal in accomplishing the exit — is it to attract other funding to fill in behind us? Or is our goal to wrap up our work without encouraging others to give because we are ready to move beyond the work of that initiative? Planning the exit was hard until we settled on our goals.

Clearly, when a foundation staff, executive leadership, and board are not aligned about the depth and breadth of a commitment, it is impossible to communicate clearly about the why and how of a funder exit and/or to set realistic expectations for a field. In the words of one foundation staff person who was surprised by the board's decision to suddenly defund an initiative:

This was a five-year initiative that provided operating support and supplemented with capacity-building consulting support. Grants were very time intensive. The parameters of the support were not established in advance, and different people heard different things about the foundation's commitment. ... I did not have much time [to carefully research and plan for the exit]. I didn't have the luxury of a thought partner or resources to plan for this exit. Our planning was a bit off-the-cuff, especially in communicating the news to the grantees.

Another funder described a situation where very little information was shared with grantees until the final stages of the exit, which left grantees at a disadvantage in preparing for the shift:

I don't know how clear we were. ... At the time, we probably weren't being very vocal. There was the possibility that more funding could come in, too. ... I think there were certain grantees who knew, possibly.

An aspect of much-needed and valued dialogue relates to grantees communicating with each other across a portfolio in preparation for the funder's exit. In more than one case, funders expressed some surprise "that grantees weren't talking to each other, which suggests that there's a place for communication among grantees that a funder can promote, but will ultimately need to leave to the field after the exit is completed." Another highlighted concern about the quality of ongoing communication among grantees once the funder was no longer the catalyst:

We were able to foster grantee communication through affectionately blunt ways. That kind of thing goes away once you step out. It's not just the money. They lose the entity with the 10,000-foot-level view. That kind of loss wasn't anticipated.

Notably, for their part, grantees would rather be in the conversation early, even if all the decisions are not yet clear. One grantee put it this way:

Give grantees a heads-up early on that [the foundation is] going through the process and [isn't] yet sure where it's going to land, or inform them that [the foundation is] sure it's going to land in a particular place. The more transparency a funder can offer its grantees, the greater the potential of success for the grantee going forward.

While many lessons emerged from the pitfalls of inadequate communication surrounding exits, there were notable examples where funders engaged grantees and others in planning and implementing the exit. The process was still challenging, but much more satisfying for all. One grantee put it this way:

First, they were very clear from early on about the time limitation of the investment. As soon as they were sure of their exit date, they told us. We had several years of very clear communication from the foundation about what was going to happen and when.

One funder began the exit planning with grantees and developed a plan that took into account recommendations from the field. This foundation showed itself to be learning, open to feedback, and flexible in terms of next steps with



Photograph courtesy of Chris Lorents, 2016, photographer.

the active intent to protect programmatic gains and ensure that grantees remained strong:

We started planning to exit the work in earnest in 2012. We had a grantee gathering and committed to four more years. We started then communicating with grantees to get clarity about the goal line and what we could accomplish together in the time remaining. This process was important for all of us. We started the convening with a panel discussion with our own team facing the grantees and invited the grantees to ask anything they wanted. It was very important for grantees to understand what we were wrestling with. The issues were very much the same as issues grantees were troubled with. There was something about the willingness to engage in this discussion that helped. Even if the grantees weren't happy, they could better understand the foundation's perspective. The convening was also important because it meant that key players were together to discuss opportunities. We asked grantees what we should stay with, where to double down, and where and when to cut loose. We considered their input in designing the last four years of grantmaking, and what the foundation

did was pretty consistent with what the grantees recommended.

A place-based funder reported on a process of reaching out to colleagues in the funding community to discuss their exit from a neighborhood initiative. They engaged other funders who had a stake in that community in formulating their exit strategy, and they were willing to exit slowly even though it meant they would expend more than the 5 percent minimum payout for a number of years.

One foundation CEO noted that frequent personal contact with grantees throughout the exit can pay significant dividends. His experience illustrates the merits of empathy in grantmaking, and the notion that exits can and should be hands-on rather than passive:

A little bit of my time goes incredibly far — just showing up and putting a face on the change, talking to people about it. It seems silly, but it really does make a difference. At the end of the day, it is

still hard. But it makes change more humane and easier — just showing up and relating to them, recognizing their feelings are real.

From the point of view of the grantees, the most careful, thoughtful, and respectful exits had empathy and patience at their core, which in turn led to the open dialogue that can position a grantee or a whole field for success in the wake of an exit. In the words of a foundation CEO interviewed for this study:

Exits take a long time to do respectfully and well. You have to be simultaneously working the internal culture of the foundation and working the transition externally. Think about the individuals that are affected. It's not just strategy. People's lives are changed because of your actions. Don't underinvest in respecting that piece of it.

Hard-won wisdom leads to the conclusion that it is not one-way or even two-way communication that secures results and leads to resilience for grantees following a funder exit. Rather, it is all-way communication anchored in deep listening on the part of the funder whose exit is imminent. At its best, communicating during a funder exit involves ongoing dialogue among foundation staff and leadership, grantees, and colleagues in the funding community who may be looked to for future funding.

## *It's the last waltz. The last waltz with you. But that don't mean that the party is over.*

*(Robertson, 1978)*

🎵 *The Band*

### **Final Grants: “The Last Waltz”**

In nearly all the cases studied for this report, final grants were made after the decision to exit. The goals for these investments were varied. In some cases, all the funder hoped to do was offer the grantee time to find replacement funding. In other cases, specific goals accompanied the final grant. In all cases, funders wanted to help their

former grantees navigate the future. This meant that other opportunities were set aside or delayed while resources supported the work of grantees that were no longer in the bull's-eye of their funder's strategy. A final grant was sometimes accompanied by consulting, facilitation, convening, and/or introductions to potential new sources of funding.

In those circumstances where both grantees and funders were most satisfied, the final grants were generous and flexible. Funders listened carefully to the grantees about needs and priorities; grantees influenced the funder's exit plans and were encouraged and supported in thinking about their future. One large foundation described a highly contextual and flexible approach to final grants:

To sum up the different strategies that we used, we offered flexible final grants, funded grantee convenings without us in the middle, capacity-building grants, and also a promotional piece. The promotional piece was not in the vein of, 'look what [the foundation] did and learned,' but more of something that each group could use for their own outreach, fundraising, and communications. Basically, they felt that being able to publicize their work as part of a larger cohort would be really advantageous. Instead of doing a foundation 'lessons learned,' we helped develop some press releases and things that they wanted, not just as individual grantees but as a group. It was very much driven by what they thought would be helpful to them.

Nearly all interviewees referenced the importance of capacity building in navigating an exit. Funders want to help prepare grantees for the loss of funding, and they want to secure the gains made. Grantees want the time and resources to understand the implications of the funder's exit for their organization and its work, and they want to plan a path forward. But, capacity building as part of a funder exit is no panacea, especially not if mandated or overly structured by the funder. Some capacity-building investments discussed by interviewees were highly successful; others failed and were more of a distraction than a help.

Funders interviewed that made a big commitment to capacity building during an exit advise that the locus of responsibility for building capacity needs to be the grantee, not the funder — that these investments at the end of a funding relationship should enhance the grantee’s independence and therefore should not be dictated in type or process by the funder. In the words of one funder:

We don’t have one approach to capacity building. What we try to do from the perspective of our unit is to put some markers in the ground to help us think about it. The first is that a funder cannot build the capacity of an organization. It is only the organization itself that can do it. The funder can just create enabling conditions .... We are not organizational development experts. We are not the protagonists here. What we say has undue weight. We need to make sure that the agency is on the part of the organization. Once the organization has its own clear sense of what it needs, you can respond by giving them specific money or increasing the flexibility of the grant you are giving them.

All in all, reports of capacity building linked to an exit were mixed. Especially problematic were efforts to support fundraising as part of an exit. One funder who was charged with exiting a field-building initiative with very little notice discussed the fact that the foundation literally created most of the organizations in the cohort and had disappointing results when supporting these grantees to build their own fundraising capacity:

Those relationships didn’t really work out very well. I don’t think any of those organizations had a successful engagement with their fundraising consultant. Mostly what I heard from the consultants was that the organizations weren’t really willing to do what they needed to do to beef up their fundraising.

Another funder echoed the sentiment:

We tried supporting efforts to build fundraising capacity, but haven’t figured out how to do it well. We didn’t get great results. We had more success when we worked directly to bring new donors to the work.

Simply stated, the problem generally predates the exit decision, and if a funder is complicit in creating unhealthy dependency prior to the exit, it should expect trouble that no single capacity-building grant can address. However, both funders and grantees are articulate about the benefits of capacity building throughout an initiative or funding relationship — not just upon exit. In other words, building capacity that will help grantees withstand and even thrive in the event of a major funder exit cannot be an afterthought or a “consolation prize.” The best, most effective capacity-building efforts in the cases studied began long before exit. These approaches accompanied the work across the duration of the grant relationship while also reflecting a specific focus on preparing for the exit.

In addition to capacity building centered on individual organizations, one grantee urged foundations to take the opportunity of the final grant to consider the broader context. Doing this well requires listening, which harkens back to the previous discussion of communicating effectively before and during an exit:

The funder has to think about the network and the ecosystem of the environment that they are exiting, the signals that they are sending to the organizations about what their strategy should be, and also how it can possibly go south. Once you are gone, the grantees could start competing and start spinning off into other territory. You have the opportunity with the final grants to set the table for the direction of the ecosystem.

## Conclusions and Recommendations

Given the variety of reasons to exit, as well as the complexity and interdependence of a funding relationship, the experiences reviewed for this article call for funders to balance their goals and aspirations against the potential harm to grantees and fields as they are planning to take their leave. Dialogue and empathy are indispensable attributes of any valued relationship between funder and grantee and doubly important in the context of an exit.

From the cases studied for this article, the greatest exit challenges related to the confluence of

## Advice from Funder to Funder

Speaking from experience, funders offer remarkably consistent advice to colleagues that are contemplating or making an exit. Overall, they advocate for respect, patience, flexibility, empathy, generosity, learning, and a consultative stance. They recommend:

1. Stay off center stage, unless playing a principal role is the only approach likely to work. Use a steering committee or some other form of shared leadership to encourage ownership from the field.
2. Screen potential grantees based on how well the foundation's goals or initiatives align with the core business of each organization.
3. Be explicit about the need for sustainable, resilient programs and organizations, and support capacity building throughout, not just as part of final grants.
4. Study the broader implications of an exit before finalizing plans or taking action, and create an exit plan that is adjustable. It is inevitable that things will change.
5. Communicate as you go. It may not be possible to have every relevant decision made in time to communicate early with 100 percent clarity. Share what you are thinking and what you know as the process unfolds.
6. Help grantees avoid fiscal cliffs. Tier down support through multiyear exit plans whenever possible. Consider offering increased funding for field leaders and infrastructure as part of the ramp-down.
7. Broker relationships for grantees with other funders, and do this early — not as an afterthought, when funder partnerships are very hard to forge.
8. Allow grantees to set the priorities for capacity-building grants. Don't default to a final-stage grant for fundraising, as it will almost certainly be too little, too late.
9. Take advantage of your role as a convener to bring grantees together for collective learning and planning about how to cope with the exit.
10. Commit to your own learning and improvement through each exit.

## Advice from Grantee to Grantee

Having navigated the loss of a major funder, grantees were asked to offer advice to other organizations that may face such a situation. Here is the essence of what they said:

1. Accept that even your most staunch supporter may change its focus/priorities and withdraw funding at some point.
2. Be entrepreneurial and be prepared. Even if the loss of major funding is unlikely, engage in contingency planning as a regular habit.
3. Hold to your own mission/vision throughout. Don't lose your focus to chase funding — ever.
4. Avoid dependency on one, or even a few, funders so that an exit — expected or not — will not destabilize your organization.
5. Expect relationships with other grantee organizations to shift when a major funder withdraws. When the funder is no longer at the center of an initiative and/or they no longer convene or support collaboration, colleagues may suddenly become competitors.
6. Consider the fate of deliverables and work products. Together with the funder, plan and ask for support for appropriate curation and dissemination of what the grant(s) produced.
7. Communicate about the work done and the value created to set the stage for others to come forward and support the work in the future.
8. Negotiate the final grant for maximum flexibility.
9. Ask for the funder's help in identifying new sources of financial support.
10. Work to maintain the funder relationship post exit. Your key contacts may be able to help connect you to new partners or possibilities down the road.

three factors: (1) the central role the funder had chosen for itself; (2) the scale of support offered, especially when it outpaced other support for the issue or organization; and (3) the difference between the expected and actual duration of that support.

Much more needs to be understood about why and how funders exit as well as about the effects, but this limited research does suggest some sensible practices that can immediately improve both relationships and outcomes related to funder exits:

- **Assure strong alignment of mission and goals at the front end of any funding relationship and revisit the question of alignment regularly.** In the words of one grantmaker:

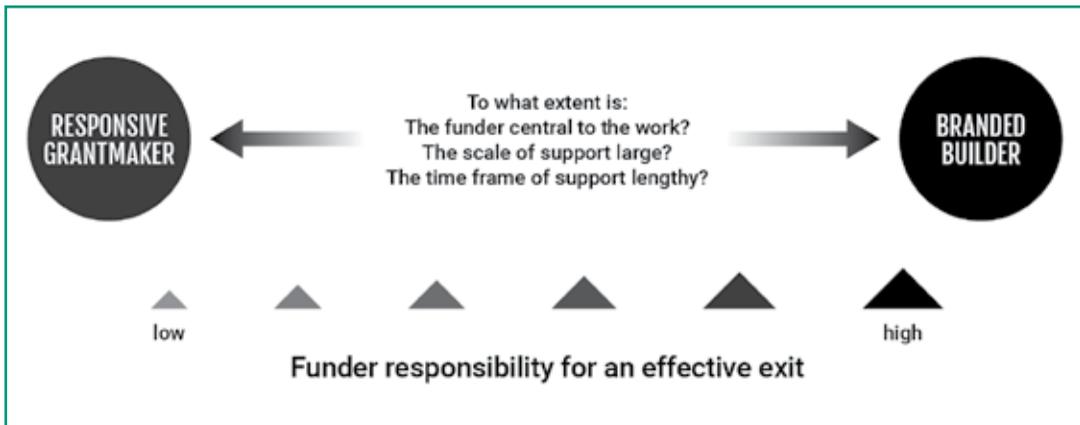
Funders planning to exit a field should be mindful that the most durable investments will be those closest to the grantees' own core purposes. Grantees that "stretch" to qualify for funding may not be able or willing to maintain the effort once the funder exits.

- **Commit to dialogue with grantees as well as colleague funders about impending exits, taking input to help shape timing and approach to an exit.** In interviews, funders and grantees spoke of the benefits of dialogue in navigating an exit. Some funders offered powerful examples of how grantees influenced their thinking and helped develop reasonable and responsible exit plans that preserved program gains and kept grantees strong. For their part, grantees value thought partnership as much as they value clarity as a funder is preparing to exit.
- **Consider grantee capacity and dependency throughout all funding relationships, and work to build grantee resiliency before an exit becomes necessary.** One funder noted that the problems associated with exits likely have much earlier origins:

Some of the challenges are pre-exit — for instance, grantees that have unsustainable revenue models to begin with. A donor is almost tipping them already, and then that donor leaves. That's a challenge that you need to be paying attention to well before the exit, as a part of financial due diligence. What are you doing early on so that in year three, five, or 10 — or however long your program spans — your grantees aren't overly reliant on your revenue? The challenge is more about creating a healthier landscape pre-exit.

- **Once a decision to exit is made, set aside time and appropriate resources to ease the transition for grantees and protect the affected fields.** Although the amount of time and resources needed will vary according to the context, generally, funders at the center of the work have a greater responsibility to grantees and to the broader ecosystem of actors in the field. Factors to consider in deciding how and how much to invest in an exit should include consideration of whether the field is mature and stable, or nascent and highly dependent on one or a few funders.
- **Contribute to building much needed knowledge in this arena.** There is a need — perhaps even a great need — for additional research in this area. While this article shares stories and insights from about a dozen foundation exits, it is far from a comprehensive study or a representative sample. There are many thousands of foundations, each driven by a charitable mission, that are routinely entering and exiting relationships and fields. Even if such comings and goings were only modestly disruptive, the aggregated effects are likely substantial — albeit — for the most part — out of sight. The field should commit to learning more, sharing insights, and generally exercising care and mitigating the risks when exiting.

In fact, only one case examined for this study invested in a retrospective evaluation following an exit. In that case, the report was not shared externally. With that one notable exception, the funders studied did not look back after the close of their

**FIGURE 1** From Responsive Grantmaker to Branded Builder

### From Responsive Grantmaker to Branded Builder: The Continuum of Funder Responsibility in Exits

Foundation relationships with grantees differ widely. Some foundations work in a responsive manner, defining a community or area of interest; publishing guidelines; then reviewing and funding (or declining) proposals on a rolling basis. In these cases, the grantee is leading, defining the project or program, implementing its plans, and reporting to the funder on progress at regular intervals. This approach is favored by many place- and community-based grantmakers that describe a broad issue or need and invite interested organizations to propose programs and potential solutions. The funder supports the most promising proposals, sometimes limiting the number of years an organization can receive support, and/or may exit relationships with only those grantees that routinely fail to achieve their stated outcomes.

In this era of strategic philanthropy, funders also use a range of other, more proactive tools and tactics — from prizes to mission-related investing — in pursuit of their goals. One commonly used proactive tool is the initiative — a labeled body of work that typically spans multiple years and engages multiple grantees. Often, research takes place to further understand the need or opportunity that is core to an initiative. There may be early outreach to capture insights and inputs from grantees and potential grantees as well as other leaders and experts as the initiative is designed. Proposals are typically solicited by invitation only. Initiatives are time limited, and, increasingly, funders include a learning component, convening grantees and commissioning external evaluations that look across the whole portfolio of investments over time. In short, the grantmaker ultimately defines an initiative's goals and the time frame as well as the budget and the learning agenda.

