Partner Feature | How Nonprofits Can Track Real Change

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What Is Impact Measurement?

Impact measurement is the process of collecting data based on clearly defined metrics aligned with a nonprofit's mission and goals. It is not the same as counting activities. Outputs like meals served or workshops held are important, but they don't explain whether someone's life changed because of those services. True impact measurement focuses on how participants are better off.

Defining Your Organization's Logic Model

The best way to begin the process of measuring impact is to define your organization's logic model clearly. This is often referred to as your theory of change, the roadmap that effectively connects an organization's resources and activities, demonstrating how these inputs and outputs correspond to the ways the organization creates positive social change.

For example, why does your organization exist? What are your goals for changing the lives and circumstances of those beneficiaries who receive your services? Who are the individuals in your community who need your services the most?

Once you have determined this, you can then drill down into what you should be measuring to understand and demonstrate how your services are facilitating these changes within your target population.

Three Types of Data

There are three types of data you need to collect to measure your impact:

1. Demographics
2. Outputs/Activities
3. Outcomes

Demographics

Here are some key questions to consider when collecting demographic data about your audience:

- Who are the individuals that most need your services?
- Can you effectively communicate the needs of those you serve?
- Are your programs serving who you intended to serve?
- Is your programming delivering equitable outcomes for a wide variety of individuals?
- If not, is there an opportunity to develop more appropriate and effective interventions?

While there are a wide variety of client demographic data you can collect, here are a few key data points to start:

- Age
- Gender identity
- Race & ethnicity
- Household size
- Annual income
- Employment
- Education level
- Zip code

Outputs

Output metrics track individual program details and the volume of work produced. How many meals did you serve? How many hours of services did you provide? How much money did you spend providing stable housing for families? These are the metrics that tell you where your time and resources are being spent. Even if your staff members don't call this process "counting outputs," your organization probably already does this regularly.

Outcomes

Outcomes tell the story of how your organization is effectively changing the lives of those you serve. When funders ask about outcomes, what they really want to know is how individuals and families are better off as a result of their investment.

To get started tracking outcomes, take some time to answer the following questions:

- What does success for your organization or program look like?
- Are you able to demonstrate that your program is producing positive results for your participants?
- What positive changes have occurred in their individual lives because of your nonprofit?
- What positive changes do you want to occur in their individual lives?

Your organization's outcome metrics will likely be drawn from your mission statement and goals. Broadly speaking, success might include:

- Increasing constituent knowledge and learning
- Changing constituent attitudes
- Increasing constituent readiness
- Reducing an undesirable behavior
- Increasing a desirable behavior
- Maintaining a new behavior
- Improving constituents' social status
- Improving constituents' economic conditions
- Improving constituents' health conditions

Collecting Data

Whatever success looks like for your organization, you now know that being able to quantify your impact will require tracking who you served, how you served them, and how they are better off as a result. Having outcome data available to make informed decisions starts with establishing a reliable data-collection culture.

Whether you are collecting demographic or outcomes data, some best practices apply across the board. In today's world, where there are vast amounts of data to manage, ensuring your data is accurate from the beginning takes on a whole new level of importance.

Collecting data should:

- Be easy. Staff need a simple way to collect data so they can spend their time on what moves the needle.
- Be secure. Protecting sensitive client information is critical. Staff need a secure way to collect and store client data. Individual Excel spreadsheets scattered throughout an organization are not secure.
- Be integrated into an organization's culture and involve every level of the organization.
- Provide real-time insights into client demographics, outputs, and outcomes.
- Be standardized across organizations and programs.

Once your theory of change is clearly defined and you've identified the key metrics to track, the next step is implementing the right tools to streamline data collection and reporting. Software plays a crucial role in this process—not by replacing people, but by enhancing their effectiveness.

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