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Grants from foundations and charitable trusts are an important part of any nonprofit’s balanced funding portfolio. According to the latest Giving USA Annual Report on Philanthropy, grants from foundations made up 16% of all charitable giving, amounting to $66.9 billion. With this amount up 6% over the prior year, the money available from funders for nonprofits is increasing¹.

Youth Development and Child Services nonprofits and collaboratives are an important focus area for many funders. As a follow-up to our research in What Funders Want: Foundation Reporting Study, we wanted to take a deeper look into the specifics of what funders who give to nonprofits in the youth development sector look for from organizations that apply for their grants. What do the funders of education nonprofits really want?

In this report, you’ll learn:

• The most important factors considered by funders when evaluating nonprofits in the youth development and child services sectors
• The impact of data and analytics on reporting
• Preferences for information, formatting, and channels when evaluating nonprofits in the youth development and child services sectors
• Past, present, and future demands for reporting

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**GRANTSPACE.ORG DEFINES A FOUNDATION AS:**

“A foundation is a non-governmental entity that is established as a nonprofit corporation or a charitable trust, with a principal purpose of making grants to unrelated organizations, institutions, or individuals for scientific, educational, cultural, religious, or other charitable purposes. This broad definition encompasses two foundation types: private foundations and grantmaking public charities.”²
Approach

We surveyed a group of representatives from various foundations and charitable trusts, which we call funders, who selected Youth Development or Child Services as a sector that their organization or trust serves. The objective of this survey was to pinpoint criteria that funders use to determine where their funding dollars go. All responses were voluntary, confidential, and anonymous. The survey was distributed between November 2018 and January 2019.
More than 4 out of 5 funders (83%) say Impact is among their most important considerations for funding. This is even higher than the baseline average across all nonprofit sectors (78%), meaning that proving your impact is of greater importance for Youth Development nonprofits. Mission (46%) and Sustainability (44%) round out the top three.

**QUESTION:** What is most important to your organization when considering funding an organization? Please choose your top 3.
What's the single best indicator of a Youth Development nonprofit's impact? Outcomes, by a landslide. 59% of funders look primarily to outcomes as a measure of impact. Ensure that your organization can measure and showcase outcomes to impress funders.

**QUESTION:** What is the single best indicator when evaluating an organization's impact?

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Outcomes</td>
<td>56%</td>
</tr>
<tr>
<td>Adherence to Objectives</td>
<td>14%</td>
</tr>
<tr>
<td>Consistency to Mission</td>
<td>9%</td>
</tr>
<tr>
<td>Data</td>
<td>6%</td>
</tr>
<tr>
<td>Outputs</td>
<td>5%</td>
</tr>
<tr>
<td>Financials</td>
<td>2%</td>
</tr>
<tr>
<td>Popularity in Community</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
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</tbody>
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Knowing that Impact, Mission, and Sustainability are of utmost importance to funders, how does your Youth Development nonprofit demonstrate your ability to meet a funder’s top considerations? Outcomes again lead the way, with 78% of funders looking specifically for your program outcomes. Budgets (41%), Objectives (36%), and Impact Stories (34%) are also sought after by more than a third of funders.

**QUESTION:** What specific information do you look for in reporting? Please choose your top 3.

<table>
<thead>
<tr>
<th>Program Outcomes</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Program Outcomes</td>
<td>78%</td>
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<tr>
<td>Budgets</td>
<td>41%</td>
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<tr>
<td>Objectives</td>
<td>36%</td>
</tr>
<tr>
<td>Impact Stories</td>
<td>34%</td>
</tr>
<tr>
<td>Program Outputs</td>
<td>32%</td>
</tr>
<tr>
<td>Programs</td>
<td>24%</td>
</tr>
<tr>
<td>Donation Usage</td>
<td>21%</td>
</tr>
<tr>
<td>Past Performance</td>
<td>16%</td>
</tr>
<tr>
<td>Mission</td>
<td>11%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
</tr>
</tbody>
</table>
To determine the outcomes your nonprofit produces to tell a powerful story of impact, you need data and analytics. When asked to choose the top three areas where data adds the most value, Outcomes (82%), Outputs (52%), and Budgets (46%) all received significant shares of votes. Be ready to back up critical proof points with high-quality data.