Some funders go even further when they perceive a gap in the ecosystem of organizations ready and able to respond to a priority need or opportunity. These funders may seed the creation of new organizations, commission and disseminate research, build leadership, and create new infrastructure in an effort to build a field. These instances — where a funder is chief architect, the work is branded through the initiative, and identified with the funder — place the greatest responsibility on the funder that chooses to exit. Funders interviewed stated again and again that, upon exit, they felt a great weight of responsibility in those cases where they were at or near the center of the work.

initiative or line of work. This means they cannot say with any certainty that goals achieved were durable or that grantees remained strong and successful.

Next steps should include a fieldwide longitudinal study of foundation exit practices to illuminate the scope and scale of the challenge, and the courageous commitment of funders to study the impact of their exits from a modest distance.

Together, these efforts would go a long way in encouraging responsible exits and illuminating best practice.

## Acknowledgment

The author offers her deep appreciation to research associate Parker Sexton for his unflagging support and assistance in the preparation of this article.

## References

- BREST, P., & HARVEY, H. (2008). *Money well spent*. Hoboken, NJ: Wiley.
- BROOKS, G., BLAZY, K. (1997). How You Ever Gonna Know. [Recorded by Garth Brooks]. On *Sevens*. Pearl Records, Inc.
- BUCHANAN, P., & PATRIZI, P. (2016, October 4). *Ditch strategic philanthropy — but don't throw out strategy with it*. Chronicle of Philanthropy. Retrieved from <https://www.philanthropy.com/article/Opinion-Ditch-Strategic/237938>
- BUTEAU, E., BUCHANAN, P., & BROCK, A. (2009). *Essentials of foundation strategy*. San Francisco: Center for Effective Philanthropy.
- HEADON, T., JONES, M., SIMONON, P., STRUMMER, J. (1982). Should I Stay or Should I Go. [Recorded by the Clash]. On *Combat Rock*. Sony BMG Music UK.
- LOH, C., & BUTEAU, E. (2017). *A date certain: Lessons from limited life foundations*. San Francisco: Center for Effective Philanthropy.
- MACKINNON, A., & JAFFE, J. (2007). *The effective exit: Managing the end of a funding relationship*. New York: Grantcraft. Retrieved from <http://www.grantcraft.org/guides/the-effective-exit>
- MCCARTNEY, P., LENNON, J. (1967). Hello, Goodbye. [Recorded by The Beatles]. On *Magical Mystery Tour*. Capitol.
- PETROVICH, J. (2011). *Exiting responsibly: Best donor practices in ending field support*. Princeton, NJ: Robert Wood Johnson Foundation. Retrieved from <http://www.cof.org/sites/default/files/documents/files/RWJ%20Report%20-%20Exiting%20Responsibly%20-%20Best%20Donor%20Practices%20in%20Ending%20Field%20Support.pdf>
- ROBERTSON, R. (1978). The Last Waltz Suite: The Last Waltz Refrain. [Recorded by The Band]. On *The Last Waltz*. Rhino/Warner Bros. Records Inc.
- SEDAKA, N., GREENFIELD, H. (1962). Breaking up is Hard to Do. [Recorded by Neil Sedaka]. RCA Records
- TWERSKY, F., & GRANGE, L. (2016). *A practical guide to outcome-focused philanthropy*. Menlo Park, CA: William and Flora Hewlett Foundation.

**Barbara Kibbe, J.D.**, is director of organizational effectiveness for the S. D. Bechtel, Jr. Foundation. Correspondence concerning this article should be addressed to Barbara Kibbe, S. D. Bechtel, Jr. Foundation, P.O. Box 193809, San Francisco, CA 94119-3809 (email: [bkibbe@sdbjrfoundation.org](mailto:bkibbe@sdbjrfoundation.org)).

# Exiting From Large-Scale Initiatives: Lessons and Insights From a National Scan of Philanthropy

Hanh Cao Yu, Ph.D., and Moninder-Mona K. Jhawar, M.P.H., *The California Endowment*, and Daniela Berman, M.P.P., *Social Policy Research Associates*

*Keywords: Foundation exits, effective exits, exit strategy, transition planning, transition process, strategic planning, best practice, sustainability, community change initiative, place-based, funder-grantee relationships, decision-making, change management*

## Introduction

Exiting from an initiative is an inevitable part of philanthropy. Yet the process is too often treated as an afterthought, and funders rarely devote enough time to planning for and working through the tensions and issues that arise. Pointing to a lack of consistency around exit planning, Jaffe and Mackinnon (2007) write, “Exiting tends to be regarded as something discrete and separate, a phase in the life of a grant or program that is fundamentally different from what comes before” (p. 2).

Among the studies on foundation exits, research tends to focus on how funders can exit from specific grants or programs (Association of Charitable Foundations, 2012; Kerhoven & Herweijer, 2013). A few focus on strategies for exiting from a field or on spend-down foundations specifically (Fleishman, 2011; Jaffe & Mackinnon, 2007; Petrovich, 2011; Gardner, Greenblott, & Joubert, 2005; Markham & Ditkoff, 2013; Ostrower, 2009, 2011). To date, however, no studies have examined how funders have managed to effectively exit from major, time-limited, place-based initiatives that aimed to simultaneously change policies and systems at multiple levels.

## Methodology and Underlying Research

We wish to help fill this gap in knowledge by sharing some of the findings the 2020 Transition Research Project, which we conducted on behalf of The California Endowment (Yu, Lewis-Charp, Berman, Diaz, & Bollella, 2016).

## Key Points

- This article shares insights and lessons from a research project commissioned by The California Endowment in early 2016 to inform the planning for its transition out of Building Healthy Communities, a 10-year, place-based, policy- and systems-change initiative. The goal of the nationwide study, which included literature reviews and interviews with 30 executives and directors from 17 foundations, was to tap into philanthropic leaders’ accumulated wisdom about exiting out of similar initiatives.
- In generalizing the study’s findings for the broader philanthropic audience, this article presents a guiding framework for exit and sustainability planning in the form of a set of recommendations that relate to issues such as managing relationships between funder and grantee partners during the exit, using the initiative’s theory of change as a tool for decision-making, finding a balance between demonstrable success and equity, and managing the internal processes of the funding organization.
- The research shows that even though an exit is inherently difficult, it is possible to carry out in a way that does not undermine the accomplishments of the initiative and leaves the foundation and its grantee partners in strengthened positions.

As the foundation entered the second half of its decade-long Building Healthy Communities (BHC) strategic plan, it wanted to learn from other funders who had exited from similar time-limited, place-based initiatives and transitioned to new lines of work. To help inform its decision-making, the foundation commissioned Social Policy Research Associates (SPR) to conduct a research study built around the values and assumptions that steered the BHC initiative. The foundation not only embraces its role as a highly engaged partner and change-maker, it also executes a rare combination of strategies that seek to align local and statewide policy-change efforts, grassroots community organizing, resident power, youth leadership, and narrative change within BHC.

Our research was conducted using a mixed-method approach, collecting data from both a literature review and semi-structured interviews. (See Appendix.) To be included in the study, a foundation had to have completed an exit or be in the process of exiting from a particular initiative or strategy in which it had been invested for at least three to five years, as well as contribute to the geographic-level diversity — national, statewide, and local — of the final mix of interviewed funders. A research advisory group developed an initial set of funders that met these criteria and narrowed the list based on those available for interviews during the project timeline.

Between November 2015 and January 2016 we conducted interviews with 30 foundation leaders<sup>1</sup> representing 17 place-based, organizing, policy, and spend-down foundations: the Annie E. Casey Foundation; Atlantic Philanthropies; the David and Lucile Packard Foundation; First 5 Los Angeles; the Ford, MacArthur, Marguerite Casey, Northwest Area, Open Society, Robert Wood Johnson, S. D. Bechtel, Jr., Skillman, W.K. Kellogg, C. S. Mott, Edward Hazen, and Surdna foundations; and The California Endowment itself. We also interviewed two

expert researchers in comprehensive community initiatives (CCIs). All the interviewees were nominated by The Endowment's research advisory group based upon their experience with place-based and organizing initiatives.

Due to the long-term nature of most large-scale initiatives, only a handful of interviewees had experienced the complete process of exit from place-based work and were able to speak about the full range of the experience; among these were individuals from the Annie E. Casey, MacArthur, and Northwest Area foundations. Further, only one interviewee was associated with a funder — the Mott Foundation — that had exited from a community-organizing portfolio. Finally, although several funders engaged in policy- and systems-change work, no funder intentionally linked place-based and statewide policy-change strategies in the same way the endowment did in its BHC initiative. These limitations suggest that it will take time to generate knowledge about exiting from these kinds of grantmaking efforts.

We knew before we began our study that the research literature on philanthropic exits acknowledges the disruptive and often painful nature of the exit process for funders, grantee partners, and entire fields (Petrovich, 2011; Fleishman, 2011; Ostrower, 2011). By the time we completed our work, however, we were convinced that even though an exit is inherently difficult, it is possible to carry it out in a way that does not undermine the accomplishments of the initiative and leaves the foundation and its grantee partners in strengthened positions. This outcome — what we refer to as “successful exit” — becomes more likely when the exit is guided by respect for the relationships the foundation has forged with grantee partners; a clear intention to sustain the change-making efforts at the core of the initiative; inclusive and evidence-based decision-making; thoughtful and advance consideration of what comes next; and

<sup>1</sup>Interviews were conducted with 10 CEOs, presidents, and executive directors; six vice presidents and directors; nine evaluation directors, managers, and advisors; two program officers; two field CCI experts, and five current and former employees of The California Endowment. Of the 17 funders represented among the interviewees, 10 were place-based funders or conducted place-based initiatives, seven had a policy focus, and five had an organizing focus.

*A successful exit becomes more likely when the exit is guided by respect for the relationships the foundation has forged with grantee partners; a clear intention to sustain the change-making efforts at the core of the initiative; inclusive and evidence-based decision-making; thoughtful and advance consideration of what comes next; and proactive management of the internal changes likely to accompany transition to new efforts and focuses.*

proactive management of the internal changes likely to accompany transition to new efforts and focuses.

### Wisdom on Successful Exit From Major Place-Based Initiatives

*The purpose of an exit strategy is not to hasten the exit — exit is not valuable for its own sake — but to improve the chance of sustainable outcomes for the program.*

—Gardner, Greenblott, and Joubert, 2005, p. 7

Although our research was intended to inform The California Endowment about its future exit from the BHC initiative, we recognized that many of our findings could be relevant and helpful to those in the larger philanthropic community who face the prospect of exiting from similar initiatives. To communicate our findings

to this audience, we recast them in the form of discrete recommendations that can be used by diverse funders to craft their own unique exit plans. Although many of these recommendations may be familiar to some members of the philanthropic community as “best practices,” they are often overlooked when the exigencies of the exit process begin to exert their influence. By collecting them together in a single article with a carefully calibrated amount of supporting detail, we hope to increase the likelihood that they will be thoughtfully considered and actually implemented. Further, we believe that our expert respondents have contributed some genuinely new ideas to the field and broached some issues in unforeseen ways.

These recommendations assume that planning for exit begins well before the exit itself — ideally as part of the design of the initiative. The research on effective exits emphasizes meticulous attention to planning. Developing and implementing an exit and transition plan early in an initiative will reduce many future operational challenges, improve outcomes and sustainability, build communities’ preparedness and ownership of the transition process, and draw from communities’ own resiliency and assets (Gardner, et al., 2005). Our interviews with foundation leaders similarly underscored that a carefully considered exit and sustainability plan increases the likelihood of a successful exit. Exit plans must be thorough enough to offer firm structure, yet flexible enough to allow foundations to adapt to unanticipated changes. Exit plans must be tailored to the demands and circumstances of specific initiatives, but they can be constructed from generalized best practices such as those articulated here.

### Managing Relationships With Grantees and Other Partners

Effective philanthropy is based on strong relationships with grantees and other community-based partners. Intentional planning around how to manage these relationships prior to and during an exit can mitigate some of the potential challenges that funders often face further down the line. Acknowledging that program staff

members are the “biggest advantage of a place-based strategy,” a Skillman Foundation leader said that the quality of the foundation’s relationship with partners is, to a large degree, based on program officers’ abilities to form trusting relationships with key community members.

### *Build Trust Through Transparency*

The quality of a funder-grantee partner relationship can be measured by the extent to which the grantee partner trusts that the foundation will responsibly attend to the community’s survival and well-being. This trust is grounded in transparency and respect, which requires that communication between the foundation and grantee partner be candid and recurring, particularly when it addresses the foundation’s commitment, its key objectives, and its expectations for the exit process.

“Talking about [exit] nonstop from the beginning,” said an Annie E. Casey Foundation representative, “is difficult but necessary.” A leader from the S. D. Bechtel, Jr. Foundation made the complementary point that the relationship between funder and grantee partner during exit is “really more about communication and being clear” than it is “about new strategic direction.”

### *Don’t Feed False Hopes*

A few respondents in the research study spoke about how difficult it can be for grantee partners when the foundation talks about exit without being able to communicate clearly what the foundation will be doing afterward. It can be challenging to know how to communicate openly with grantee partners when there are many decisions that have yet to be made, but it is important to be clear on where the foundation is in the decision-making process.

To help articulate their messaging around exit, Skillman staff members relied upon the foundation’s values framework so that any communication, however indecisive, would be consistent with the beliefs of the foundation. A Mott Foundation representative underscored that it is the responsibility of the foundation to

*The quality of a funder-grantee partner relationship can be measured by the extent to which the grantee partner trusts that the foundation will responsibly attend to the community’s survival and well-being. This trust is grounded in transparency and respect, which requires that communication between the foundation and grantee partner be candid and recurring.*

say “yes,” “no,” or “we don’t know,” but never to create the false hope of continued funding by saying “maybe.” An Annie E. Casey Foundation leader added this caution: During the final few years of an initiative, a foundation often scales up its efforts while simultaneously winding down its involvement. The potentially misleading nature of this opposition for grantee partners requires that funders clearly explain the intent and endpoint of exit activities.

A Ford Foundation representative observed,

There is a price to transparency. It was really hard in that middle period where we couldn’t tell groups where we were landing but we could tell them that we didn’t know if they were going to be funded again. ... If [the funder is] going to be transparent, at least let the group feel like they had a line in and it levels the playing field.

### *Underscore the Long-Term Commitment*

In many cases, the foundation leaders interviewed had long-term relationships with grantee partners that existed prior to and persisted beyond a particular place-based initiative. Such

*In place-based initiatives in particular, it is natural for program officers to assume indispensable roles in the work of grantee-partner organizations and to become quite embedded in communities. Removing them suddenly would represent an immense loss to grantee partners, so it is important to strategically prepare for this eventuality well ahead of time.*

relationships are common among funders that have a mission to serve particular cities or regions. When these foundations exit an initiative and make a pivot in funding strategies, their relationships with their grantee partners undergo a change in status but they do not end.

Thus, one important message to relay to grantee partners is that relationships do not end just because the particular funding strategy ends — and, indeed, the foundation can stay connected to the grantee even if it is not through a funding relationship.

#### *Manage ‘Tension’ Between Community Ownership, Foundation Decision-Making*

While evaluation respondents varied widely in what they believed was the ideal balance between community ownership and foundation direction, they agreed that managing this tension is vital to the success of foundations’ community change initiatives and plays an important role in a successful exit. A “hands off” approach can increase the chances, upon reaching the end of a long-term initiative, of a foundation feeling that

important goals have not been accomplished. Alternatively, a hands-off approach can help build a sense of community ownership, which in turn is a key factor in sustaining the efforts at the core of the initiative. Regardless of the degree of control exercised by the foundation, however, exit represents a change in the locus of decision-making, and this transition, respondents noted, is best managed by ensuring from the outset that there is a common understanding of desired outcomes. A MacArthur Foundation representative advised,

Make sure that you are exactly on the same page: What are the expectations for impact? What are the shared expectations for the mode of achieving that impact? What are the shared expectations about what sustainability means? Then, when you come closer to the [exit], you can always harken back to that moment of ... shared expectations for going forward.

#### *Ease Grantees Into a Changed Relationship*

In place-based initiatives in particular, it is natural for program officers to assume indispensable roles in the work of grantee-partner organizations and to become quite embedded in communities. Removing them suddenly would represent an immense loss to grantee partners, so it is important to strategically prepare for this eventuality well ahead of time.

Our interviewees described several instances in which program officers who had been heavily involved in local-area work shifted their roles so that they were more “at arm’s length” toward the end of an initiative. First 5 Los Angeles, for example, worked to ease communities into developing their own leadership, decision-making, and collaborative capabilities, rather than relying on First 5 staff members. Program officers helped grantees form partnerships with other organizations so that they could develop capacities and skills together. Staff members then took on higher-level roles in which they transitioned from being on the ground to focusing on policy advocacy. First 5 leaders saw this as a way to lessen community partners’ dependence on First 5 in advance of the exit.

## Making Exit-Strategy Decisions

When planning to exit a major time-limited initiative, it is important to develop a clear set of criteria or a process that can be used to guide decision-making throughout the exit period and navigate the challenges that come with it.

- Use the initiative's theory of change to inform decisions about exit and sustainability. Foundation leaders emphasized their belief that the theory of change underlying the work of an initiative is an important resource for developing a strong, results-oriented approach to exit. The theory of change can be used to evaluate indicators of initiative impact, and then the results can determine what to sustain. Hazen Foundation leaders, for example, used an initiative's theory of change as a lens to select the community capacities that needed to be sustained in order to keep their grantee partners from reverting back to how they were before the initiative began. Whether or not an action or decision would sustain each of these capacities then became the criteria for exiting out of the initiative.
- Establish a well-developed learning and evaluation system to help create clarity around capacity, traction, and impact. Foundation leaders and the CCI experts spoke about the necessity of having robust data on community impact and grantee partners' capacity. Evaluation and assessment can inform a foundation's decisions about whether and how to exit, and can help determine when it is appropriate to proceed with the next phase of an initiative. Annie E. Casey Foundation leaders, for example, focused on using data to inform their approach at both foundation and site levels, which allowed for a "continuous learning process to track progress" and to assess the ability of sites to thrive after exit. In fact, as a national funder exiting multiple geographic areas, Casey maintained working relationships with site partners through continued learning and documentation after its initiative ended. S. D. Bechtel, Jr. Foundation leaders conducted retrospective

investigations into the organizational capacity-building of grantees, which provided lessons that could be used to inform its later exit as a spend-down foundation. Several foundation leaders and field experts suggested that it is important to keep in mind that grantee partners and foundation staff are likely to describe their site progress positively so as to ensure continued foundation support. Therefore, formal and independently gathered site-specific assessment and evaluation data may be needed to complement the reports made by grantee partners and program officers.

