



# PHILANTHROPEdia

COME TOGETHER. GIVE BETTER.

## Collecting Expert Opinion about High-Impact Nonprofits: Review of Philanthropedia's Methodology

Whitepaper Summary Deck  
March 5, 2010

Philanthropedia  
<http://www.myPhilanthropedia.org>

---

# The Purpose of the Whitepaper

---

- ▶ With this whitepaper, we present our methodology as a novel way to identify high-impact nonprofits by relying on expert recommendations.
- ▶ We propose that this methodology produces high quality information about high-impact nonprofits at low cost.
- ▶ This deck summarizes the main takeaways of the full whitepaper.

# The Case for Using Experts to Evaluate Nonprofits

---

Philanthropy is primarily concerned with distributing limited monetary resources to charities doing the best work at solving social problems.

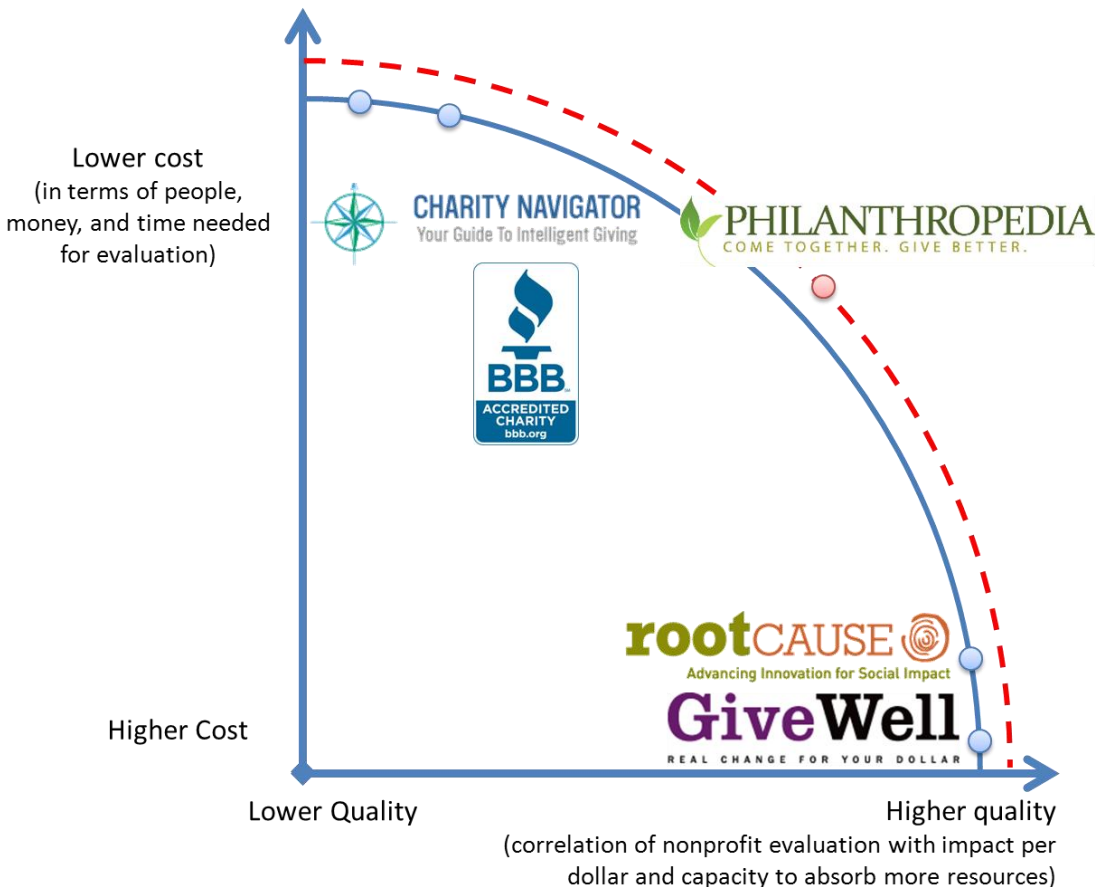
Problem: That is why one of the core problems that the sector faces is **how to identify these high-impact nonprofits.**

Solution: We believe that the best solution will have two characteristics: **high quality information about nonprofits at low cost.**

**Quality:** relates to how closely the measures used to evaluate a nonprofit are correlated with impact per dollar invested and the nonprofit's capacity to absorb more resources.

**Cost:** the combination of resources needed to perform the evaluation of a nonprofit including money, people, and time. Therefore a good solution is one where there is a quick, scalable, low cost way to evaluate many nonprofits across multiple social causes.

# The Case for Using Experts to Evaluate Nonprofits



- ▶ Existing solutions have made progress on cost/quality dimensions but none have been able to offer the combination of both high quality and low cost.
- ▶ The Philanthropedia approach of surveying experts allows us to get high quality information about nonprofits at low cost.