**QUESTION:** For which of the following reporting areas do data and analytics add the most value? Please choose your top 3.
Data and analytics have a big impact on funding for Youth Development and Child Services nonprofits. 87% of funders are more likely to fund an organization that incorporates data into its reporting. In fact, 65% are very likely to prefer organizations with data!

**QUESTION:** How likely are you to fund an organization that includes data in its reporting, rather than an organization that does not include data?
Funders make critical decisions based on the reports Youth Development organizations share. What are they looking for? Impact Stories and Graphs and Charts were cited as top two by **59%** and **54%** of funding organizations respectively. Keep these formats in mind as you create annual reports, as having your impact story already perfectly packaged can make new funding applications easier, faster, and more effective.

**QUESTION:** What reporting format do you prefer when determining an organization’s impact? Please choose your top 2.

Impact Stories: 59%

Graphs and Charts: 54%

Infographics: 31%

Raw Data: 31%

Text: 21%

Other: 3%
How do Youth Development funders prefer to receive and analyze reporting information to determine impact? The answer is clear: digitally! Though this data represents funders as a whole, always be aware of specified format requirements from your individual funders.

**QUESTION:** How do you prefer to receive and analyze reporting information when determining an organization’s impact?
If it seems like reporting requirements from Youth Development nonprofit funders have increased in the past five years, it isn’t your imagination. 61% of funders say they have. And it’s not over yet – 68% say their reporting requirements will increase over the next five years!

**QUESTION:** How have your reporting requirements changed in the past 5 years?

**IN THE LAST 5 YEARS**

- Stayed the Same: 32%
- Increased: 61%
- Decreased: 7%

**QUESTION:** How do you expect your reporting requirements to evolve in the next 5 years?

**IN THE NEXT 5 YEARS**

- Stayed the Same: 27%
- Increased: 68%
- Decreased: 6%
Conclusion:

What Youth Development Funders Want

Providing funders with the information they seek can have a big impact on the success of your Youth Development or Child Services nonprofit. With 83% of Youth Development funders placing Impact in their top three considerations for funding, it’s clear that your organization should know how to showcase impact.

More than 3 in 4 Youth Development funders (78%) cite Outcomes as an important determinant of a Youth Development organization’s Impact. Data and analytics play a huge role in how Youth Development nonprofits measure outcomes and impact. Nearly 9 out of 10 funders prefer data with reporting! And the importance of data cannot be understated, with 68% of funders planning to increase reporting requirements in the next five years. Data and analytics not only improve the significance of your outcomes and the power of your impact stories, but are specifically sought-after by funders.

Incorporating data into the areas that Youth Development and Child Services funders care about most, including impact, outcomes, budgets, and impact stories, will set your nonprofit up for funding success.
Survey

Demographics

Funding Sectors Surveyed:

Arts & Culture, Child Services, Education, Environment, Health Services, Human Services, Housing, Homelessness, Collaboratives & Multi-Service Organizations, Reentry, Domestic Violence & Sexual Assault, Community Development, Youth Development, Workforce

**QUESTION:** Approximately how much does your foundation or charitable trust give each year?

- $0-$99,999: 28%
- $1,000,000-$9,999,999: 37%
- $10,000,000-$50,000,000: 14%
- $50,000,000-$99,999,999: 6%
- $100,000,000 and above: 3%
- Prefer Not to Answer: 12%

Prepared by Social Solutions
References

1  Charity Navigator
   https://www.charitynavigator.org/index.cfm?bay=content.view&cpid=42

2  Grantspace
   https://grantspace.org/resources/knowledge-base/what-is-a-foundation/
About Social Solutions

Want to improve your ability to collect, access, analyze, and present the data your funders want? Start your software demo today!

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