- Engage staff members in decision-making to promote their investment in the exit strategy. Ford Foundation leaders opted for a very open process of dealing with specific exit issues by having a broad conversation among staff members about the change in the foundation's work. Northwest Area Foundation representatives echoed that value of staff involvement, and described a collaborative exit-strategy design process in which program staff, senior staff, and board members participated. They said they believe that including staff members in the creation of the exit strategy was critical to the success of the exit because it allowed staff to deeply invest in the strategy.
- Take advantage of foundation staff members' knowledge by involving them in exit planning. A number of foundation leaders chose to make the exit process largely staff-driven because they believe that program officers have the deepest knowledge of the strengths and weaknesses of specific initiatives and grantee partners' fit with the foundations' values, mission, and mandate. Staff members not only understand the foundation's risk tolerance, collective skill sets, and interests, but they are also best positioned to draft exit or transition "memos" on initiative accomplishments and potential new directions that build upon needs and opportunities. One representative of a major place-based funder described using a team approach to exit in

*When making decisions about what aspects of an initiative to sustain, it is helpful to solicit input from outside observers. It can be problematic to ask only grantee partners and foundation program staff to identify what to leave behind in communities because of their personal connection to the communities and their financial reliance on the foundation's continued presence.*

which foundation staff members collaborate as cross-disciplinary teams; this individual described the approach as “very useful because it brought different perspectives to a topic.” In another example of this strategy, Ford Foundation leaders engaged their communications department early in the exit process to think through how to communicate difficult issues about the exit to their grantee partners. In addition to ensuring clear and honest communication, this effort revealed aspects of the exit that foundation leaders had not yet thought through.

### **Sustaining Initiative Accomplishments**

Many foundation leaders said that when considering the exit from an initiative, they often lacked clarity on which specific pieces of the initiative were important to sustain and what the role of the foundation was in supporting those pieces. Respondents also emphasized that at the tail end of an initiative there is a natural movement to “the next thing.” These factors point to the importance of thinking about issues of sustainability early in the exit process and keeping these issues in the forefront.

Even when an initiative has a set time limit, consider being flexible about the timing of exit so as not to adversely affect the sustainability of the initiative's achievements. Setting a specific timeline may prove beneficial in that the time limit can sharpen the foundation's focus on establishing sustainable systems; however, the time limit may also impose artificial restraints and restrict progress by promoting a false sense of closure to the initiative.

A CCI researcher remarked that if sites are “hard to leave because they're doing exactly what needs to be done and there's momentum and leverage,” then the foundation “should not be rigid in its timeline.” In accordance with this view, foundation leaders recommend an open-ended approach in which the funder chooses a time to investigate what has been accomplished and what remains unfinished relative to the original goals of the initiative, and then makes decisions about the timing of exit on that basis. “[What is,] really, the calendar of social change?” a Hazen representative observed. “I don't know. So my tendency would be to be thinking about how far did we get, what's next, what can be closed out responsibly, what needs to be continued.”

When making decisions about what aspects of an initiative to sustain, it is helpful to solicit input from outside observers. It can be problematic to ask only grantee partners and foundation program staff to identify what to leave behind in communities because of their personal connection to the communities and their financial reliance on the foundation's continued presence. A CCI researcher recommends that foundation leaders conduct interviews with people who have been in the target communities for some time but whose salaries are independent of foundation initiatives. These key onlookers will be able to answer questions about the role the initiative has played in the community and its impacts, where the absence of the initiative will be most felt, and what the future would look like if the foundation was only able to continue with select priority areas.

To sustain the efforts begun under their initiatives, several foundations deliberately took a

step back in their leadership and management as they neared exit, giving local stakeholders and grantee partners the space to step forward and choose their own governance groups and intermediaries — thus supporting a transition to local governance and community ownership. Annie E. Casey Foundation staff members created local management entities led by community residents that could oversee the sustainability of grantee partners post-exit. Skillman Foundation staff similarly facilitated the creation of governance groups made up of local residents and grantee partners. These groups have allowed for wider ownership of the Skillman initiative and will be responsible for its sustainability. In another approach, Marguerite Casey Foundation staff members asked local stakeholders to choose a “network weaver” — a person or organization to convene grantees and other partners in communities to work on cross-sector issues. As one CCI researcher observed,

[It is important to] have some kind of path for the community to go from the foundation-directed work to more community-driven work around which they know they have local commitment. They know they have local capacity, and they are committing themselves to get support for it from a variety of other sources; somehow that’s the exit that has to happen.

Leverage the broader network of relationships that exist outside of the one between funder and grantee partner. Place-based funders have a great opportunity to connect community stakeholders to power brokers and to amplify the voices of community residents. As funders seek to exit, it is important to understand that the exit influences a broader and often less visible set of partners and community members, and that thoughtful engagement of these partners can play a role in supporting longer-term sustainability. Furthermore, funders can forge new relationships for grantee partners by connecting them to national networks to which they would otherwise not have access.

Grantee partners should also have help building capacity, so that they are in stronger positions after the funding ends. Support for capacity

*Place-based funders have a great opportunity to connect community stakeholders to power brokers and to amplify the voices of community residents. As funders seek to exit, it is important to understand that the exit influences a broader and often less visible set of partners and community members, and that thoughtful engagement of these partners can play a role in supporting longer-term sustainability.*

building, leadership development, and connections to broader networks of support are critical elements of sustainability, and they can be accomplished with nongrant funding. For example, Skillman Foundation program staff created a resource center for grantee partners that helped them bolster their data-collection capacities and internal monitoring systems, making them ultimately more attractive to other funders. In the same vein, a CCI researcher recommended building the strategic, adaptive, and technical capacities of grantee partners through training on strategic decision-making, fundraising, and development.

Many of the funders we interviewed shifted their working relationships with grantee partners as they neared an initiative exit, placing more of an emphasis on promoting leadership and organizational development. An Annie E. Casey Foundation leader suggested that as a foundation nears exit it should think of its role as a funder differently than it did when it began the project; specifically, the foundation should “move from

*In addition to building the capacity of grantee partners to secure funding from other sources on their own, it can be important during exit for foundations to forge or solidify relationships with other investors who share their goals and values and who may be able to support the grantee partners in the future, and to work together with those funders to sustain what communities believe will shift power and give voice to residents.*

being an initiative investor into being a strategic and tactical investor in particular pieces of work.” A Mott Foundation representative observed,

The key was making sure that funding didn’t hollow out the organization or scoop up all the talent in a community such that when the project ends, the community has to go through a process of rebuilding its leaders. It’s funding that’s really directed at building local capacity and leadership that is capable of addressing whatever the next issue is that comes along.

### Managing Changes in Funding Practices

Although few of the funders had fully exited from a long-term place-based initiative, they were able to speak to how they would shift funding practices to allow for flexibility and leveraging of other resources.

They suggested engaging other funders on key issues of concern through funder collaboratives,

which are used to connect program officers with other foundation leaders so that the program officers can bring new funders to their sites. Hazen Foundation staff members, for example, use collaboratives to highlight their grantee partners and create a funding environment that will be receptive to the work of their grantee partners once they have exited. A representative from the S. D. Bechtel, Jr. Foundation similarly believes that capacity building needs to be about creating a “resilient ecosystem of nonprofits” working towards the same goals. Grantmakers engaged in this way can play a role in linking grantee partners to future funders, convening funders to raise awareness of urgent issues, and leveraging field-level knowledge and research to support work on the ground. As a foundation approaches an exit, it may want to intensify this type of work to ensure that key community capacities are sustained after the sunset of the initiative. The ability of grantee partners to “attract other resources into the community” was of key importance, a Skillman Foundation representative observed. “Part of what we tried to do from the beginning was to be really intentional about helping ... communities leverage funds and helping our grant partners, in particular, understand the funding landscape and how to maneuver through it.”

The exit period may consist of multiple phases tailored to specific communities and designed to capitalize on key points of strength. Leaders from the Skillman and Annie E. Casey foundations, for instance, made hard decisions in the second phases of their initiatives to cut some of the original sites. This narrowing of focus ultimately helped them exit, as the leaders felt that they could achieve more impact with fewer sites and a more intense focus on specific issues. In another example, MacArthur Foundation leaders selected half of their original communities to continue working with beyond their original 10-year commitment. These were grantee partners who had gained traction on key issues, and the additional funding was designed to help them make significant change.

In addition to building the capacity of grantee partners to secure funding from other sources on their own, it can be important during exit

for foundations to forge or solidify relationships with other investors who share their goals and values and who may be able to support the grantee partners in the future, and to work together with those funders to sustain what communities believe will shift power and give voice to residents. Few foundation representatives reported dedicating the necessary resources and staff energy to engaging other funders from the beginning.

### Transitioning to New Areas of Work

Making decisions about what new areas of work to transition to is difficult but important. Foundation leaders shared that they have made weighty decisions about new directions based on a combination of internal and external factors, including the foundation's mission and values, the length of investment in initiatives, lessons and successes from initiative implementation, history and reputation in specific fields, and strategic outlook based on analysis of funding opportunities.

An environmental landscape analysis can reveal what has changed and where future needs and opportunities lie. Site context changes frequently and often unpredictably, making it crucial to acknowledge these changes in the larger political and social environment when planning for exit and a transition to new work. Leaders from the Skillman Foundation, for example, are attempting to understand the changing trajectory of the city of Detroit, where their initiative is located. They have opted to forgo a strategic-planning process in order to use what they learn about changes in Detroit as a platform for the future and to allow their grantee partners to inform the next iterations of the work based on the shifting context of the city. A Hazen Foundation leader further noted that it is important for a funder to articulate how the world has changed since the beginning of its initiative, how institutional goals may have shifted, and how the foundation will respond to those changes and move forward. "There's change and growth and development over 10 years," this leader said. "[It's important] that as you move forward, you're not measuring yourself by irrelevant and obsolete criteria."

*[O]ne foundation leader identified an underlying conflict of which all funders should be conscious: Funders identify themselves as committed to equity for the neediest communities, but at the same time they are intently focused on demonstrating success. Unfortunately, the communities and organizations best able to successfully implement foundation initiatives are often the ones that possess the most resources and capacity.*

Several of the foundation leaders we interviewed described an internal process of creating a values framework to guide prioritization of the areas and goals on which to focus after an exit. These frameworks are typically grounded in the core principles and beliefs of the foundations. Northwest Area Foundation leaders first created a "very broad and aspirational strategic vision document" that laid out an ideal account of the exit and the foundation's future plans. In order to focus the values framework more sharply, the foundation leaders translated it into a strategic framework that had the specificity needed for actual decision-making about exiting from their initiative and pivoting to new lines of work.

In relation to making choices about where to focus resources after an exit, one foundation leader identified an underlying conflict of which all funders should be conscious: Funders identify

themselves as committed to equity for the neediest communities, but at the same time they are intently focused on demonstrating success. Unfortunately, the communities and organizations best able to successfully implement foundation initiatives are often the ones that possess the most resources and capacity. It can be enticing for a funder to prioritize continued support for these communities when it explores its next steps, but doing so can undermine the goal of helping higher-need communities. This particular foundation leader recommended that funders “stick with the places that have traction and are demonstrating what can be done,” but also develop “a different strategy for the really tough places.” A representative from The California Endowment observed that “to get some critical mass, you need to perhaps work with folks who are a little more well off, even as there are ... communities that are desperately in need. How do we reconcile those things with our core values?”

### Managing the Internal Process of Exit

Exits from large-scale, multiyear initiatives can be particularly vulnerable times in foundations’ organizational life cycles. These periods are characterized by heightened anxiety among key stakeholders about programming and operational procedures, as well as changes and potential upheavals in leadership, staffing, and funding structures.

Foundation leaders often devote too little time to addressing their own team members’ anxieties around exit. In addition to its impact within the foundation, this stress has negative effects outside the foundation when it becomes a major cause of partners’ anxieties. One place-based foundation leader described this dynamic succinctly: “Your place-based strategy plays out the same way that your internal strategy plays out.” In other words, the foundation needs to establish internal clarity or grantee partners and people in the community will not have clarity either. Invest in the internal process to make the external strategy more effective.

As program staff members transition to reduced roles in their communities, they are often the ones who are most in touch with community partners and hold the greatest trust. Therefore, it is crucial to build the capacity of staff members as key agents of the foundation and communication linkages to grantee partners, and to secure staff buy-in on key decisions about the exit. As one place-based funder observed,

The more you can equip [your staff], the more you get them aligned, [and] the more comfort and clarity they have about where you’re going, the better everybody else will be. ... They are the people who help you execute, that hold the relationships that do all that. I would spend some time really focusing on that talent, helping to transition that talent wherever they may be. You need them to make big pivots [and] create the capacity to help them do that really well.

An outside change-management expert can lend an objective perspective. One foundation engaged a facilitator to ask the hard questions that informed decision-making and moved the foundation past the resistance and mourning stages that came as a reaction to the decision to exit. The process of moving to a “new beginning” required assessing which staff members would be brought along into the new phase of work. After a two-year exit process, another funder acknowledged that the transition could have happened more quickly and less painfully with the help of an expert who could attend to different levels of staff readiness to embrace change. “If I had it to do over again,” this foundation leader said, “I would have had a change-management expert by my side to help me manage the internal dynamics.” Another organizing funder observed that “an outside facilitator” is necessary “to push and really ask these questions,” since “there is absolutely no way to authentically ask staff to disengage from the work and the people that they have come to admire and love.”

Staff departures become more likely as the foundation engages in deep discussions about potential new directions, and such turnover should be anticipated. One place-based

foundation's leaders, for example, found that as the exit process began, staff members began to assess their commitment to the foundation given where the work was headed. Some staff members who wanted to continue to support community change found positions at other foundations and organizations that were taking on place-based work. Although every staff member was guaranteed a job if he or she wanted to stay at this particular foundation, other foundations chose a different approach. Those leaders advised having a strong staff transition plan in place and being decisive and clear about shifts in job descriptions that reflect new strategic priorities.

As a consequence of staff departure and the additional burdens of exit planning, those staff members who remain are often spread too thinly between their normal workloads and their exit-planning responsibilities. At one foundation, the staff members found the extra work of exit planning to be exhausting and challenging; although this foundation did not shut down its grantmaking operation completely during the exit period, the program officers had to cut back significantly on their field engagement due to their heavy workloads. During and after an exit, it is critical to provide extra support to staff. "The exit took its toll," a place-based funder said. "Be respectful [to staff] in the same way that we're all very careful to be very respectful of grantee partners. ... Don't forget that for staff at all levels. A little extra care ... goes a long way."

Place-based funders often use an "embedded funder" approach to build trust and strong relationships with community partners. In the course of playing this role, program staff members can become very closely and personally aligned with their communities, and may have great difficulty with the exit process. Foundation leaders have addressed this dynamic during exit periods by more clearly defining roles, rotating positions, or assigning individuals to more than one site. The tensions that can arise when program officers are deeply embedded in their sites should be proactively addressed.

*Staff departures become more likely as the foundation engages in deep discussions about potential new directions, and such turnover should be anticipated. One place-based foundation's leaders, for example, found that as the exit process began, staff members began to assess their commitment to the foundation given where the work was headed.*

## Conclusion

The planning and implementation of an exit from a major investment is not an easy task. The process can be arduous and represent a loss of valuable resources and relationships for community partners, no matter what foundations do to soften the blow. A graceful, responsible, and ultimately successful exit can occur when funders who are deeply committed to helping the most vulnerable communities build on the strength of relationships with grantee partners and communicate with clarity, transparency, and consistency. They celebrate hard-fought victories and build awareness of accomplishments that need to be sustained. They allow adequate time for exit planning, maintain flexibility, and use evaluation data to guide decision-making.

Our research revealed that communities and partners will understand and support an exit plan if a funder is able to convey that there is a natural and logical progression from previous initiative goals and gains, and if it can express and demonstrate a compelling vision for the future consistent with its mission and values.

## References

- ASSOCIATION OF CHARITABLE FOUNDATIONS. (2012). *Spend-ing out – Making it happen*. London: Author. Retrieved from <http://www.grantcraft.org/curated-content/spending-out-making-it-happen>
- FLEISHMAN, J. F. (2011). *Gearing up to spend down: A foundation in the midst of paradigm shifts: Year two report on the concluding years of the Avi Chai Foundation*. Durham, NC: Center for Strategic Philanthropy and Civil Society.
- GARDNER, A., GREENBLOTT, K., & JOUBERT, E. (2005). *What we know about exit strategies: Practical guidance for developing exit strategies in the field*. Johannesburg, South Africa: Author. Retrieved from <http://reliefweb.int/sites/reliefweb.int/files/resources/A02C7B78FB2408B852570AB006EC7BA-What%20We%20Know%20About%20Exit%20Strategies%20-%20Sept%202005.pdf>
- JAFFE, J. & MACKINNON, A. (2007). *The effective exit: Managing the end of a funding relationship*. New York: GrantCraft. Retrieved from <http://www.grantcraft.org/guides/the-effective-exit>
- KERHOVEN, R., & HERWEIJER, R. (2013). *Foundations moving on: Ending programmes and funding relationships*. New York: GrantCraft. Retrieved from <http://www.grantcraft.org/guides/foundations-moving-on>
- MARKHAM, A., & DITKOFF, S. W. (2013). *Six pathways to enduring results: Lessons from spend-down foundations*. Boston: The Bridgespan Group. Retrieved from [https://www.bridgespan.org/bridgespan/Images/articles/six-pathways-to-enduring-results/Six-Pathways-to-Enduring-Results\\_1.pdf](https://www.bridgespan.org/bridgespan/Images/articles/six-pathways-to-enduring-results/Six-Pathways-to-Enduring-Results_1.pdf)
- OSTROWER, F. (2009). *Limited life foundations: Motivations, experiences, and strategies*. Washington: Urban Institute.
- OSTROWER, F. (2011). *Sunsetting: A framework for foundation life as well as death*. Washington: Aspen Institute.
- PETROVICH, J. (2011). *Exiting responsibly: Best donor practices in ending field support*. Princeton, NJ: Robert Wood Johnson Foundation.
- YU, H. C., LEWIS-CHARP, H., BERMAN, D., DIAZ, D., & BOLLELLA, A. (2016). *The California Endowment Building Healthy Communities 2020 transition research report*. Oakland, CA: Social Policy Research Associates.

