

Non-profit Beacons: Why Shining Light On Results Can Be Illuminating



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By Christopher Purdy

Philanthropic institutions and individuals gave away \$358 billion to non-profit organizations in 2014, up from \$63 billion (adjusted for inflation) in 1955. As reported by [Giving USA's](#) annual report, much of this (32%) went to religiously affiliated entities, but the majority was provided to a wide range of secular groups working for the public good.

Assuming the wise philanthropist wishes to ensure the greatest impact that resources can buy, he or she should look at a charity's results and transparency before writing a check.

A number of watchdogs like [Charity Navigator](#) and [Guidestar](#) provide suggestions on where to invest donor dollars and how to evaluate impact, using analysis from a non-profit's Federal tax return (the IRS Form 990). This is an important starting point.

In addition, non-profits should describe their work clearly, with a focus on results. Many organizations undertake a wide range of activities and processes, but they need clearly defined end-goals that can be measured and monitored by all. Donors should stay focused on these results and their impact. Non-profit websites should plainly explain what those results and impact are without using jargon or resorting to purely emotional appeals.



If an activity, strategy or tactic does not result in the use of a product or service, changed behavior, or some direct improvement in the lives of the people for whom the funds have been allocated, donors should question the value of investing in them.

For some non-profits, quantifying results can be challenging; how do you measure improvements in biodiversity or reductions in corruption? While family planning and the sale of contraceptives (which is the work I do) are easier to measure than many other charitable activities, there are nearly always results that can be tracked and reported. Examples include attendance at art shows, the number of children vaccinated, or number of acres preserved. Having key performance indicators that are agreed upon by all the players in the non-profit and communicated unambiguously to the public and potential donors ensures a more effective use of resources. Donors who 'settle' for process-oriented results will be missing vital information that can help determine if their funds catalyzed desired outcomes.

In addition, non-profits' financial statements should be easy to locate on their corporate websites. Too few organizations make these key financial documents available to the public. Many organizations do not post their financials, make them difficult to find, or discourage inquiry with statements like 'financial statements available upon request'.

There are other ways to be transparent. Nonprofits can provide links to published accounts of work from independent news media and third party reviews and evaluations. Articles and blogs by staff also provide insight into ideas that work, thereby allowing others to replicate and share them.

At [DKT International](#), these principles have long been a part of our operating philosophy and we try to practice what we preach.

Our website explains [what we do](#) and how we do it. In each country program, we zealously track our family planning product sales and services using quantified and verifiable methods. These [detailed results](#) (warts and all) are broken down by country and products sold each year. Not many non-profits are able or willing to shine this much light on specific programs and outputs – but they should.

It is often easier to report on indicators related to process but this muddles results and impact. For example, DKT trains thousands of health providers on the insertion and removal of IUDs. We print hundreds of thousands of brochures and run countless advertisements on radio, TV, and via the Internet. Every day, DKT undertakes dozens of promotional and educational activities to shift behavior. While very important, these endeavors are not, in and of themselves, enough. To show that such efforts are effective, they must be backed up by hard data on the sale of contraceptives and provision of services. If they are not effective, we learn, change direction, and move forward.

We also compile the results of other social marketing programs around the world and publish these results each year on our [website](#).

DKT publishes a readable 4-page [Annual Report](#) that contains our results and financial summaries each year. This, along with independently audited [financial statements](#) and [federal tax filings](#), are uploaded to our website just as soon as they are available.

Individual philanthropists and institutional donors alike would be well served by easy access to such key information. With data on quantified results in hand, donors can make better philanthropic decisions.

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