



Surdna Foundation

DEVELOPING & IMPLEMENTING GRANT METRICS

Findings from a Pilot with Surdna's Inclusive Economies
Grantees

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*All of the Inclusive Economies Grantees who generously gave their time to
participate in the pilot.*

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Introduction

Surdna's Inclusive Economies (IE) Program is committed to increasing democratic participation by growing representation of community voice in decision-making processes; building more equitable economic development practices; improving business support ecosystems that serve entrepreneurs of color; and mitigating barriers to capital to financial institutions for these entrepreneurs.

If we are to make progress on these ideals, we need to start with increasing democratic participation—practicing what we preach. We recognize that, despite the inevitable power dynamic between funder and grantee, we need to be in partnership to achieve our collective goals. For that reason, when Surdna began reviewing and revising our program strategies in 2018, we asked our grantee partners and other stakeholders to work with us to have honest conversations about how to bring about the change we seek and to inform the direction of the IE Program. We also worked with our grantee partners to identify measures of success and the ways we will monitor progress.

Surdna aspires to be a learning organization. To us, that means not only gathering and analyzing data, but sharing knowledge, allowing for setbacks, and striving for continual improvement. The Inclusive Economies Program's development of metrics and indicators, in close partnership with our grantees, is an important first step toward these goals.

Over the past year we have—together—produced an initial set of metrics and indicators. This process culminated in a grantee convening in Austin, Texas in January 2020, followed by a pilot with several of our grantees to test the functionality of our method of collecting this data. Like many foundations, we have been guilty of asking our grantees for loads of data while sharing little in return. **Therefore, we are committed to continuing to share our learning with you as we go forward. Let this summary of our findings serve as a beginning.**

Inclusive Economies Fluxx Pilot

Following the IE Grantee Convening, Surdna's Learning and Grant Operations (LGO) team redesigned our application portal in Fluxx, Surdna's grants management system in order to capture data on IE's metrics. The process for redesigning the proposal application was thorough and required a critical analysis of IE's metrics. In order to be as clear as possible with definitions, we developed a [Metrics Glossary](#) that provides an explanation and example for each metric.

Twenty-four grantees participated in the pilot, each of which had active grants in our Inclusive Economies Program portfolio. The pilot consisted of selecting metrics, setting targets or goals for those metrics, providing additional information as necessary, and providing feedback on the process.

Section 1: Methodology

The Inclusive Economies Program has two strategies: Business Start-up & Growth, and Equitable Economic Development. Within each strategy we have identified specific interventions that we believe will lead us toward the outcomes we seek. We then associated 4-5 metrics, which were co-created with our grantee partners, with each intervention. Below is an example of metrics associated with the “increase access to capital” intervention under the Business Start-up & Growth strategy:

Strategy: Business Start-up & Growth	
Intervention: Increase access to Capital	1. Total dollar/currency of a financial deal (equity and/or debt) secured by an entrepreneur of color
	2. Number and percentage of investment deals (equity and/or debt) with firms owned by people of color
	3. Size (range and median) of investment deals (equity and/or debt) to firms owned by people of color
	4. Median cost of capital (equity and/or debt)

For the pilot, we asked grantees to select two metrics from the list and contribute an optional third metric that was important for measuring progress toward their goals. The metrics included both qualitative and quantitative measures.

To test our own thinking about how we categorized metrics within strategies and interventions, we wanted to understand whether this resonated with those participating in the pilot. Therefore, we randomly assigned participants to either a “control group, where all of the metrics were available regardless of the assigned intervention, and an “experiment group,” in which only the metrics that applied to a particular intervention could be selected. The purpose of this was to better understand 1) how grantees view their work, 2) how the strategies we have identified are interrelated, and 3) what data are important to grantees as they measure their progress toward their own desired outcomes.

To assist in the metrics selection process, Surdna staff prepared a [metrics glossary](#) that provided a definition for each metric along with an example. As grantees selected metrics, they were asked to provide information about what would indicate success in their work. If they chose quantitative measures, they were asked to provide numeric targets; for example, the number and percentage of investment deals (equity and/or debt) with firms owned by people of color. For qualitative measures they were provided with narrative fields to describe what success would look like, such as the change in community understanding of local decision-making processes. In all cases they had the opportunity to provide additional explanation.

Finally, we asked grantees to fill out a brief survey to provide us with feedback on the process to inform any changes we might make before implementing these metrics questions in future proposal forms (click here to see the [survey responses](#)).