**Hanh Cao Yu, Ph.D.**, is chief learning officer at The California Endowment. Correspondence concerning this article should be addressed to Hanh Cao Yu, The California Endowment, 2000 Franklin, Oakland, CA 94612 (email: [HCaoYu@calendow.org](mailto:HCaoYu@calendow.org)).

**Daniela Berman, M.P.P.**, is an associate at Social Policy Research Associates.

**Moninder-Mona K. Jhawar, M.P.H.**, is a learning and evaluation manager at The California Endowment.

## APPENDIX

The questions used during the interviews were created in collaboration with executives from The California Endowment based upon their primary areas of inquiry. The following topics were covered in each interview; here, each topic includes one example of an associated interview question;

- **Relationship management with partners.** How did you think about maintaining relationships with partners during the transition and post-transition?
- **Sustaining partners' capacity and infrastructures.** How did the organization decide which assets were a priority to sustain?
- **Structural transition.** How have you transitioned from foundation-created entities to ones that are more widely owned?
- **Funding practices.** Are there particularly innovative funding practices used post-transition to sustain previously funded work?
- **Decision-making/prioritization.** How did you make decisions about ending or transitioning the initiative?
- **Communications.** How did you manage communications with partners about transition?
- **Internal dynamics.** What decision-making structure did the foundation use to support transition?
- **Managing multiple phases of transition.** Were there staff members at the foundation who managed the transition while other staff managed the next phase of the initiative?

The interviews were analyzed by first creating individual interview write-ups based on transcriptions and interviewer notes. These write-ups were then uploaded into NVivo, a qualitative data-analysis platform, and there they were coded for common themes. Based upon the themes — both expected and emergent — that were highlighted in the coding analysis, the report authors were able to synthesize and create recommendations for the endowment. Many of these were used in this article.

# End-Game Evaluation: Building a Legacy of Learning In a Limited-Life Foundation

Ashleigh Halverstadt, M.P.A., S. D. Bechtel, Jr. Foundation, and Benjamin Kerman, Ph.D.,  
The Atlantic Philanthropies

*Keywords: Limited-life foundations, evaluation, knowledge-sharing*

## Introduction

What impact are we having? How should we refine our approach? What are we learning that could inform related efforts? These are among the fundamental questions all foundation leaders confront. But for a limited-life foundation, there is another pressing and unavoidable question: What will we leave behind?

Of course, every foundation hopes that its legacy will be comprised of program outcomes achieved. But many of the problems philanthropy seeks to address are complex, deep-seated, and pervasive. Few, if any, can be solved within a brief, defined time frame. Limited-life foundations addressing these problems cannot expect to declare victory when they sunset — they can only strive to move the ball down the field, and then enlist and prepare others to carry the work forward. Given this reality, it would be foolish — perhaps even irresponsible — for these foundations to exit the game without making a deliberate effort to share what they have learned with the players who remain.

Purposeful, focused evaluation seems critical in this context. As will become clear, the authors believe that systematically capturing and sharing knowledge — about programs, as well as social-change methods and grantmaking practices — can increase a foundation's influence and impact during its final years and beyond. This article shares the emerging hypotheses of two foundations, The Atlantic Philanthropies and the S. D. Bechtel, Jr. Foundation, each four years from sunset as of this writing, about the opportunities and challenges for evaluation in the limited-life context. (See Figure 1.)

## Key Points

- This article shares the emerging hypotheses of two foundations, The Atlantic Philanthropies and the S. D. Bechtel, Jr. Foundation — each four years from sunset — about the opportunities and challenges for evaluation in the limited-life context.
- Few, if any, of the problems philanthropy seeks to address can be solved within a brief, defined time frame. Limited-life foundations can only strive to move the ball down the field before they sunset, and then enlist others to carry the work forward. Given this reality, these foundations are obligated to make a deliberate effort to share what they have learned with the players who remain.
- The article argues that systematically capturing and sharing knowledge — about programs, as well as social-change methods and grantmaking practices — can increase a foundation's influence and impact during its final years and beyond.

## Hypothesis 1: Urgency Is Evaluation's Best Friend and Worst Enemy

As the dark-witted Samuel Johnson once said, "When a man knows he is to be hanged ... it concentrates his mind wonderfully." Indeed, impending deadlines have a way of bringing work into focus. As a limited-life foundation approaches closure, with the sound of the count-down clock ever present, the sense of urgency can be both exhilarating and overwhelming — and it can advance or hinder evaluation.

**FIGURE 1** The Atlantic Philanthropies and the S. D. Bechtel, Jr. Foundation

The decision to sunset makes imminent the question of what a foundation can and should seek to learn — as well as the need to decide how that information will be gathered, and with whom and how it will be shared. At both Atlantic and the S. D. Bechtel Foundation, Jr. Foundation, this urgency has helped generate demand and attention for evaluation, ensuring that it is adequately prioritized, resourced, and concentrated in areas where the opportunities for learning and influence are greatest.

But urgency creates challenges, too. We worry that the drive to move quickly may cause

mistakes that will cost time and resources later. On the other hand, moving too slowly may restrict what we can accomplish. After all, the scope of evaluation efforts can only be as expansive as time permits. Deadlines cannot be extended, meaning work that is delayed may never be completed. And there will come a point when it is simply too late to initiate anything new. Finally, enlisting the attention of program staff is difficult; no matter how well they understand and believe in the importance of evaluation, the time-sensitive demands of their grantmaking responsibilities can hamper their ability to focus on it.

In this context, we have found that a proactive approach to evaluation planning and implementation is essential. Because time is short, it is a consideration in every aspect of the planning process — from what to prioritize (see Hypothesis 4), to which methods to use (see Hypothesis 6), and even how to prepare for contingencies, knowing that time will limit the range of course corrections at our disposal. At both foundations, we do our best to keep evaluations on track by anticipating and mitigating potential obstacles, exercising disciplined project management, and frequently recalibrating our plans to reflect what is feasible within the time remaining. These may be sound practices in any setting, but in ours, they are absolute necessities.

### Building the Right Team

A thoughtful organizational structure can help keep evaluation top of mind. At the S. D. Bechtel, Jr. Foundation, most evaluation activities are embedded in program work and funded by program budgets. As a result, program leadership must be truly committed to evaluation in order for it to occur. However, program staff are supported by a separate organizational effectiveness team, including an evaluation and learning officer who serves as an advocate and internal consultant for evaluation. While program staff are understandably focused on grantmaking, evaluation staff can gently and continually raise questions about what is being learned and how that learning can be leveraged. This structure has the additional benefit of enabling program staff to seek “free” in-house evaluation expertise whenever they need it. When time and money are limited, the ability to walk down the hall for advice is proving to be a real asset.

### Hypothesis 2: Big Programmatic Bets Create Big Opportunities for Learning — and Accelerating Impact

By definition, when a foundation spends down it liquidates and distributes all of its assets, and, as a result, it typically operates with a far larger grantmaking budget during its final years than it would if it remained perpetual. With these resources, a limited-life foundation may be able to place “big bets” to advance solutions to societal problems within a defined time frame.<sup>1</sup> Big bets play a central role in Atlantic’s grantmaking; a Bridgespan study found that Atlantic has directed 50 percent more of these investments to social-change causes than other U.S. philanthropies, on average (Powell, Huang, Foster, Boyd, & Sakaue, 2016).<sup>2</sup> Similarly, at the S. D. Bechtel, Jr. Foundation, a small number of large, multiyear initiatives constitute the majority of the foundation’s work in its final decade.

This increase in resources creates significant programmatic opportunities. But if our foundations fail to document and share what is learned through these investments, we will leave organizations and fields inadequately informed when we go out of business. If, however, the big programmatic bets are accompanied by strategic investments in evaluation, our foundations may be able to propel grantees and fields forward by accelerating their learning.

For example, the S. D. Bechtel, Jr. Foundation is currently supporting two cohorts of California school districts to implement new academic standards in math and in science. The foundation’s decision to sunset created an opportunity to invest significant resources in this work at a critical time in education reform. On its own, this investment would have paid dividends for participating school districts. But in order to spur broader impact, the foundation made a

<sup>1</sup>Bridgespan defines “big bets” as investments of \$10 million or more to an organization or defined initiative, and suggests that investments of this nature have been instrumental to the success of some of the most effective nonprofits and social movements in the U.S. (Foster, Perreault, Powell, & Addy, 2016).

<sup>2</sup>Between 2000 and 2012, 20 percent of philanthropic big bets in the U.S., by dollar value, were allocated to “social-change causes,” as defined by Bridgespan. (The Bill & Melinda Gates Foundation was treated as an outlier and excluded from this analysis.) Comparatively, a review of Atlantic’s 1989-2015 grantmaking found that 30 percent of its big bets were directed to social-change causes.

complementary and substantial investment in evaluation — and in many ways, this evaluation will be the true legacy of the work. WestEd — a nonpartisan, nonprofit education research, development, and service agency — is conducting formative and summative evaluation of the foundation’s math and science initiatives. By extracting lessons learned and actively disseminating this knowledge to education policymakers and other school districts across the state and the nation, the foundation seeks to support system-wide change.

### **Hypothesis 3: Going Out of Business May Erode Some Traditional Barriers to Learning in Philanthropy**

A central barrier to learning in any institution is our natural reluctance — as human beings and as organizations — to admit failure. Employees have an obvious incentive to appear successful in order to advance their careers and, in the case of foundation program staff, to protect their grantees. Cultivating an environment in which staff feel safe enough to speak openly about mistakes is hard. Building this kind of trust with the organizations we support — in spite of what often feels like an inescapable power dynamic between grantmaker and grantee — is even harder.

For this reason, one of the most interesting implications of going out of business is the way in which it disrupts the usual incentives and dynamics of the philanthropic environment, potentially to the benefit of evaluation and learning. As a grantmaker, would you be more willing to own your mistakes if you knew your job had a short shelf life? As a grantee, would you feel more comfortable reflecting on what went wrong with a funder if you knew your relationship with that funder was coming to an end? We see evidence that, for our foundations, the answer might be “yes.”

On an institutional level, our impending sunsets have triggered some shifts in the way we think about the purpose and audience for evaluation. We are looking outward and forward, thinking most about how we can generate useful knowledge for grantees, funders, policymakers, and

*[O]ne of the most interesting implications of going out of business is the way in which it disrupts the usual incentives and dynamics of the philanthropic environment, potentially to the benefit of evaluation and learning. As a grantmaker, would you be more willing to own your mistakes if you knew your job had a short shelf life?*

---

others who will carry on vital work after we exit. We are investing in few, if any, evaluations where our foundations are the only audience. (See Hypothesis 4 for a full discussion of where we do invest.)

And because our institutions are now arguably less concerned with brand building, we are becoming more candid, particularly about failure. Challenges and surprises — along with what they mean and how they were addressed — can, should, and will be celebrated. Early on, Atlantic publicly committed to sharing a “top 10” list of lessons learned, including instructive examples of where and how it fell short. Likewise, the S. D. Bechtel, Jr. Foundation, at the encouragement of trusted colleagues and partners, is making a deliberate effort to communicate more openly and more often about its learning during its final years.

Although each of our foundations is at a somewhat different stage (as of this writing, Atlantic has made its final grant commitments and the S. D. Bechtel, Jr. Foundation still has several years of intensive grantmaking ahead), we both see shifts in staff behavior as well. As the sunset approaches and staff find that they are no

*[T]he limited-life context seems to create an opportunity to disentangle learning from accountability — to focus evaluation on building knowledge that will advance our fields of interest, and to speak more honestly than ever before about failure and lessons learned from it.*

---

longer competing for promotions or persuading the board to fund their work, some feel less pressure to deliver glowing evaluation findings, and more comfortable pointing to where things went wrong. We hope that grantees will become increasingly candid, too — in reflecting on their own work and in providing feedback to us on our performance — especially after their final grants have been received.

In other words, the limited-life context seems to create an opportunity to disentangle learning from accountability — to focus evaluation on building knowledge that will advance our fields of interest, and to speak more honestly than ever before about failure and lessons learned from it.

#### **Hypothesis 4: Focus is Imperative, But It Requires Difficult Choices and Clear Criteria for Decision-Making**

It's axiomatic that translating insight into impact requires focused learning at both the level of the grantee and the foundation. But we have found that setting priorities for evaluation — not to mention setting priorities generally — is a major challenge in a limited-life foundation. Not everything can be evaluated; and the more a foundation takes on, the greater its risk of being spread too thin, spending time and money on

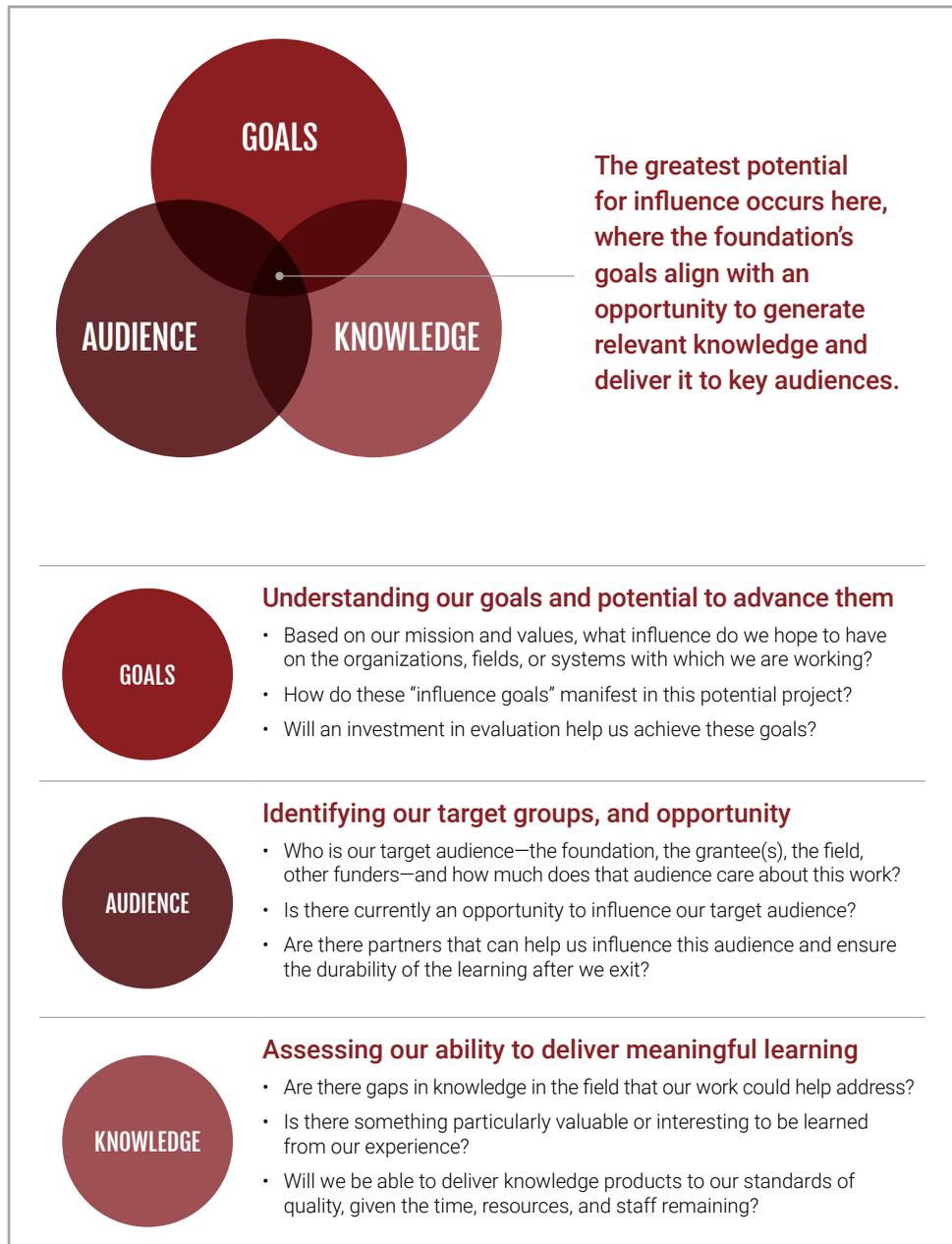
low-yield efforts at the expense of activities that hold greater promise for learning.

At both Atlantic and the S. D. Bechtel, Jr. Foundation, some form of reflection is required of every grantee. At minimum, we require grantees to clearly delineate their intended outcomes at the outset and then reflect on progress against those outcomes in grant reports. In some cases, a light-touch retrospective by staff or an evaluation partner is also expected. At Atlantic, retrospectives on concluding lines of work focus not only on progress made but also on challenges remaining; the aim is to advance grantee sustainability by helping inform and attract other funders (e.g., a synthesis of U.S. comprehensive immigration reform highlighted unfinished business for stakeholder groups; profiles of aging and economic-security advocacy organizations were potential fundraising tools for these entities).

At the other end of the spectrum, for some program areas or initiatives, evaluation is central to the theory of change. For example, Atlantic's strategy for prevention and early intervention services for children in the Republic of Ireland and Northern Ireland hinges on rigorous evaluation. The primary goal of this work is to identify successful, evidence-based practices through evaluation, so that Atlantic's government agency partners will be more informed and disciplined about investing in effective services. Thus, a significant commitment to evaluation is nonnegotiable.

But what about the messy middle — all those cases where there may be something to learn through evaluation, but where evaluation is not central to strategy? Making such choices is hard. In our experience, it is important to establish agreement internally about how these decisions will be made, and by whom.

