The Grantmaker's Role in Theory of Change

Johanna Morariu, April 2012

WHAT IS A THEORY OF CHANGE? A theory of change is a document that connects four basic categories of information about social sector initiatives: assumptions, strategies and activities, progress milestones, and impact. A variety of other grantmaking and evaluation documents are similar to a theory of change, for example, logic models, program theories, and program plans. Regardless of what the actual document is called, the purpose remains the same: to clarify what will be done and the purpose of the work.

ASSUMPTIONS are the expectations or beliefs about how change happens. They often include information about the external environment, and how the environment (social, political, economic, etc.) may affect the likelihood or course of change.

STRATEGIES & ACTIVITIES are the explanation of what will be done to bring about change. Near term strategies and activities often have more specificity than longer term strategies and activities. (Also known as outputs, deliverables, methods, action steps.)

PROGRESS MILESTONES are the description of what success may look like along the path to impact. Progress milestones may indicate the success of a given strategy, the accomplishment of significant phases of the work, and/or turning points. (Also known as outcomes, results, objectives.)

IMPACT is the change that is desired. It is often talked about as the meaningful improvements for people, communities, systems, and/or policies. Ultimately, impact is about improved conditions. For example, while policy change is significant, if policy change does not lead to improved conditions because of lack of funding, poor implementation, etc., then impact has not been made. (Also known as goals, objectives, long-term outcomes.)

Theory of Change

Impact

⬆

Strategies & Activities
(Progress Milestones)

⬆

Assumptions

WHAT IS THE ROLE OF A THEORY OF CHANGE IN GRANTMAKING? Theories of change can be used by grantmakers and grantees. For grantmakers, two common uses are a foundation-wide theory of change and/or a portfolio theory of change. A foundation-wide theory of change explains the types of investments and priorities a foundation has selected in an effort to bring about impact—often a high-level description that acts as an umbrella over foundation grantmaking. A portfolio theory of change is one step more specific than a foundation theory of change: it is the rationale and clarification of strategy for a set of related grants. For example, a foundation theory of change may explain a foundation's various investments aimed at improving education outcomes for all U.S. children in grades K – 12. And a portfolio theory of change may explain a set of related investments targeted at on-time grade promotion in the middle school years.

innovation network
TRANSFORMING EVALUATION FOR SOCIAL CHANGE

Grantee organizations may also have theories of change at various levels, for example, an organizational theory of change and/or a program theory of change. Similar to grantmaker theories of change, grantee theories of change can be developed for various levels within an organization. Each level should align with the others, and each theory of change can be logically nested within a bigger, broader theory of change.

For grantmakers with a theory of change, a useful exercise in the grantmaking process is for grantmakers to examine the fit of a grantee's theory of change with the portfolio or foundation theory of change. The more alignment there is between the two theories, the better. When there is a lack of alignment, it may mean that the grantee is stretching beyond its experience and expertise. Or, it may mean that the grantmaker is asking the grantee to stretch. Regardless of the impetus, when there is an obvious lack of alignment between grantmaker and grantee theories of change, it is prudent to reexamine the grantmaking strategy and anticipated grantees to ensure proper selection and fit.

WHAT IS THE ROLE FOR GRANTMAKERS? During the grantmaking process, grantmakers can support grantees to assess and improve their theory of change, resulting in a clearer, more powerful roadmap towards change. In addition to the Theory of Change Assessment (see page 3), grantmakers can continually ask questions like Why will this strategy lead to impact? and How will you know when you're being (or not being) successful? This is a great role for grantmakers who are often in a position to see across a field or multiple grantees—a vantage point that can provide valuable insight.

ADDITIONAL RESOURCES For more information, check out these resources:

Grantcraft. *Mapping Change: Using a Theory of Change to Guide Planning and Evaluation*.
http://www.grantcraft.org/

Grantmakers for Effective Organizations and Council on Foundations. 2009. *Evaluation in Philanthropy: Perspectives from the Field*. http://www.geofunders.org/publications

International Network on Strategic Philanthropy (INSP). 2005. *Theory of Change Tool Manual*.
http://www.dochas.ie/Shared/Files/4/Theory_of_Change_Tool_Manual.pdf

Morariu, Johanna and Reed, Ehren. 2012. *Portfolio Evaluation vs. Grant Evaluation*. Webinar.
http://www.innonet.org/index.php?section_id=3&content_id=790

Organizational Research Services (ORS). 2004. *Theory of Change: A Practical Tool for Action, Results and Learning*. http://www.aecf.org/upload/publicationfiles/cc2977k440.pdf

FOR MORE INFORMATION Please contact:

- Innovation Network (www.innonet.org, info@innonet.org) or
- GEO's *Scaling What Works* initiative (www.scalingwhatworks.org, scalingwhatworks@geofunders.org).

THEORY OF CHANGE ASSESSMENT: A CHEAT SHEET

Theory of Change Components	Alternative Terms	Considerations when conducting an assessment
Activities	Processes; Strategies; Methods; Action steps	• Does the organization have adequate resources / capacity to implement these activities?
Outputs	Deliverables; Units of service; Products	• Do all outputs have activities (and resources) associated with them? • Are the outputs quantifiable? Measurable?
Outcomes	Results; Impacts; Objectives	• Can these outcomes realistically be expected to occur as a result of the listed activities? • Are the outcomes phrased in terms of **change**? • Do the outcomes clearly identify who or what will experience the intended change? • Are the outcomes measurable?
Goal(s)	Impacts; Objectives; Long-term outcomes	• Is the goal framed in terms of **change**? • Is this goal realistic? Can we expect it to come about as a result of the intended outcomes? • Does the goal specify the target population? • Does the goal adequately encompass the entire scope of the activities and outcomes included in the theory?