Section 2: Findings & Analyses

This section highlights salient findings that will impact future metric collection methods for the IE program.

57.1 percent of grantees in the control group selected metrics outside of their prescribed intervention. This is significant because it helps us understand that our grantee partners were more likely to take a broader view of how these metrics related to their work across our program strategies than we had envisioned.

70.6 percent of participants accessed the metrics glossary. As we were designing the pilot we discovered that the metrics could be interpreted in many ways, and that it was important to be precise with our language. Developing the metrics glossary helped us get much clearer in describing what we were asking for, and it was apparent that this resource was used extensively by the pilot participants, many of whom described the glossary as helpful to them when filling out the survey.

76.5 percent of survey respondents felt that two required Surdna metrics and one optional metric was optimal. There is a delicate balance between collecting enough data to contribute to our collective learning and overburdening grantees with additional work. In the pilot, we required grantees to select two metrics for the list and gave them the option to add a unique metric of their own. In the post-pilot survey, we asked if this felt like the right number of metrics. Approximately 3/4 of respondents agreed that this was the right balance.

14.3 percent of grantees left the metric target blank. When a pilot participant selected a metric, they were prompted to set a target for the selected metric. A relatively small number of grantees left the target blank. While a few of these were accidental, others noted that the specifics of the metric they were working with required more nuance than could be conveyed through a raw number. As we apply the learnings from this pilot to the next iteration of the IE proposal form, we will make improvements to the user interface, require key fields where necessary, and allow nuance wherever possible using text fields.

43.7 percent of the metrics selected during this pilot were qualitative measures. We entered the metrics process with the understanding that we would value qualitative data equally with quantitative measures, knowing that our work requires a deeper level of understanding than simply meeting numeric targets. It was clear from the pilot that our grants are in alignment with our thinking as the metrics selected were split almost evenly between quantitative and qualitative measures.

Section 3: Most Frequently Selected Metrics by Strategy

We reviewed the information submitted by our grantee partners: the specific metrics that were selected and the data they are collecting. Below are some of the most commonly selected metrics for each strategy. The complete list of metrics and the frequency of their selection is available [here](#) (slide 6 – 7).

Business Start-up & Growth

Intervention	Metric	Definition	% Selecting Metric
Increase Access to Capital	Number and Percentage of investment deals (equity and/or debt) with firms owned by people of color	Investment deals—equity or debt—to entrepreneurs of color describes the rate at which investors are extending capital products to entrepreneurs of color.	21%
Reform Procurement Practices	Number of companies and/or public agencies adopting new targeted procurement practices and policies	This metric helps us understand the tangible steps companies and public agencies are taking to make their procurement practices more inclusive by measuring the adoption of inclusive practices and policies.	10.5%
Improve Business Support Systems	Change in business confidence of entrepreneurs of color	This qualitative metric is designed to capture opinions of business owners of color on the likelihood of success in sustaining and growing of their businesses.	10.5%

Equitable Economic Development

Intervention	Metric	Definition	% Selecting Metric
Shift the Practice of Economic Development	Change in pressure and action supporting progressive policies	This qualitative metric helps us understand the effectiveness of various approaches towards mobilizing local community members to support progressive policies that enable transparency and accountability in economic development.	32%

Equitable Economic Development (cont.)

Intervention	Metric	Definition	% Selecting Metric
Shift the Practice of Economic Development	Change in community understanding of local decision-making processes	Some of our partners seek to demystify and explain local decision-making processes by employing a variety of approaches (narrative change projects, investigative journalism, reports, advocacy campaigns, etc.). This qualitative metric helps us understand the impact in raising awareness among members of a community around local decision-making processes.	27%
Shift the Practice of Economic Development	Number of policies proposed and adopted to increase accountability and/or strengthen community benefits in economic development	This metric helps us understand the impact of advocacy towards advancing tangible changes in local or regional jurisdictions. Many of the activities Surdna supports in this strategy seek to create change by facilitating the introduction of new equitable policies and practices in the public and private sectors.	18%

Section 4: Impact Metrics Summary

In addition to capturing which metrics our grantee partners selected, grantees also reported on the range of targets they anticipate as they measure progress toward their goals. Below is a summary of the target metrics that grantees identified. The data described is in aggregate. Please note, we did not include metrics in the tables below that were 1) not selected or 2) selected but had no target listed. To find descriptions and examples of each metric, please [click here](#) to access the metrics glossary.