The criteria used by our foundations to determine where to invest in evaluation converge around several dimensions. To maximize our remaining years, we have both focused on areas in which (a) there is an opportunity to be influential in service of foundation goals; (b) there is an

**FIGURE 2** Setting Priorities

identifiable audience with corresponding dissemination opportunities; and (c) the foundation has relevant, informative experience to bring to bear on existing gaps in knowledge, as well as

the ability to generate knowledge products that are appropriate to the audience and opportunity.<sup>3</sup> (See Figure 2.)

<sup>3</sup>In some circumstances, accountability emerges as a fourth consideration, as there may be unusually high-stakes accountability concerns at play that require an investment in evaluation.

*Regardless of the human resources strategy employed, a limited-life foundation's staff might well shrink toward the end. As a result, evaluation staff must grapple with the reality that institutional memory may be slowly drained, since some information is carried in the minds of staff and not formally documented. In a perpetual organization, information can be orally transmitted across generations of staff. But in a limited-life foundation, information is at risk of disappearing when staff do.*

In both foundations, evaluation priorities are established through a highly collaborative process that includes program, evaluation, and communications staff, senior leadership, and, in some cases, the board. Decisions about where to invest are never made by evaluation staff alone.

As our foundations prepare to close, evaluation of some grants, initiatives, or lines of work may need to be set aside or scaled back in order to devote adequate attention to the most pressing priorities. These decisions come with some sense of disappointment in lost opportunities for learning, but when time and other resources are finite, it is important to look for the most significant points of leverage — and if necessary, decline opportunities that are less likely to bear fruit.

### **Hypothesis 5: Staff Transitions Complicate the Work, and Institutional Memory Is No Longer a Given**

Based on our experiences and those of other limited-life foundations we have studied, it seems that staffing levels may diminish as sunset approaches, whether through design, attrition, or some of each. Meanwhile, staff who remain will likely see their roles evolve and often expand, in ways that may or may not suit their interests and abilities. These realities can make it difficult to keep evaluation efforts adequately staffed, and to extract the institutional memory needed for meaningful learning.

Atlantic has implemented a human resources strategy in which the foundation's staff has gradually but steadily decreased over a five-year period. Although the foundation will not officially close its doors until 2020, grantmaking drew to a close at the end of 2016. By then, most program staff had moved on, while staff focused on evaluation and communications modestly and temporarily increased. As bandwidth constricted, staff began to wear multiple hats, including an increased emphasis on learning and dissemination — regardless of their interest or expertise in such work. In some cases, this created a mismatch between the organization's needs and the staff's capabilities, but it also created opportunities for individuals to grow. Some staff — primarily impassioned by their grantmaking responsibilities — self-selected out of the organization, while others embraced the new activities to build and broaden their professional skill sets.

The S. D. Bechtel, Jr. Foundation, on the other hand, is not planning to reduce its workforce prior to sunset. The foundation has ambitious goals for its last few years and is hoping that most of its roughly 35 staff will choose to stay until the end, in order to shepherd final grants to completion, prepare organizations and fields for the foundation's departure, and document and disseminate learning. But even in the best-case scenario, it is possible that some staff will decide to move on before sunset. And since there will likely come a time beyond which departing staff

are no longer replaced, bandwidth may become a challenge in the final years.

Regardless of the human resources strategy employed, a limited-life foundation's staff might well shrink toward the end. As a result, evaluation staff must grapple with the reality that institutional memory may be slowly drained, since some information is carried in the minds of staff and not formally documented. In a perpetual organization, information can be orally transmitted across generations of staff. But in a limited-life foundation, information is at risk of disappearing when staff do. This makes it more and more difficult to engage in reflective practice as sunset approaches.

At both foundations, we are working to mitigate this problem through deliberate and proactive efforts to capture staff knowledge. We have established protocols, processes, and tools for extracting important information from staff, as well as systematic ways to store that data so it can be easily retrieved when needed. Atlantic developed a program review protocol that was completed by current and former program staff, in concert with evaluation and communications staff. After taking inventory of relevant documentation for each program area, staff developed a consensus summary of each program's goals, salient strategies and investments, impacts, and lessons learned.<sup>4</sup> The S. D. Bechtel, Jr. Foundation expects staff to complete a written analysis of every grant at key inflection points.

### **Hypothesis 6: A Limited Window for Data Collection Presents Technical Challenges**

We are finding that the end-stage environment also poses technical challenges for evaluation design and implementation. Both Atlantic and the S. D. Bechtel, Jr. Foundation are investing in complex program areas — human rights, education reform, sustainable water management, and others — where change does not occur overnight. Perpetual foundations have the ability to

track progress on issues like these longitudinally if they choose, or to postpone evaluation until the time is right. Limited-life foundations may not have these options.

Foundations such as ours may be forced to evaluate the impact of investments within a much shorter time frame than might be ideal. For example, the S. D. Bechtel, Jr. Foundation's STEM-education work includes efforts to help K-8 teachers shift their instructional practice to align with new academic standards in math and science. Enabling this kind of behavioral change at scale will take many years, and it will take even longer to see measurable improvements in children's academic performance resulting from these shifts. In this case, the optimal window for conducting summative evaluation will not open until after the foundation's doors have closed.

Since limited-life foundations may be out of business before it is feasible to measure direct indicators of impact, at times we instead must use leading indicators — measureable factors that are predictive of outcomes and likely to change before outcome indicators change — to determine whether we are on the right path. Finding valid, timely, and accessible measures can be difficult. Many leading indicators are imperfect proxies, but they may be the only option when the window for data collection is closing.

For example, Atlantic's board will make final investment decisions for far-reaching funding of its social-change fellowships<sup>5</sup> based on early assessment of organizational development, initial implementation performance, and leading indicators for much longer-term systemic impacts. Key-informant interviews may be held with knowledgeable community leaders (e.g., advocates, public health leaders, policymakers, and policy analysts) who are positioned to recognize early systemic changes, but it may take many years for the fellows to facilitate broader improvements in health and/or racial equity. For this reason, one of the most anticipated

<sup>4</sup>See, e.g., [www.atlanticphilanthropies.org/subtheme/school-discipline-reform](http://www.atlanticphilanthropies.org/subtheme/school-discipline-reform)

<sup>5</sup>See <http://www.atlanticfellows.org>

evaluation criteria concerns evidence of strong grantee capacity, including a culture of learning and adaptation, which is considered to be essential for long-term success.

### **Hypothesis 7: Influence May Wane in the Final Years if It Is Not Actively Cultivated**

It is a well-known joke in philanthropy that when you leave the field, you will suddenly discover that you are not as good-looking, smart, or funny as you used to be. There is an underlying truth in this humor: When you have the power to affect how philanthropic dollars are allocated, you have influence; people pay attention to you and your messages. If individuals lose influence when they exit philanthropy, it seems likely that institutions may as well. With four years until sunset and grant commitments declining during this period, each of our foundations is asking whether — in terms of influence — we will be finished before we are done.

This may be a hurdle for us and for other limited-life foundations that have ambitious goals for their final years. Our influence may dwindle at precisely the time that our opportunity to build and disseminate knowledge may be peaking. Mindful of this risk, we are experimenting with several strategies designed to help us retain a voice until the end.

#### *Engaging End Users From Start to Finish*

At both foundations, we strive to include important stakeholders in evaluation activities early on, to ensure that research questions and methods are relevant and responsive to stakeholder needs and that stakeholders feel invested in the project and its findings. We consider this to be sound evaluation practice generally, but particularly important in the limited-life context.

Atlantic sees its diverse experience with advocacy grantmaking — spanning time, topics, strategies, and geography — as one of its most valuable yet underdeveloped learning assets. Approaching sunset, the foundation sought to produce relevant syntheses of lessons learned from this work that would complement the existing literature

on advocacy, in formats that would be useful to the field. To pursue this goal, Atlantic partnered with the Center for Evaluation Innovation on the Atlas Project, building a learning agenda through ongoing reconnaissance of other funders, advocates, and government representatives. Several funders and advocates expressed hopes that Atlantic would share successes, failures, and lessons concerning collaborative financing and strategic application of 501(c)(4) funding. Throughout the process, on these topics and many others, key internal and external stakeholders provided critical insight, institutional memory, and assistance — from identifying audiences and defining evaluation questions, to developing data-collection approaches and interpreting findings, to supporting targeted dissemination of actionable lessons.

Stakeholder engagement is proving critical for the S. D. Bechtel, Jr. Foundation as well. For instance, a key stakeholder in the foundation's science education initiative is the California State Board of Education. To ensure that the external evaluation of the initiative is responsive to the needs of this audience, the foundation encouraged the evaluator to create a technical working group to advise on the project, including prominent members of the board. Early on, the technical working group's input informed the research questions and evaluation design. Now midway through the initiative, the group remains active, helping to interpret and prioritize findings for publication. By engaging this audience in the work so directly, the foundation aims to ensure that the evaluation findings are useful to state policymakers.

#### *Working With and/or Through Partners*

Partnerships are an especially important asset for limited-life foundations and serve multiple purposes. During the final years, they may help attract and retain the attention of target audiences; for example, if a foundation's influence begins to wane, it may be able to rely on the influence of its partners. Following closure, partnerships may enable the ongoing application of lessons learned by transferring leadership to the

field and creating permanent “homes” for the knowledge that was built.

But there is a dynamic tension in play with respect to partnerships. We urgently need partners in order to ensure that our learning is widely disseminated and productively used. And yet, the reality is that we have very little time or bandwidth with which to forge or sustain partnerships. Given the many nonnegotiable constraints of the limited-life context (e.g., time, money, staffing), we cannot always accommodate other institutions’ timelines or needs in the name of partnership building (and vice versa). And we worry that potential partners may not be willing to invest time and resources in collaborating with us, knowing that the relationship will not endure. In other words, we are learning that partnership building — for both programming and learning — can be at its most difficult when it is most needed.

Atlantic has pursued a number of partnership approaches in order to ensure that learning is applied during and after the foundation’s culmination. Scaling of several initiatives that embed lessons learned has been achieved through carefully cultivated partnerships with government; in Vietnam, for example, investments in epidemiological data collection and professional education led to a stronger, data-driven public health system.

Atlantic is also cultivating leaders who are poised to apply learning, and commissioning work with long-term evaluation partners. A constellation of Atlantic Fellow program grants reflects both strategies. Anchor institutions are funded to pilot new leadership-development efforts for emerging social-change leaders, incorporating learning from Atlantic’s experience as well as other sources. And, evaluators selected in concert with corresponding program grantees support a “learn while doing” approach that combines developmental features to inform fellowship program design, formative assessments to refine program components and build quality improvement capacity, and summative evaluation to inform the Atlantic board’s final 10- to 20-year investment decisions.

*Partnerships are an especially important asset for limited-life foundations and serve multiple purposes. During the final years, they may help attract and retain the attention of target audiences; for example, if a foundation’s influence begins to wane, it may be able to rely on the influence of its partners. Following closure, partnerships may enable the ongoing application of lessons learned by transferring leadership to the field and creating permanent “homes” for the knowledge that was built.*

The S. D. Bechtel, Jr. Foundation is building funder collaboratives to support several major program and evaluation efforts. For instance, the foundation is a founding member of the Water Funder Initiative, a collaborative effort to identify and activate promising water solutions through strategic philanthropic investments. The foundation’s aim, with respect to evaluation, is for participating funders to invest in learning as a collective, ensuring that its reach extends well beyond any individual funder’s scope of influence.

#### *Convening*

Approaching sunset, both of our foundations are increasingly bringing grantees, funders, and others together to exchange knowledge and identify opportunities to work together toward shared goals. Particularly as our grantmaking tapers off, we may be able to leverage our role as conveners

*An external communications strategy seems essential at this time if our foundations hope to remain influential and helpful to the organizations and fields we support. This means that for each of our major evaluations — especially those associated with our big bets — we are developing a corresponding communications plan.*

---

to retain the attention of key stakeholders, while simultaneously creating opportunities for those stakeholders to digest evaluation findings together and forge relationships that may live on after we exit.

In some cases, we have taken advantage of existing convenings to disseminate knowledge. For example, lessons learned from a jointly conducted evaluation of our capital grants have been shared at national philanthropy conferences hosted by Grantmakers for Effective Organizations and the Center for Effective Philanthropy. Atlantic has also made use of standalone funder meetings in the United States, Ireland, Belgium, and Australia to share findings.

In other instances, our foundations have hosted convenings to bring target audiences together. Atlantic and the Center for Evaluation Innovation hosted a meeting in 2015 to examine cutting-edge advocacy evaluation methods, as well as an international conference in September 2016 on public interest law and strategic litigation. Meanwhile, in July 2016, the S. D. Bechtel, Jr. Foundation brought its National Character Initiative grantees together for a two-day workshop on youth character-development research. The workshop, led by the National Research

Council, was immediately followed by a one-day convening of the grantees to reflect on the research and identify opportunities for collaboration.

### *Developing a Strategic Approach to Communications*

An external communications strategy seems essential at this time if our foundations hope to remain influential and helpful to the organizations and fields we support. This means that for each of our major evaluations — especially those associated with our big bets — we are developing a corresponding communications plan.

The S. D. Bechtel, Jr. Foundation is currently working through this process for several of its education initiatives. In close collaboration with communications consultant Williams Group, the foundation is bringing stakeholders together to clarify learning and influence goals, identify target audiences, and specify — for each audience — the information that audience needs, the product or format it will find most useful, the message and messenger it is most likely to respond to, and the channels through which it can best be reached. In many cases, the most suitable format in which to convey evaluation findings will not be a tome-like report, but rather a policy brief, handbook, presentation, webinar, or any number of other knowledge products. And the best messenger and dissemination channel may not involve the foundation at all, but will instead leverage the voice of a key partner in the field.

At the same time, the S. D. Bechtel, Jr. Foundation has been working to strengthen its own communications capacity, so that tools, resources, and lessons learned — for which the foundation is the appropriate messenger — can be widely shared in real time. In 2016, the foundation launched a new section of its website to house knowledge products, and began to actively disseminate information and resources to external audiences via email campaigns. For many of the foundation's initiatives, summative evaluation findings will not be available until the last year or two of the foundation's

life or even post sunset, but by sharing interim learning along the way, the foundation seeks to engage the field now and build anticipation for future publications.

### **Hypothesis 8: Post-Hoc Evaluation Is Challenging, But of Tremendous Benefit to the Field**

A key question for limited-life foundations is whether, when, and how they should assess the ultimate impact of their work. At Atlantic and the S. D. Bechtel, Jr. Foundation, we are placing big bets during our final years of grantmaking. What will become of these investments? What will become of our grantees and the gains they have made? Will these organizations and their progress endure? The potential for meaningful and beneficial learning does not end when a foundation's lights go out. Yet there is very little existing research on the impact of exiting, and we believe there is a need for more limited-life foundations to commission post-hoc evaluation.

The question we face is: Who will do it? Since the foundations will be closed and our entire staffs will have moved on to other endeavors, a third party must lead the work. But who should be entrusted with this responsibility? How do you vet an organization for this unusual role? Who will manage the contract, holding the evaluator accountable to the intended level of rigor and quality, course correcting when things get off track, and helping to interpret the findings? How will the findings be disseminated and applied? When is the right time to conduct this type of evaluation?

Atlantic has been working into its sunset with collaborators like the Center for Evaluation Innovation to look at advocacy lessons over time, and Bridgespan to look at lessons about big-bet grantmaking. Other external partners are positioned to gauge and share the results of final efforts as they become available. Each of these partners has a vested interest in the knowledge being built. At the same time, Atlantic chose to articulate its most "personal" institutional learning on its own, finding the process of reflecting with past leaders and staff helpful and satisfying as a way to mark the impending transition.

*A key question for limited-life foundations is whether, when, and how they should assess the ultimate impact of their work. At Atlantic and the S. D. Bechtel, Jr. Foundation, we are placing big bets during our final years of grantmaking. What will become of these investments? What will become of our grantees and the gains they have made?*

For grantmaking initiatives that require coordinated evaluation and dissemination post sunset, Atlantic has identified like-minded partners to oversee the work. For instance, Atlantic has asked the James Irvine Foundation to assume management of Atlantic's investments in Linked Learning, a career pathways-based education model. Irvine is well suited for this role because the foundation actually initiated and supported the development of the Linked Learning model. In general, such relationships seem to work best when the partner has similar values and goals related to its own mission, a deep knowledge of the grantmaking approach and context, and a commitment and capacity to help grantees adapt to changing conditions.

The S. D. Bechtel, Jr. Foundation is still wrestling with the question of whether and how to assess final impact. Because organization and field building is central to its work, the foundation may conduct a longitudinal study of the capacity and resiliency of a sample of grantees. Such an effort might involve one or two interim reports during the foundation's lifetime, followed by publication of a final report a few years after sunset (e.g., 2023). The goal of such a study would be to assess the impact of the foundation's

*Every institution amasses a huge amount of documentation that may help to tell a story. But what do you do with it all when you close? When does it make sense to establish an archive?*

---

capacity-building investments, as well as the impact of its exit, on the strength of grantees.

In addition, the foundation may consider commissioning an impact evaluation to assess the attainment and/or durability of program outcomes for select lines of work. As of this writing, further exploration is needed to determine who would be entrusted with this work and how it would be managed.

**Hypothesis 9: Knowledge Needs a Home and a Caretaker in Order to Be Made Useful**

When all is said and done, limited-life foundations like ours face the question of what to do with the knowledge we have built. This pertains not only to the direct products of evaluation and learning efforts, but in an even broader way to the entire “paper trail” of the foundation.

Every institution amasses a huge amount of documentation that may help to tell a story. But what do you do with it all when you close? When does it make sense to establish an archive? It may not be necessary in every case, especially if strong partners are poised to become stewards of the foundation’s knowledge. If you do establish an archive, how do you ensure that it is not just a storage facility, but rather that the information is accessible and productively used to inform decisions, drive continuous improvement, or catalyze shifts in policy or practice? Our assumption is that making information available is rarely enough; it will need to be curated, repackaged

for different audiences, and actively promoted in order to get uptake.