# The Case for Using Experts to Evaluate Nonprofits

---

## High quality solution:

- ▶ Can collect information about high-impact nonprofits from variety of experts (foundation professionals, nonprofit senior staff, researchers, etc.)
- ▶ Experts are uniquely qualified to assess nonprofits because they have access to a lot of nonpublic data and have advanced mental models for evaluating nonprofit impact
- ▶ We collect strengths and areas for improvement for each high-impact nonprofit
- ▶ We only recommend nonprofits where there is high agreement among experts that the recommended nonprofit is among the highest impact nonprofits in the sector

## Low cost solution:

- ▶ Surveys are conducted online so they are easy and inexpensive to administer
- ▶ Surveys take experts ~40 minutes to complete in total
- ▶ Experts are not paid for their participation
- ▶ One trained person can conduct 4 social cause research projects concurrently over the course of 2-3 months
- ▶ We intend to refresh the research every 1-2 years (lower cost associated with refresh rate)

# Philanthropedia's Methodology

---

## The Philanthropedia 6-step

**approach:** survey diverse and representative groups of social cause experts to identify high-impact nonprofits

- ▶ **Step 1:** research and define social cause
- ▶ **Step 2:** identify and recruit experts
- ▶ **Step 3:** run survey to identify high-impact nonprofits

### Our expert criteria:

- Minimum 2 years of experience
- Relevant work experience as evidenced by current and past job titles and employers
- Minimum expert self-rating on Philanthropedia-developed scale

### Our goal is to create an expert network that:

- is a representative sample of foundation professionals, nonprofit senior staff, researchers, and other experts
- is geographically representative
- produces high-quality of responses

# Philanthropedia's Methodology

---

- ▶ **Step 4:** analyze survey data
- ▶ **Step 5:** run a second survey to determine agreement among experts about high-impact nonprofits, strengths and areas for improvement for nonprofits, and ask experts to allocate funding across nonprofits
- ▶ **Step 6:** compile results and publish list of high-impact nonprofits for the social cause

## We collect the following data for each top nonprofit:

- Number of expert votes
- Agreement among expert network that nonprofit is most effective
- % allocation as part a social cause fund
- Strengths and areas of improvement

**Conclusion:** surveying experts allows us to compile expert reviews and recommendations about high-impact nonprofits in a social cause at low cost

# Results and Data Analysis

To date, we have researched four social causes to test and develop our methodology: education, climate change, microfinance, and homelessness in the Bay Area.

To demonstrate this approach, we share the climate change results:

## Building a diverse and representative expert network

### Expert Network Statistics

# of experts invited	773
# of experts participating	139
Average years of experience	12.94
% Foundation professionals	19%
% Researchers	12%
% Nonprofit professionals	47%
% Other	22%
# of nonprofits recommended	15
East coast experts	41%
Midwest experts	9%
South experts	4%
Northwest experts	6%
West coast experts	30%
International and other	10%

## Top high-impact nonprofits recommended by experts

Name of Organization	# Expert Votes
Natural Resources Defense Council, Inc.	48
Environmental Defense Action Fund	35
World Resources Institute	32
Union of Concerned Scientists, Inc.	27
Sierra Club	19
National Wildlife Federation	15
Pew Center on Global Climate Change	13
Alliance for Climate Protection	11
World Wildlife Fund, Inc.	10
League of Conservation Voters Inc.	9
ICLEI Local Governments for Sustainability USA	8
Nature Conservancy, Inc.	8
Energy Action Coalition	7
Greenpeace, Inc.	7
1Sky	7

# Results and Data Analysis

---

To determine how much our final results are influenced by each expert type, we ran correlations between the combined top nonprofit list and the lists recommended by each expert type. While nonprofit senior staff had the most influence on the final list due to their larger representation in the sample size, all three expert types had a high degree of agreement about which nonprofits are most effective.

Climate Change Top National Organizations	Funder ranking	Nonprofit senior staff ranking	Researcher ranking
Correlation with final ranking (# of votes)	0.83	0.94	0.86

In order to determine what factors might influence the final ranking of nonprofits, we ran correlations with these external factors. We found that none of these external factors (as seen by the low correlations) influenced the final nonprofit rankings in any significant way. Therefore, compiling expert opinion adds unique value when identifying high-impact nonprofits.

Climate Change Top National Organizations	Revenue (2007)	Brand awareness (# of Google mentions)	Age	Size (# of employees in 2007)
Correlation with final ranking (# of votes)	-0.14	0.01	0.26	-0.10

# Areas for Improvement

---

Even with our encouraging early results, we believe that our methodology still has room for improvement.

We have identified several areas where we intend to make changes: in the way we sample experts, state questions in our surveys, and share results.

## Our goal is to improve:

- ▶ **Research quality** in terms of expert responses and ability to identify high-impact nonprofits
- ▶ The **clarity** of language used in order to better communicate our goals
- ▶ Our **transparency** by sharing more information publicly so that we can continue to build trust in the community

# Conclusion

---

- ▶ We hope this whitepaper sheds some light on the Philanthropedia approach of collecting expert opinion about high-impact nonprofits.
- ▶ We are excited about the unique advantages that our methodology offers in terms of quality and cost, which is why we are investing in further improvements.
- ▶ We thank the experts who made this research possible, our advisors and funders who provided valuable feedback and resources, and our team for all their dedication and work.
- ▶ We invite feedback and discussion about this paper and our work at <http://www.myphilanthropedia.org/whitepaper>

# Contact Information

---

Philanthropedia  
2121 Sand Hill Road  
Menlo Park, CA 94025  
650-234-4768  
feedback@myphilanthropedia.org

Website: <http://myphilanthropedia.org>  
Blog: <http://blog.myphilanthropedia.org>  
Twitter: @Philanthropedia