Business Start-up & Growth		
	Metric	Target
Increase Access to Capital	Number and Percentage of investment deals (equity and/or debt) with firms owned by people of color	Grantees targeted securing 4 equity deals for entrepreneurs of color. Grantees targeted securing 31 debt deals for entrepreneurs of color.
	Total dollar/currency of a financial deal (equity and/or debt) secured by an entrepreneur of color	Grantees targeted 60 percent of equity deals to flow to entrepreneurs of color. Grantees targeted 90 percent of debt deals to flow to entrepreneurs of color.
	Size (range and median) of investment deals (equity and/or debt) to firms owned by people of color	The targeted size of equity deals was \$325,000. They ranged in size between \$50,000 - \$600,000.
		The total targeted dollar amount of debt deals secured was \$3,181,881. They ranged in size between \$35,000 - \$400,000.
Reform Procurement Practices	Number of companies and/or public agencies adopting new targeted procurement practices and policies	Grantees aimed for 70 companies to adopt equitable procurement policies or practices as a result of their work.
	Contracts awarded to firms owned by people of color (median dollar size and quantity)	The median contract size targeted by grantees was \$205,500,000. The total targeted number of secured contracts by grantees that selected this metric was 20.

Business Start-up & Growth (Cont.)

Improve Business Support Systems	Number of firms owned by people of color accessing two or more programs / services within the ecosystem	Grantees targeted 20 businesses that access two or more business support programs in an ecosystem
	Percent of firms owned by people of color receiving investment within two years of program graduation	Grantees aimed for 30 percent of businesses that participated in their support programs to secure an investment deal within two years of completion.
	Percent growth in revenue of supported firms owned by people of color	Grantees targeted a 25 percent revenue increase for businesses participating in support programs.
	Change in Business Confidence	Using self-reported surveys, grantees aimed to track this metric by gauging entrepreneurs' ability to pitch their companies, ease of access to resources, and social network quality.

Equitable Economic Development

	Metric	Target
Shift the Practice of Economic Development	Number of policies proposed and adopted to increase accountability and/or strengthen community benefits in economic development	Grantees targeted the proposal of 152 policies and adoption of 12 that increase accountability in economic development.
	Representation of people of color in local decision-making processes	Grantees aimed to mobilize 300,000 people of color to participate in local-decision-making processes.
	Change in community understanding of local decision-making processes	Grantees aimed to increase community understanding through leadership development programs, expansions of service models, and education campaigns. Success would be gauged through pre- and post-surveys as well as through tracking the number of collective bargaining agreements and policies passed with co-enforcement mechanisms.
	Change in pressure and action supporting progressive policies	Grantees aimed to increase pressure and action supporting progressive policies through various communication efforts, earned media, technical support for key stakeholders, and equipping community leaders with financial training to aid in advocacy efforts.

Equitable Economic Development (Cont.)

	Metric	Target
Advocate for Stronger Labor Standards	Number of labor standard polices proposed and adopted within local government / private sector*	Grantees targeted the proposal of 30 policies and adoption of 11 policies that advocate for stronger labor standards

Next Steps for Surdna

The participation and feedback we received from our grantee partners has been enormously helpful to us as we refine our process, and we hope it will contribute to our grantee partners' learning as well. We plan to incorporate these metrics questions into our Inclusive Economies proposals later this year. As we collect and analyze the data, we will continue to share what we learn (we take privacy seriously and will only release aggregate data and generalized analysis) as we strive to achieve the outcomes we have collectively identified.