Atlantic has elected to create an archive at Cornell University, which will encompass the organization’s paper and digital records. The foundation has done its best to try to understand and predict the priorities of potential audiences for this archive. Program, evaluation, and communications staff have tapped grantees and other funders to help determine who might be interested in the archive, how they would learn about it, and what they would do with it.

However, it simply is not possible to fully anticipate the future interests and needs of every potential audience. Atlantic’s leadership team is thinking hard about how to make the archive as flexible and responsive as possible. For example, by including raw data (not just final research products) and by making the archive easily searchable, Atlantic hopes to accommodate the uncertain and potentially wide-ranging research needs of coming decades.

In addition, the contents of Atlantic’s archive will be actively curated and disseminated. The website will be regularly updated for 10 years following the end of grantmaking in 2016, and outreach efforts will help make other materials available to philanthropic, nonprofit, and academic communities with interests in topics including “giving while living,” limited life, big bets for social change, and leadership. Modest grants to infrastructure organizations like the Center for Effective Philanthropy, the Foundation Center, and Rockefeller Philanthropy Advisors will support new data collection and syntheses, resulting in tailored materials that address emergent information needs and high-light opportunities to use the archives.

The S. D. Bechtel, Jr. Foundation, aware that establishing an archive of this scope and nature requires years of careful planning is, as of this writing, considering a wide range of approaches to synthesizing and sharing insights, including but not limited to preserving foundation documents in a formal archive.

## Conclusion

In the experience of our two foundations, the decision to sunset has advanced evaluation in many ways. The focus and urgency it brings is refreshing and energizing. There are opportunities to “go big” on evaluation during the final years and to leverage learning for grantees, peer funders, and field leaders. And the ability to shift from “evaluation for accountability” to “evaluation for learning and influence” has helped break down many of the barriers that typically stand in the way of meaningful reflective practice.

But there are challenges, too, and unique considerations. We face difficult choices about what to evaluate. Staff capacity and attention are strained. Institutional memory may be gradually drained unless efforts are made to preserve it. Time constraints introduce methodological limitations. Our influence may diminish with our grantmaking budgets, even as our abilities to build and disseminate knowledge are peaking. Partnerships are essential but more difficult to forge than ever. Decisions must be made about whether to commission post-hoc evaluation as well as whether and how to archive all or parts of a mountain of information.

There is no guidebook to help limited-life foundations navigate these challenges. As S. D. Bechtel, Jr. Foundation President Laurie Dachs is fond of saying, “We’re building the plane as we’re flying it — and soon we’ll have to start disassembling it.” But in the spirit of interim learning, the combined reflections of our foundations have been offered here in hopes of encouraging other limited-life foundations — or those considering a sunset — to make the most of evaluation.

Our advice?

- Put an evaluation and learning plan in place early, including a strategy for capturing institutional knowledge.
- Resist the temptation to evaluate everything. Don’t invest unless your research questions have relevance and value to external stakeholders.
- Make sure you have partners in the field at every stage — from scoping and designing evaluations to curating and diffusing knowledge — so that everything you do will have its own legs after you exit.
- Commission a post-hoc evaluation of your work. There is a dearth of research on what happens to program outcomes, grantee organizations, and fields following the departure of a major funder.
- Commit to publishing findings — good, bad, and ugly. Long after your grant dollars stop flowing, the lessons learned from your experience — what you tried, and how others can build on your work or avoid repeating missteps — will continue to have impact. In a way, the knowledge you generate through evaluation will be your final, parting gift to the field.

Our foundations are eager to continue documenting and disseminating learning — leading up to but also following our sunsets. Over time, we hope others will join us in this journey.

## References

- FOSTER, W., PERREAULT, G., POWELL, A., & ADDY, C. (2016, Winter). Making big bets for social change. *Stanford Social Innovation Review*. Retrieved from [https://ssir.org/pdf/Winter\\_2016\\_Making\\_Big\\_Bets\\_for\\_Social\\_Change.pdf](https://ssir.org/pdf/Winter_2016_Making_Big_Bets_for_Social_Change.pdf)
- POWELL, A., HUANG, J., FOSTER, W., BOYD, M., & SAKAUE, L. (2016). *What ambitious donors can learn from The Atlantic Philanthropies’ experience making big bets*. Retrieved from <http://www.atlanticphilanthropies.org/app/uploads/2016/10/Atlantic-Philanthropies-Big-Bets.pdf>

**Ashleigh Halverstadt, M.P.A.**, is evaluation and learning officer at the S. D. Bechtel, Jr. Foundation. Correspondence concerning this article should be addressed to Ashleigh Halverstadt, S. D. Bechtel, Jr. Foundation, PO Box 193809, San Francisco, CA 94119 (email: [ahalverstadt@sdbjrfoundation.org](mailto:ahalverstadt@sdbjrfoundation.org)).

**Benjamin Kerman, Ph.D.**, is former head of strategic learning and evaluation at The Atlantic Philanthropies. He is now senior fellow and advisor for strategy and impact at the Community Foundation for Greater Buffalo.

# Changing in Place: The Skillman Foundation, Detroit, and the Good Neighborhoods Initiative

*How did a hometown grantmaker conduct  
and conclude its largest-ever initiative?*

**At work where Detroit’s kids live.** In 2006, the Skillman Foundation committed \$100 million to a decade-long investment in six neighborhoods. (See Figure 1, page 83.) Through this Good Neighborhoods Initiative, the foundation directed a majority of its grantmaking toward an intensive focus on changing the conditions where, at the time, one-third of Detroit’s children lived. The goal was to ensure that children in those places were safe, healthy, well-educated, and prepared for adulthood.

The initiative concluded in 2016, ultimately spanning 11 years and involving \$122 million in grants, which represented 67 percent of the Foundation’s total grant spending in this time frame. Along the way, the foundation reset its strategy and sharpened its goal – in response to seismic shifts in the local context and informed by indicators of progress.

To capture information on the unique challenges facing an embedded funder as it changes program direction, Bob Tobin, senior consultant at Williams Group, interviewed Marie Colombo, Skillman Foundation director of strategic evaluation and learning. The interview took place on Dec. 8, 2016.



# interview

---

**Bob Tobin (BT):** *When launching the Good Neighborhoods Initiative, the Skillman Foundation defined this as a 10-year effort. Why that particular horizon?*

**Maria Columbo (MC):** We had a good sense of what it would take to do serious place-based work — we knew we needed to allow time to actually build capacity and see evidence of change. Tonya Allen, now our president and CEO, was a principal architect of the approach; her team drew from many knowledge sources, including literature and the experience of others — such as the Annie E. Casey and W.K. Kellogg Foundations’ work in communities on behalf of children.

The wisdom of the time suggested a commitment of 10 or more years, with three distinct phases. We followed this thinking, and announced a decade-long scope for the work. It started with a planning phase that covered the first two years, 2006 and 2007. That was a time for us to listen, learn, and build respectful relationships. Then, from 2008 to 2010, we were in a readiness phase, which focused on engaging residents and growing the capacity of neighborhood leaders, including initiating new forms of local decision-making.

In 2011, we moved into the implementation phase. At this time, we were dealing with severe change in the Detroit economic, social, and political context. We entered into an extensive review and evaluation of the initiative in this light, revisiting and reshaping our approach in the first years of implementation. This very large body of work then continued to completion in 2016. In total, we ended up with an 11-year initiative.

---

**BT:** *How would you characterize the Skillman Foundation’s approach to this work in community?*

**MC:** For our team, it was all about authentic engagement with residents in the six neighborhoods where we wanted to have impact. It was a multistep, multifaceted process. In each neighborhood, the planning phase began with resident-engagement meetings where we shared our interest and aims for the initiative and gained initial reactions and questions. We held similar sessions with other stakeholders, including local nonprofits and faith-based institutions. As the work progressed, we held focus groups to more specifically vet our planned approaches. Then, with large groups of residents and leaders of community organizations, we ran a series of six well-structured planning sessions in each neighborhood. These sessions were about the community setting overarching goals for that particular neighborhood. We took these sessions very seriously — with agendas, translators, voting equipment, and other supports.

Throughout the initiative, the Skillman Foundation had a hands-on role that drew on the foundation’s deep knowledge about Detroit and on our relationships with a wide range of stakeholders. Program officers worked with residents and local organizations, while contracting with intermediaries to help with community outreach and engagement, capacity building, and technical expertise.

As part of this approach, each neighborhood established four to six action-planning teams that received technical assistance to develop more specific short- and longer-term goals, along with strategies and action steps for achieving these goals. To further involve residents, give them a say in what happened locally, and build their capacity, we set up a small-grants program. Initially, we used small grants to provide modest funding for research and learning activities to help residents plan; later these small grants supported youth-focused grassroots projects. The program was administered by a group of residents from across the six neighborhoods, and they made grants of \$500 to \$5,000. Over the

initiative, the Skillman Foundation invested \$2.8 million through this small-grants program.

---

**BT: Can you say more about local leadership and “new forms of local decision-making”?**

**MC:** From the start, the Skillman Foundation created and funded full-time community liaisons — typically, people in the neighborhood who had some organizing experience — to be the on-the-ground lead, helping engage residents and providing a point of contact for all the work. I should note that the nature of these positions has morphed and elevated in responsibilities over time — and that three of the six people originally in these positions are still in place after 10 years.

Beyond these liaison positions, we provided technical assistance to identify, nurture, and develop leaders among residents and others involved with local nonprofits and faith-based groups. This was another substantive set of supports — including a leadership academy that took place over eight weekends, a Community Builders Leadership Institute that offered ongoing supports across the initiative’s first two phases, plus individual coaching and customized training.

This approach to local leadership development in turn led to the creation of formal community “governance” groups. During the readiness phase in 2010, six community-led planning and advocacy bodies were established — one in each neighborhood. Today, these bodies continue to be active in five of the six neighborhoods. Board members are elected annually, committee structures have been established, bylaws have been developed, and an agenda for improving neighborhood conditions and outcomes for children is in place. These governance groups each provide a forum for planning within their neighborhood, a hub for advocacy activities, and a legitimate local group that can be a point of contact for those outside the neighborhood — essentially acting as neighborhood intermediaries.

---

**BT: At a program level, what were the key elements of the initiative?**

**MC:** We invested in four strategy areas. We worked from a detailed theory of change, with multiple program strands within each strategy area, and I will just illustrate a few program components here. We’ve already talked about the first strategy area, which was community leadership — creating a pipeline for resident leaders, including support for local decision-making structures, with these efforts supplemented by a robust small-grants program directed by a resident panel.

Another strategy was about education, which is a long-standing priority of the foundation. This involved a complex set of programs. We focused on both citywide system reform and on building-level improvement approaches. Those school-focused efforts featured involvement of parents, youth, and other community members.

There was a youth-development strategy to increase the scale and quality of local youth programming as well as employment opportunities. The Foundation provided funding for direct service programs, summer youth employment, and technical assistance supporting quality improvement for program providers, plus creation of a network among these local youth program providers.

Fourth, we had a strategy for improving safety, particularly around schools and youth-development program hubs. This involved support for block clubs, community-embedded policing, restorative practices, and anti-gang activities.

---

**BT: After a planning phase followed by a readiness phase, the foundation began implementation in 2011. By 2013, the initiative approach had shifted. Why?**

**MC:** The local context for our work had changed dramatically. When we began the initiative in 2006, nobody could have anticipated what would take place in Detroit soon after.

In 2008, the national economy went into deep recession, which led to the collapse of the automotive industry. We saw two of the Big Three automobile manufacturers declare bankruptcy in 2009.

High unemployment contributed to the housing foreclosure crisis, which was arguably felt worse here than anywhere in the country. For example, there were more than 70,000 foreclosures in the Detroit metropolitan area in 2009 alone.

We were also in a period of political dysfunction, with three mayors in three years after Mayor Kilpatrick pled guilty to felony crimes and then resigned in 2008. The city itself was on the path to insolvency; Detroit filed for bankruptcy in 2013. The schools were in a similar plight, as Detroit Public Schools came under emergency management, accompanied by the unfettered expansion of charter schools.

---

**BT: What went into the decision to reset strategy for the initiative?**

**MC:** With our evaluators, in 2011 we began assessing what we had learned in the first two phases of the work. This included looking at data we collected to track progress toward a set of 2016 goals in each of our four strategy areas. For the community-leadership strategy, our goals had to do with the number of residents engaging in the initiative, the number of leaders emerging in neighborhoods, and the effectiveness of leadership groups in the neighborhoods. Our assessment, based on the data and on our own observations as our program team worked in the neighborhoods, told us that we were making more progress toward our goals in some neighborhoods than in others.

We also identified capacities that were being developed in the neighborhoods, including neighborhood governance groups, youth-development programs, and a connected system of providers, as well as school improvement efforts. We thought about what it would take to continue to build as well as protect these

capacities moving forward. All this led us to realize we needed to reset, to do what we labeled a “strategic refresh.”

---

**BT: What were the specifics of this midcourse change?**

**MC:** After talking with grant partners and residents, we made the decision to go to a tiered strategy in the six neighborhoods where we were working. Three neighborhoods would continue with full implementation and support for all strategies. One would continue implementation of all strategies but in more of an intermediate mode, meaning relatively less investment from the Foundation. In two of the neighborhoods where governance groups were not able to coalesce, we discontinued our support for formal community leadership but continued to fund youth development, education, and safety. In these ways, the foundation reallocated resources at a time of tremendous difficulty in Detroit, with a deeper commitment to the neighborhoods where we were seeing the greatest potential for impact.

By continuing funding for youth-specific programming in all neighborhoods, we buttressed the progress that was being made in improving high school graduation rates. Related, we sharpened our overall intent for the initiative in an important way at this midpoint, adopting a much more specific focus on high school graduation rates for young people in the six target neighborhoods. A 90 percent high school graduation rate became our overarching goal.

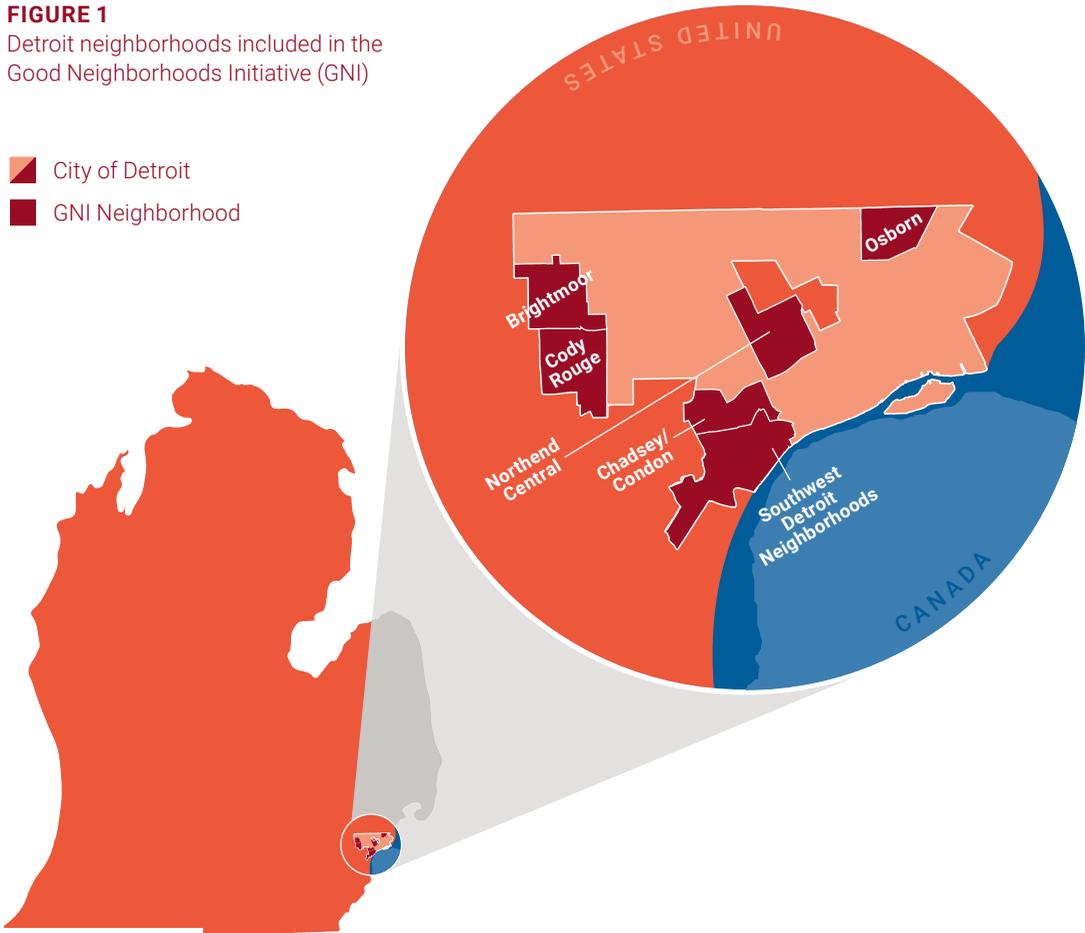
We worked through and implemented these changes in 2012 and 2013.

I should also say that in one of the two neighborhoods where we withdrew community-leadership support, there was a response to this decision. Neighborhood members created a functioning governance group that we re-funded in the latter years of the initiative.

**FIGURE 1**

Detroit neighborhoods included in the Good Neighborhoods Initiative (GNI)

- City of Detroit
- GNI Neighborhood



**BT:** *Evaluation played a role in the reset and throughout the initiative. What were the contours of the evaluation effort?*

**MC:** Funding for data and evaluation activities was \$500,000 to \$900,000 annually over the life of the initiative. The scope, approach, and evaluation partners varied with each stage of the work. In the upfront planning phase, our focus was on developing the strategic monitoring, evaluation, and learning framework for this ambitious change initiative — as well as building the internal and external data capacity it required. The next phase was about readiness, and the evaluation work included refining 2016 goals and developing a data dashboard, while continuing

to conduct process and outcome evaluations. The implementation phase included developmental evaluation of the revised strategies, final data collection against the 2016 goals, and an intensive, comprehensive analytic review of the Good Neighborhoods Initiative.