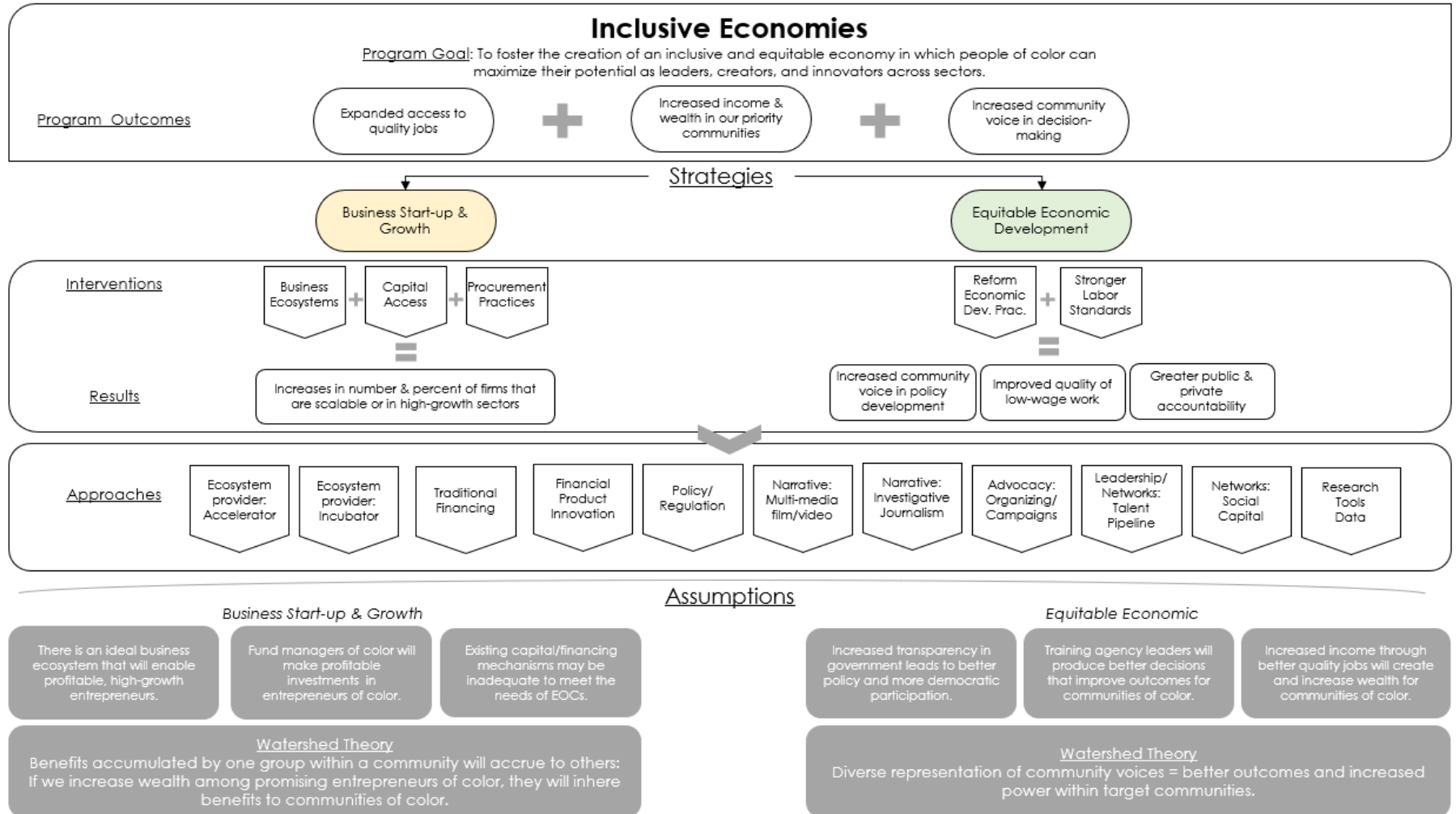
The design of this pilot was an important part of an overall culture of inquiry to learn—*along with our grantee partners*—how our work can be shared and improved upon to achieve the goals we are striving for. While each of our programs are taking slightly different approaches based on the nature of their work, the Surdna Foundation is committed to a learning culture that is:

- is in service of our goal working towards social justice and racial equity;
- strives for continuous improvement rather than proof of impact;
- shares knowledge with our partners;
- enables informed decision-making and strategic action;
- values patience;
- places importance on both quantitative and qualitative data; and
- values grantee collaboration and participation.

Thanks to all of you who participated in the pilot, whose extraordinary work is the reason we exist.

Appendix

Appendix A: IE Program Schematic



Links to Key Resources

1. **IE Fluxx Pilot Presentation on Initial Findings:** This slide presentation highlights key facts about the pilot. [View the presentation.](#)
2. **Inclusive Economies Metrics Glossary:** To be as clear as possible with definitions, Surdna staff members created a metrics glossary. This glossary provided a definition for each metric along with an example. [Access the glossary.](#)
3. **Survey Data:** This is a summary of all the feedback provided by participating grantee partners. The feedback provided here informed the construction of this report, analysis, and our next steps. [Review the survey.](#)
4. **Screenshots of Metrics Reporting Section:** Check out [examples](#) of the user interface that was piloted by our grantee partners for reporting on metrics.