**BT:** *How difficult was it to change several years before the initiative was scheduled to conclude?*

**MC:** It was challenging, because it meant that we had to alter some relationships with grant partners' organizations and residents. Since we are part of the community where we invest, these relationships are often very personal for staff.

But we needed to be resolute in doing what we thought was best for Detroit kids. That's always been our north star. In the 2012-to-2013 strategic refresh we were motivated to do our best to lay the groundwork to achieve sustainable impact for children, schools, and neighborhoods. We intensified our efforts to make progress by 2016 and to, in effect, build a platform for the next generation of the Foundation's work beyond 2016.

---

***BT: So your midcourse strategic refresh included planning for the end of the initiative in 2016?***

**MC:** Yes. We wanted to be intentional in thinking about the remaining four years of Good Neighborhoods and to get ready to transition from the initiative in the most powerful way.

---

***BT: How did you communicate and implement the strategic reset in 2012 and 2013?***

**MC:** We included core grant partners in the refresh. They participated in planning meetings with us. Once the plan was completed, we held a series of large-group information meetings with all grant partners and neighborhood leaders.

Our program officers also met one-on-one with individual grant partners. This was especially important in cases where our relationship with a partner was changing.

---

***BT: You reference relationships in several of your responses. Why this emphasis?***

**MC:** As an embedded funder striving for change in our community, we don't think of relationships as an incidental or secondary aspect of our work. For us, in many ways relationships are the work, in so much as they are the method for most of what we do. We think of relationships as an enduring resource that can be valuable to the community and the Foundation beyond any individual grant or initiative.

---

***BT: How did your grantmaking align with the changes you made in the initiative, including its endpoint?***

**MC:** When we did the strategic refresh in 2013, we concluded some grantee relationships with tie-off grants. Each of these grants included specific program goals that supported our overall initiative strategies. Some of these grants included flexible dollars that the organization could use for sustainability planning.

Similarly, tie-off grants were used in recent years with the majority of grantees as we began to ramp down the initiative.

With a group of grantees highly connected to our program approaches, in 2016 we issued transition grants that extend through 2018, providing funds for continued work on initiative strategies while allowing for their planning beyond the initiative.

We looked at our entire group of grant partners and tried to be very clear in our verbiage with each to make sure they knew if we were making a concluding grant, or going through a step-down funding process over multiple years.

We also wanted to make it clear that a foundation decision to not make a further grant under the Good Neighborhoods Initiative does not preclude an organization from applying for funds in a future initiative.

---

***BT: How would you describe your management of the initiative's conclusion with grantees as you approached 2016?***

**MC:** Responsibility for the transition rested with the foundation's chief of staff and the vice president for program and strategy. Staff from our evaluation and communications groups supported these internal leaders and all program staff throughout the process.

We knew a one-size-fits-all approach would not work. With our close-in grant partners, there

were a series of meetings — typically one per month over 18 months, each a few hours in duration and involving program and evaluation staff. These meetings had multiple aims. We wanted to ensure that these partners were clear on what was ending, while also asking them to help us shape what the transition would look like and to think with us about what would come next.

For other organizations, the message about transition was communicated in the individual meetings that took place once or twice a year between each program officer and grant partner.

Particularly important in the transition phase was the presence and voice of the few remaining foundation staff who were involved in the initiative since its beginnings. They could ground newer foundation staff in the history and evolution of the work and relationships; this helped support these newer staff in having informed interactions with grant partners and community members.

---

**BT: How effective was your approach?**

**MC:** While we communicated well with the core group of grant partners, with our broader set of grant partners we learned we were not doing as well as we thought. In 2015, we got the results of a Center for Effective Philanthropy grantee perceptions survey. Grant partners said loud and clear that, while we were respectful of them and our goals were clear, the quality of our relationships had diminished in recent years. Some of this response was driven by our actions, some was probably caused by anxiety related to the Good Neighborhoods Initiative ending, and some may have come from our grants partners' having grown to hold us to high expectations through experiencing our deep work with them.

Regardless of the causes, that input was a real wake-up call. Since then we have been much more intentional in communicating. We held three large-group convenings in 2016 — sharing information, gathering insightful input, and nourishing relationships. We now publish monthly

blog posts from our president, Tonya Allen. We also set up an account where anyone can email Tonya directly with questions or comments.

---

**BT: What really stands out for you as lessons for communicating with grantees?**

**MC:** It's important to be in contact, even when we can't be as clear as we would like about our direction and message. We have been going through a lot of analysis and planning for the past 18 months to figure out where the foundation is headed beyond the Good Neighborhoods Initiative. In this time, we have not been able to be totally clear with external stakeholders regarding where we are going. Still, we realize it is important to communicate what we do know, to talk about what we are doing, and to be transparent.

Two-way communication really matters. It's critical to solicit ideas and feedback from grant partners. Through listening sessions, we have gained a variety of perspectives on how to most effectively transition from the Good Neighborhoods Initiative and capitalize upon the progress and assets built through this work.

I would also say that all of this — all aspects of communication, especially during a transition, especially as we seek inputs to inform next steps — takes a lot of effort. Funders should not underestimate this point.

---

**BT: Were your evaluators involved with the community as the initiative concluded?**

**MC:** Evaluators conducted individual as well as focus group interviews with community members. They were part of several listening sessions with community leaders that were led by foundation staff. Evaluators also sat in on sessions the foundation held with community leaders that focused on planning for beyond the initiative's conclusion in 2016.

---

**BT: Did you rely on any outside sources to help you think about handling this transition?**

**MC:** We have connected with some other foundations to learn about their experiences. We were interested in how they engaged with grant partners and other partners in their own processes, and with whom they communicated. For example, a Skillman Foundation team met with colleagues from the MacArthur Foundation. In addition to learning about some useful communication tools, one important takeaway from a very thought-provoking day was that it's OK to not have everything figured out before you begin to communicate with grant partners and stakeholders. Being direct is what matters, which is something our team knew already — but having senior leaders from one of the world's most significant foundations validate that practice gave us an emotional boost and confidence to charge ahead.

---

**BT: Even though the initiative is concluding, it seems that the Skillman Foundation doesn't really refer to this as an exit.**

**MC:** Correct. We do not think about this as exiting in the sense of leaving everything behind. It is not a full stop in the way that others may view an exit. As an embedded funder, we are not leaving town or ending relationships. We are changing course, and right now we are in an active period of transition that involves redefining many existing relationships in anticipation of new work that advances our focus on kids in Detroit. Our goal continues to be helping these young people get ready for college, career, and life. Our means to this end are shifting — and much of the investment we have made in building the capacity of local leaders and organizations, and in the relationships we have developed, remains very relevant to our goal.

So for us it is important to state that we are not leaving the work in a way that may be implied

through the term “exit.” Rather, we view this transition as an opportunity to engage with grant partners and an array of other stakeholders to ensure that their capacities get used in new ways.

---

**BT: Before we hear more about where the foundation is going next, let's do a little retrospective. The Good Neighborhoods Initiative was a huge investment for the Skillman Foundation. Did it produce the results you expected?**

**MC:** We feel good about many aspects of the progress made in this initiative, especially given the dramatic changes and intense new challenges for Detroit in the years following launch in 2006. This new context affected the foundation's ability to achieve all that we originally hoped for; still, we saw meaningful improvements.

Graduation rates in the high schools serving our six neighborhoods went from 65 percent in 2008 to 82 percent in 2015. These schools once trailed but now outpace Detroit schools at large.

Neighborhood identities and capacities are stronger than 10 years ago. New awareness and understanding of the six neighborhoods came about because of this initiative. Skillman Foundation grantmaking totaled \$122 million, and we can point to \$1.2 billion in additional investments — this is the amount committed by others to support improvement in the neighborhoods where we were working. That is a 10-to-1 leverage factor.

There are more specific, on-the-ground indicators of improvement. Today, there are many functioning resident-leadership groups in the neighborhoods. More residents from these neighborhoods are running for or being elected to public office, and getting involved with citywide boards. There were three times more jobs for young people in Detroit last summer compared to the summer of 2008.

In these and many other ways we can see a difference from the initiative. Notwithstanding these successes, there were also disappointments. For example, if we were to do it again, we'd likely select smaller neighborhoods and be more intentional about connecting our four strategies more effectively within the foundation as well as in neighborhoods. As one illustration of this point, we learned that when the safety, community leadership, and education strategies intersected, there was a greater decrease in crime in target areas around schools and youth-development centers compared to crime levels citywide.

---

**BT: Did the foundation change through this initiative?**

**MC:** Internally, our board and staff feel we have become more savvy and effective in our change-making work because of the Good Neighborhoods experience. For example, we are better at attracting and tracking leveraged corporate investments, and at employing social-innovation financial tools such as program-related investments, loan guarantees, and equity investments.

We have also seen an unanticipated rise in our own leadership role. One of our evaluators writes about the growth in social capital that has accrued to the Skillman Foundation through this initiative. Our reputation has grown through our work in neighborhoods. This has opened doors to new forms of collaboration with the mayor's office, with the governor's staff, and with other funders investing in Detroit. For example, we helped with a new cross-sector education coalition that has already generated several policy and system changes along with an infusion of \$666 million — which is a much-needed new investment in Detroit Public Schools.

There are other tangible ways we are seeing the foundation's enhanced stature make a difference. Our early commitment and programming for boys of color led to local and national partnerships under the My Brother's Keeper initiative. Our decade-long work in youth employment has been embraced by the current

mayor, with our initial impact of 300 jobs now growing to 8,200 jobs.

---

**BT: What was more difficult than you personally anticipated in the transition process?**

**MC:** For me, and I think most foundation staff, it was the very personal challenge of transitioning long-term relationships. We were working in relationships where the foundation was very hands on. We wanted to transition to relationships that would still be strong, but that would be different — with much less direct foundation involvement.

We worked closely with residents and grant partners for a decade, and we were saying goodbye to a phase of the work where there was a deep human investment. For foundation staff, there is a personal adaptive challenge in that, and it is hard.

---

**BT: Is the Foundation evaluating the transition?**

**MC:** In the narrow sense, no, since we are not conducting a discrete evaluation of the initiative conclusion.

In a broader sense, yes, as we are committed to continuous evaluation and learning in all our work. We are currently wrapping up an extensive, 18-month analytic review of the Good Neighborhoods Initiative. We are concurrently planning for the next iteration of the foundation's monitoring, evaluation, and learning framework. We will also do another Center for Effective Philanthropy grant partner perceptions survey in 2017, and it will include initiative participants.

---

**BT: What's in the analytic review of the Good Neighborhoods Initiative?**

**MC:** This has been a deep process, involving hundreds of people over the last year and a half.

We engaged evaluators who looked at each strategy in the initiative. We then took initial reports to our key implementation partners, who helped vet and enrich the findings.

Next, we did community data walks with a broader group of grant partners as well as community residents, including youth groups. The data walks focused on progress toward our 2016 initiative goals — we asked people to reflect on what they noticed in the data, tell us where they saw traction, and describe their biggest concerns. Additionally, we did education-focused data walks with partners working in the neighborhoods to get their interpretation of the data. We have also been engaged in listening and learning sessions with a variety of individuals and community groups.

This series of interactions and iterations is informing the next phase of community investment at the foundation. This process is very alive and it is continually bringing new clarity to our next stage. We expect that the strategic reset will be completed by the end of the year.

---

***BT: What's likely to be part of the Skillman Foundation's next stage?***

**MC:** What we do know right now is that we will continue to strengthen our ability to support civic leadership. Through the Good Neighborhoods Initiative, we learned how to hear and champion diverse voices. We lifted up leaders of our communities so that their knowledge and perspective were included in conversations at the city, state, and national levels. And we worked to prepare our youth for civic leadership as well, so that they could contribute to Detroit's comeback. Supporting civic leadership will be central to the foundation moving forward, as we work to ensure our city's recovery is equitable — that children are prepared for and connected to economic opportunities, and are capable of contributing to the positive change they want for their community.

We also expect that our emphasis will no longer be isolated to six neighborhoods; we are thinking about the systems that impact youth and families in Detroit and the neighborhoods in which they live. Detroit kids remain our focus, but the local context is now very different than in 2006 when the initiative began, and very different than in 2011 when the city was under such extreme stress. This is a time of continued need as well as revitalization in Detroit. We want to ensure that youth are benefiting from, as well as leading and contributing to, the reshaping of the city.

---

***BT: Based on the foundation's experience changing in place — both during the initiative and at its conclusion — what advice would you offer others?***

**MC:** Be respectful, transparent, and as clear as possible in working with all grant partners and other stakeholders.

Related, know that you can't present clarity externally when you don't yet have it internally. In our strategic refresh in 2012 and 2013, and in our final approach to the transition in 2016, it has taken time to get clarity and alignment inside the foundation regarding our direction. In those periods, it is still important to be transparent with people outside the organization — letting them know where we are at and how we are thinking about the next phase.

---

***BT: Is there a headline for the Skillman Foundation as you reflect on this experience as an embedded funder?***

**MC:** We worked hard to keep our sights on the mission and our boots on the ground.

We gained credibility as a civic leader, and in communities, by always making sure our mission and goals around children were front and center. And through the way we conducted the work and engaged people in neighborhoods, we accrued trust. Credibility and trust are assets we can steward and carry forward.

But building these assets meant being in place. As the Good Neighborhoods Initiative got started, foundation staff spent a lot of time in the neighborhoods — listening, learning, and demonstrating that we wanted to hear from residents directly, not have their voices filtered through neighborhood nonprofits or other stakeholders. Staff grew to understand — in a way that we couldn't have if program people stayed in their offices — the challenges facing residents, and the ways in which the six neighborhoods were working and not working.

This led to an authentic sense of knowing and being known, which contributed over time to the foundation's reputation as an organization that can “stand with the community.” It is this accrual of trust and respect, built over time, that we believe helps position the foundation to evolve in its work on behalf of children.

---

***BT: How are you and your colleagues feeling as you continue the transition from the Good Neighborhoods Initiative?***

**MC:** We see the potential for a powerful evolution of what has been built in six neighborhoods in light of many positive things now happening in the city of Detroit — where there are upticks in employment, commercial investment, public safety, and other indicators of community vitality.

We see the opportunity for young people to have a greater voice and stake in the rebirth of the city. We see the opportunity for grant partners and other stakeholders to apply capacities they now have in new ways. We see the opportunity for funders to share information and collaborate toward mutual goals.

We do not take lightly the challenges that still face young people in this community, and we are mindful of the fragility of institutions serving them. True revitalization for the city of Detroit will be measured by whether children do better and are connected to its recovery. We are thinking about these things as we shape the foundation's strategic direction. We have reason to be optimistic about the future.

---

***BT: How can readers learn more?***

**MC:** Lots of information from our analytic review will be released throughout 2017. This has really been a massive effort, and we are publishing analyses as well as dialogue with evaluators, residents, grant partners, and community allies. We invite everyone to visit [www.skillman.org/GNI](http://www.skillman.org/GNI).

*Marie Colombo, (M.A.), is director of evaluation and learning at the Skillman Foundation. Correspondence concerning this article should be addressed to Marie Colombo, Skillman Foundation, 100 Talon Centre Dr., Suite 100, Detroit, MI 48207 (email: mcolombo@skillman.org).*

# commentary

## Exiting is a Natural Part of Philanthropy — Learning From it? Not so Much.

By Debra Joy Perez, Ph.D.

The purpose of this commentary is to share my personal reflections on what makes exiting from long-term philanthropic investments so challenging.<sup>1</sup>

As a funder, I took part in the design, implementation and evaluation of dozens of major initiatives and programs. I also called grantees and key partners to deliver the news of an exit. These were never easy conversations, but with each one, I learned so much about the exit process.

There are many reasons for exiting; among them are changes in leadership, strategy, resources, program staff expertise and/or performance. Success and achieving the intended impact could also be a reason to exit. Regardless of the “why” and the “how” of exiting, philosophies or approaches are rarely shared among funders and thus are poorly understood. This special issue details a number of case studies about exits including a review of multiple foundation strategy and initiative case studies. Each case describes different explanations for exiting and tactical approaches used to effectively implement the exit.

Filling a critical field knowledge gap, this monograph provides significant lessons from such varied experiences leading to the same outcome — the decision to end/exit a programmatic investment area. In reviewing the articles, there is great value in determining what resonates and fits with your foundation’s approach and



*Debra Joy Pérez, Ph.D., is the chief measurement, evaluation, and learning officer at the Gordon and Betty Moore Foundation in Palo Alto, California.*

philosophy for your own foundation. There is no “one size fits all” approach. As I reviewed the articles in this special issue, I was struck by the variations in lessons. However, each case unequivocally elevates one common theme — the importance of communicating the rationale and approach for exiting to grantees, staff, and key stakeholders. Specifically, when it comes to exiting, funders must communicate consistently, constantly, and collaboratively. This is not an uncommon finding from prior studies (Petrovich, 2013).

In 2009, I engaged a consultant (Janice Petrovich) to conduct a review of how well the Robert Wood Johnson Foundation had implemented an unplanned reduction in payout. The reduction was not a planned exit. It was a necessary reduction in payout due to a huge loss in our endowment resulting from a worldwide economic crisis. In just over a year, the foundation’s endowment fell from \$10 billion to \$7.7 billion. Needless to say, those were very trying times for many foundations and its grantees. Some

<sup>1</sup>Gordon and Betty Moore Foundation is currently conducting an internal review of programmatic exits. The study is still underway so rather than provide any premature assessment of the findings, I will focus on my experience as a foundation senior program officer, researcher, and evaluator for the past 20 years.

foundations and community based organizations were even forced to close their doors.

While maintaining prior commitments, the foundation was forced to make substantial cuts or reductions in its future grant making. Many of our grantees and partners understood and even empathized with the economic situation leading to the reductions. In fact, many were most appreciative of the direct and frank communication provided by the foundation and its president.

While we were going through the reduction, we also wanted to learn as much as we could during the process. In fact, while appreciating that the crisis of 2008 may not repeat itself to the same magnitude, we thought we could apply lessons from the downturn to explore how we could be more intentional and explicit about future programmatic transitions. Thus, building on lessons from the 2009 Budget Reduction Study, the foundation commissioned a study on responsible exiting. The 2010 study, also by Janice Petrovich, *Exiting Responsibly: Best Donor Practices in Ending Field Support* (Exit Study) included interviews with foundation grantees and staff as well as senior leaders from 30 foundations and grantee organizations. While the Budget Reduction Study was retrospective, the purpose of the Exit Study was prospective and intended to result in lessons about effective donor practices that could be translated into guiding principles for exiting. Those effective practices are:

- Use various forms of communications to inform field actors clearly, early and often.
- Involve the foundation's chief executive in the communications with the field.
- Ensure that all foundation staff is informed of the field exit and able to respond effectively to questions from grantees and their field.
- Invite questions from field actors regarding the exit, and involve them in assessing their impact on the transitioning field.

- Publicize the successes, needs and opportunities of the field and its grantees, stakeholders and partners.
- Involve field advocates in determining their capacity-building needs going forward and provide support for these opportunities.
- Attract other donors into the field by signaling continued interest through matching and tie-off grants.

Variations on any one of these tactical practices are included among the seven articles in this special issue. Yet, the decision to stay or go has as many emotional implications as it has tactical implications for funders, grantees, and key partners. For those of us who have made the shift from responsive grant maker to strategic philanthropy, frank and authentic conversations about when we leave a body of work are complex. In strategic philanthropy, we see ourselves as thought partners and build relationships of trust and make long-term commitments. So, when a decision is made to leave, we may experience every gamut of emotion common in any break up — betrayal, abandonment, and the grief of losing a long-time friend and/or family member. Indeed, to some degree, exiting can result in stages of grief and loss — denial and isolation, anger, bargaining, depression, and acceptance.

### Denial and Isolation

There is enormous privilege and power in philanthropy. Twenty years ago, my first boss in philanthropy warned me of the false sense of confidence and wisdom that befalls new entrants into the world of philanthropy. Let's face it, as soon as you become a foundation staffer you become more attractive, funnier and often deferred to as if you were the smartest person in the room (in case you are wondering, you are not).

So when we exit (i.e., de-fund) a program, it not only feels like a loss, it is a blow to our confidence and our ego. When our programs end, it is as if part of our identity is gone. We deny, deny, deny, "This can't be happening." We hide from the facts and try to make up for what might be perceived as a programmatic failure.

One form of denial is conjuring up a way to “spin” the narrative about why we are exiting. It might also result in trying to reinvent the exiting program into a new idea or position it as if it has a new purpose and relevance for the new strategy. This means using the same grantee to do new work even at the cost of mission drift for the grantee. Grantees and the non-profit leaders that support them are also in mourning and feel an enormous sense of loss and abandonment.

### Anger

Grantees are rarely the chief engineers of programmatic exits. Usually, they fall victim to changes in foundation leadership, strategy, policy environment or economic situation. And no organization wants to lose a good funding partner. When a closely foundation-identified program is slated for exit, we become protective of our grantees and the fields in which they work. We begin to exhibit a hyper-sensitivity to any criticism of our grantee efforts. We are more empathetic to the errors and challenges of our beloved ending programs. We ask, “who is to blame?” and rationalize our anger by comparing our program to others that are not exiting. Why me?

### Bargaining

The incentives in any foundation program are to keep investing and growing the program. There is often little incentive to reduce program investments unless otherwise dictated by the senior leadership or board. Any reduction to the budget is perceived as a cut; any cut perceived as a failure or at minimum, depreciation in value. So, we try to explain to ourselves and others just why ending a program is a bad idea. Perhaps we blame ourselves or someone else, but we mostly try to bargain as much as we can and rethink the exit or make the transition as painless as possible.

### Depression

Too often, our identities as program funders are tied to our program grantees and their success. Our internal and external identities are synonymous with our created program. We become known for our program affiliation. I was just as

*[T]oo often funders and grantees fail to acknowledge that exiting is a part of the investment life cycle. As a result, they also fail to discuss the realities of it and the importance and value of exiting. As in any relationship, these pain points are key to our growth and learning.*

easily known as Debra as I was known as the program officer of New Connections, or Finding Answers, or Expanding the Bench Initiative. When an exit is imminent, we mourn the loss of friends (family) and affiliations, and lose our internal and external influence. We even lose a bit of our own identities. We realize that we are not the smartest people in the room and are losing power.

### Acceptance

Only at the point of exit certainty, can we implement best donor practices. We can honor the work, celebrate our grantees and partners, begin to codify the lessons, and plan for a healthy exit. We may need to spend more time with our grantees and the field to provide support and strategize on messaging, make introductions to other prospective funders, or just sit in silence and comfort each other. Whatever the motivation, at this stage authentic conversations about sustainability and legacy begin to take shape.

### Conclusion

In my experience, too often funders and grantees fail to acknowledge that exiting is a part of the investment life cycle. As a result, they also fail to discuss the realities of it and the importance and value of exiting. As in any

relationship, these pain points are key to our growth and learning.

Foundations prize relationships with close-in partners, but they should not get twisted about why they funded the grantee in the first place. Grantees are leaders and are not blind to the difficult choices and tradeoffs made by funders. We should respect them enough to speak the truth and acknowledge the natural exit process. Grantees have their own sense of privilege and power from being selected by philanthropy.

I know this sounds odd but I would like to propose, at the risk of offending, that exiting is healthy and a necessary evil for strategic philanthropy. Why? We learn (or could learn) so much about our investment, a grantee, and a field when they are undergoing a strategic exit. Exits are a good opportunity to document progress, how the grantee and/or partners contributed to the field, their innovation, how they improved over time, and any lasting impact. By being frank about the intention to exit and by providing a timeline, we help level the playing field for grantees. They can be more proactive in their own planning and approach to sustainability.

Breaking up is hard, but leaving one relationship makes room for new opportunities. We could learn more as philanthropists if we embraced foundation exits as a healthy part of an initiative life cycle. As stewards of private resources, we have a responsibility to ask ourselves what else can we do to reach our goal. Did we do all we could? Is our impact significant enough? Is it time to look elsewhere to see where impact can be greater?

I once heard a mindfulness podcast describing loss as an opportunity for new growth. What if we allowed ourselves to see how responsible exits lead to new beginnings and an opportunity for growth and innovation — not only for the funder but also for the grantee?

## References

- PETROVICH, JANICE. (2011). *Exiting Responsibly: Best Donor Practices in Ending Field Support, A Study for the Robert Wood Johnson Foundation*. Available online at <http://www.cof.org/sites/default/files/documents/files/RWJ%20Report%20-%20Exiting%20Responsibly%20-%20Best%20Donor%20Practices%20in%20Ending%20Field%20Support.pdf>.
- PETROVICH, JANICE. (2013). *Building and Supporting Sustainable Fields: Views from Philanthropy, A study for the Robert Wood Johnson Foundation*. Available online at <http://www.rwjf.org/content/dam/farm/reports/reports/2013/rwjf407225>.

# executive summaries

## Results

---

7

### The Legacy of a Philanthropic Exit: Lessons from the Evaluation of the Hewlett Foundation's Nuclear Security Initiative

*Anne Gienapp, M.P.A., and Jane Reisman, Ph.D., ORS Impact; and David Shorr, M.P.A., and Amy Arbretton, Ph.D., William and Flora Hewlett Foundation*

Although time-bound philanthropic initiatives are a well-established practice, there is still much to learn about effective ways to implement, evaluate, and wind down these types of investments. This article describes the NSI evaluation, how the findings informed Hewlett's philanthropic approach, and provides a case example of a philanthropic-initiative exit. Key considerations for monitoring and evaluation practices particular to the context of a planned exit are discussed.

DOI: 10.9707/1944-5660.1347

23

### Partnership With Government: An Exit Strategy for Philanthropies?

*Colin Knox, Ph.D., Nazarbayev University and Ulster University, and Padraic Quirk, Ph.D., Social Change Initiative*

Atlantic Philanthropies' work in Northern Ireland supported three thematic intervention areas: aging; children and young people; and reconciliation and human rights. Its exit strategy has involved a formal partnership arrangement with the Northern Ireland Assembly to take external interventions to scale and mainstream services previously funded through NGOs. This article draws on qualitative data gathered through interviews with key stakeholders — the funder, government officials, and NGOs — and considers the consequences of this approach. It also offers specific and general lessons on partnering with government as an exit strategy.

DOI: 10.9707/1944-5660.1348

CONTINUED ON NEXT PAGE

## Tools

---

40

### Evaluation at Sunset: Considerations When Evaluating a Program as It Concludes

*Blair Beadnell, Ph.D., Holly Carmichael Djang, M.A., Jan Vanslyke, Ph.D., and Tatiana Masters, Ph.D., Evaluation Specialists; and Barbara Andersen, M.P.A., Santa Barbara Foundation*

While the benefits of beginning evaluation efforts at a program's inception are well known, for a variety of reasons many organizations are unable to do so and instead begin these efforts closer to a program's conclusion. A sunset evaluation of the Orfalea Foundation's School Food Initiative showed positive outcomes and provided recommendations for organizations interested in similar efforts. Because the evaluation was begun as the foundation was spending down, it required creative design approaches. This article uses the evaluation as a case example of a rigorous and useful sunset evaluation, and discusses other possible extensions of these methods.

DOI: 10.9707/1944-5660.1349

## Sector

---

50

### Breaking Up Is Hard to Do

*Barbara Kibbe, J.D., S. D. Bechtel, Jr. Foundation*

Funding relationships begin, and they end. Yet little is known about the effects of foundation exits on the work, the grantees, and the related fields. This article draws on interviews with funders and grantees involved in more than a dozen exits to fill the gaps in what is known about how to exit well. The article discusses four areas where foundation exits present particular challenges and where there are significant opportunities to improve practice — deciding on and planning to exit, funder leadership, clear communication, and final grants — and includes summaries of advice from funder and grantee perspectives.

DOI: 10.9707/1944-5660.1350

64

### Exiting From Large-Scale Initiatives: Lessons and Insights From a National Scan of Philanthropy

*Hanh Cao Yu, Ph.D., and Moninder-Mona K. Jhavar, M.P.H., The California Endowment, and Daniela Berman, M.P.P., Social Policy Research Associates*

This article shares insights and lessons from a research project commissioned by The California Endowment in early 2016 to inform the planning for its transition out of Building Healthy Communities. A guiding framework for exit and sustainability planning is presented as a set of recommendations that relate to issues such as managing relationships between funder and grantee partners during the exit, using the initiative's theory of change as a tool for decision-making, finding a balance between demonstrable success and equity, and managing the internal processes of the funding organization.

DOI: 10.9707/1944-5660.1351

## Reflective Practice

---

78

### End-Game Evaluation: Building A Legacy Of Learning In A Limited-Life Foundation

*Ashleigh Halverstadt, M.P.A., S. D. Bechtel, Jr. Foundation, and Benjamin Kerman, Ph.D., The Atlantic Philanthropies*

Few, if any, of the problems philanthropy seeks to address can be solved within a brief, defined time frame. Limited-life foundations can only strive to move the ball down the field before they sunset, and then enlist others to carry the work forward. This article shares the emerging hypotheses of two foundations, The Atlantic Philanthropies and the S. D. Bechtel, Jr. Foundation — each four years from sunset — about the opportunities and challenges for evaluation in the limited-life context. The article argues that systematically capturing and sharing knowledge — about programs, as well as social-change methods and grantmaking practices — can increase a foundation's influence and impact during its final years and beyond.

DOI: 10.9707/1944-5660.1352

92

### Changing in Place: The Skillman Foundation, Detroit, and the Good Neighborhoods Initiative

*How did a hometown grantmaker conduct and conclude its largest-ever initiative?*

In 2006, the Skillman Foundation committed \$100 million to a decade-long investment in six neighborhoods. Along the way, the foundation reset its strategy and sharpened its goal — in response to seismic shifts in the local context and informed by indicators of progress. To capture information on the unique challenges facing an embedded funder as it changes program direction, Bob Tobin, senior consultant at Williams Group, interviewed Marie Colombo, Skillman Foundation director for strategic evaluation and learning.

DOI: 10.9707/1944-5660.1353

## Commentary

---

103

### Exiting is a Natural Part of Philanthropy — Learning From it? Not so Much.

*Debra Joy Perez, Ph.D.*

The author shares personal reflections on what makes exiting from long-term philanthropic investments so challenging.

DOI: 10.9707/1944-5660.1354



DOROTHY A. JOHNSON CENTER FOR PHILANTHROPY

## Trusted Guidance for Doing Good

**Philanthropy is changing faster than ever.** We believe learning curves shouldn't get in the way of impact.

We conduct **research**, provide **professional and organizational development**, and create and share **tools** for nonprofits, foundations, and others seeking to transform their communities for the public good.

Learn more at [JohnsonCenter.org](http://JohnsonCenter.org).

- ▶ **Nonprofit support services**
- ▶ **Foundation & donor support services**
- ▶ **Community research & data tools**
- ▶ **Workshops & trainings**



**JOHNSON CENTER**  
AT GRAND VALLEY STATE UNIVERSITY

201 Front Ave. SW  
Bicycle Factory Suite 200  
Grand Rapids, MI 49504  
[JohnsonCenter.org](http://JohnsonCenter.org)



# call for papers

## FOR VOLUME 10, ISSUE 1

Abstracts of up to 250 words are being solicited for Volume 10, Issue 1 of *The Foundation Review*. This issue will be an open (unthemed) issue. Papers on any topic relevant to organized philanthropy are invited.

Submit abstracts to [submissions@foundationreview.org](mailto:submissions@foundationreview.org) by May 30, 2017. If a full paper is invited, it will be due September 15, 2017 for consideration for publication in March 2018.

### Abstracts are solicited in four categories:

- **Results.** Papers in this category generally report on findings from evaluations of foundation-funded work. Papers should include a description of the theory of change (logic model, program theory), a description of the grant-making strategy, the evaluation methodology, the results, and discussion. The discussion should focus on what has been learned both about the programmatic content and about grantmaking and other foundation roles (convening, etc.).
- **Tools.** Papers in this category should describe tools useful for foundation staff or boards. By “tool” we mean a systematic, replicable method intended for a specific purpose. For example, a protocol to assess community readiness for a giving circle would be considered a tool. The actual tool should be included in the article where practical. The paper should describe the rationale for the tool, how it was developed, and available evidence of its usefulness.
- **Sector.** Papers in this category address issues that confront the philanthropic sector as whole, such as diversity, accountability, etc. These are typically empirically based; literature reviews are also considered.
- **Reflective Practice.** The reflective practice articles rely on the knowledge and experience of the authors, rather than on formal evaluation methods or designs. In these cases, it is because of their perspective about broader issues, rather than specific initiatives, that the article is valuable.

**Book Reviews:** *The Foundation Review* publishes reviews of relevant books. Please contact the editor to discuss submitting a review. Reviewers must be free of conflicts of interest.

**Questions?** Contact Teri Behrens, editor of *The Foundation Review*, at [behrenst@foundationreview.org](mailto:behrenst@foundationreview.org) or call 734-646-2874.

# THE FoundationReview®

## ONLINE

1 YEAR, 4 ISSUES

Individual ..... \$83

Institutional..... \$335

## PRINT & ONLINE

1 YEAR, 4 ISSUES

Individual ..... \$101

Institutional..... \$375

## HOW TO ORDER

### ➤ Go Online:

[www.TheFoundationReview.org](http://www.TheFoundationReview.org)

### ➤ Send an Email:

[turpinna@turpin-distribution.com](mailto:turpinna@turpin-distribution.com)

### ➤ Call Us:

860-350-0041

*\*\$30 service fee added to international print orders.*

## FREE TRIAL SUBSCRIPTION

Start your 90-day free online trial at [www.TheFoundationReview.org](http://www.TheFoundationReview.org). You'll also receive a complimentary print copy of the latest issue in the mail.

## MULTI-SITE PRICING FOR INSTITUTIONS

Full price for one site, plus a **50% discount** for each additional site

## PLUS...

Your subscription includes access to **FREE** quarterly webinars!

### Sponsor Subscriptions

If you or your organization are interested in supporting the work of *The Foundation Review*, please contact Teri Behrens at [behenrst@foundationreview.org](mailto:behenrst@foundationreview.org).

### Become a Partner

Discounted subscriptions are offered to members of partner organizations. Contact Pat Robinson at [pat.robinson@gvsu.edu](mailto:pat.robinson@gvsu.edu) for more information.

*The Foundation Review* is the first peer-reviewed journal of philanthropy, written by and for foundation staff and boards and those who work with them. With a combination of rigorous research and accessible writing, it can help you and your team put new ideas and good practices to work for more effective philanthropy.

*The Foundation Review* is published quarterly by the Dorothy A. Johnson Center for Philanthropy at Grand Valley State University in Grand Rapids, Michigan.

Learn more at [www.TheFoundationReview.org](http://www.TheFoundationReview.org).

### 2017 Conference Theme:

Strengthening Local Communities: The Role of Nonprofit and Philanthropic Organizations

- **Beer City USA** *USA Today, 2014–16*
- **Home of ArtPrize**
- **New York Times' 52 Places to Go in 2016**
- **Best Food City in MI** *Thrillist, 2016*
- **Second Largest City in MI**

**Grand Rapids** is the perfect venue to explore how philanthropy can revitalize communities. With a regional population of over one million, Grand Rapids is the second largest city in Michigan, and has long been recognized for our vibrant philanthropic identity, institutions, and innovations.



# THE FoundationReview®

*The Foundation Review* is the first peer-reviewed journal of philanthropy, written by and for foundation staff and boards and those who work with them. With a combination of rigorous research and accessible writing, it can help you and your team put new ideas and good practices to work for more effective philanthropy.

**Our Mission:** To share evaluation results, tools, and knowledge about the philanthropic sector in order to improve the practice of grantmaking, yielding greater impact and innovation.

*Published Quarterly by the Dorothy A. Johnson Center for Philanthropy at Grand Valley State University*

[www.thefoundationreview.org](http://www.thefoundationreview.org)

ISSN 1944-5660 | eISSN 1944-5679