Deliverable #5: LendaHand Alliance Cohort Evaluation Plan

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I. LendaHand Alliance Background and Context

LendingTree Foundation (LTF) came out of the company LendingTree, an online lending platform that is based in Charlotte, NC. In 2012, every LendingTree employee received $200 to donate to charity. Instead of dictating where the donations would go, LendingTree allowed employees to donate to a cause of their choice. This began LTF's focus on trust-based philanthropy, in which foundations empower recipients of funding by allowing them to decide how best to use the funding they receive, without conditions for its use. This model of trust-based philanthropy is at the root of the work LTF continues to do to this day.

LTF has four pillars that guide their work:

- Innovation and Entrepreneurship
- Homeownership
- Financial Wellness
- Upward Mobility

In addition to these pillars, LTF focuses on supporting emerging nonprofit organizations that are founder-led, particularly organizations with strong community ties.

<u>The LendaHand Alliance Model:</u>

In 2020, LTF launched the LendaHand Alliance, a cohort of nonprofit organizations selected based on their alignment with the LTF pillars and the priorities of the foundation. The inaugural cohort includes ten nonprofits based in Charlotte, NC. The LTF aims to expand the second cohort to include two nonprofit organizations in Seattle, while continuing its work in Charlotte. Foundation leadership also hopes to scale the model nation-wide.

Nonprofits in the inaugural cohort received $125,000 per year for three years, with funding disbursed annually. Recipient organizations can use this funding however they see fit, including for capacity building and infrastructure. Unlike grants from many other foundations, there are no requirements for it to be used for a particular program. The goals of this approach are to empower organizations to address the needs they see in the communities they serve and to build the capacity of these organizations. As a cohort-based program, in addition to granting this funding, LTF also provides resources for organizations and opportunities to network with each other and share ideas and knowledge.

While there is a three-year commitment with this funding, LTF aims to help organizations expand their capacity beyond the grant period. LTF supports organizations with strategy, marketing, and fundraising, as well as planning for staff and board development. Examples of this support include bringing cohort members together for quarterly training sessions and connecting them with outside consultants. By providing unrestricted funding and training that will help organizations well beyond the three-year grant period, LTF seeks to help these organizations continue to expand their capacity and sustainability after their time in the LendaHand Alliance.

<u>Context:</u>

LTF’s work currently focuses on supporting nonprofit organizations in Charlotte, NC. Charlotte is the largest city in North Carolina, with a population of 879,709 people in 2021. In 2021, Charlotte had a poverty rate of 11.6% (*U.S. Census Bureau, 2023*).

LTF’s four pillars, (Innovation and Entrepreneurship, Homeownership, Financial Wellness, and Upward Mobility) are especially important given the socio-economic factors at play in Charlotte. A 2014 study led by Harvard economics professor, Raj Chetty, ranked Charlotte last in economic mobility among the 50 largest U.S. municipalities (*Updated Chetty Study Data Paints a Surprising Picture of Economic Mobility in Mecklenburg County*, 2022). This study measured economic mobility as the chances that a child who grew up in the bottom quintile of the national income distribution would move into the top quintile. This reality in Charlotte galvanized efforts to improve opportunities for socioeconomic mobility and paved the way for the implementation of the LendaHand Alliance.

II. Program Description and Logic Model

In its inaugural LendaHand Alliance cohort, LTF supports nonprofits expanding access to art and artists, helping people rise above addiction to return to building their communities, improving financial and technological literacy, and increasing the supply of affordable housing (*LendingTree Foundation*, n.d.). Through its support and empowerment of these stakeholders and their efforts in the community, LTF hopes to loosen some of the binding issues restricting economic mobility in Charlotte and elsewhere in the United States.

A central goal driving LTF’s efforts with the Alliance is to create a new, scalable cohort model for networks of nonprofits in other regions with similar challenges in socioeconomic mobility. Table 1 lists the organizations in the inaugural cohort and their focus areas.

Table 1. Cohort Organization and their Focus Areas

Organization	**Focus area**
ArtPop Street Gallery	Showcasing local artists and increasing accessibility of art
Charlotte is Creative	Connect creatives to resources and community
Charlotte Rescue Mission	Addiction recovery and life skills
Common Wealth Charlotte	Financial education and economic mobility
Digi-Bridge	STEAM opportunities for youth
Do Greater Charlotte	Exposure to entrepreneurship & technology for youth
Dottie Rose Foundation	Empowering girls into the tech space
Freedom Communities	Upward mobility on the Freedom Drive Corridor
The Relatives	Help vulnerable youth and young adults achieve independence
West Side Community Land Trust	Affordable housing on the West Side

Evaluand: LendaHand Alliance

April Whitlock, LTF’s executive director and the Head of Corporate Citizenship at LendingTree, views the evaluation of the program’s cohort model—and implementation of trust-based philanthropy—as a vital next step in the program’s growth. Supporting the efforts of an outside evaluator, Diane Gavarkavich, we present this evaluation plan to inform LTF’s approach to evaluating the next Alliance model cohort, informed by learnings from this inaugural three-year cohort.

April and Diane seek support in determining useful measures of impact, such as the growth of social capital and benefits of cohort relationships, which may be foreign to investors. Specifically, we reflected on the questions:

- How can you measure effects of the cohort model that seem a bit intangible but are still valuable?
- How do you measure trust, neutrality, and other important features that come with social capital?

The evaluation itself will provide some clarity on the worth, and not just the merit, of the program to the LendingTree Board. The evaluation should also provide further insight on LTF's approach and methods benefiting members of future cohorts, who will have improved guidance and support from the program's sponsors, LTF, and those whom the Foundation connects to the nonprofits in the cohort.

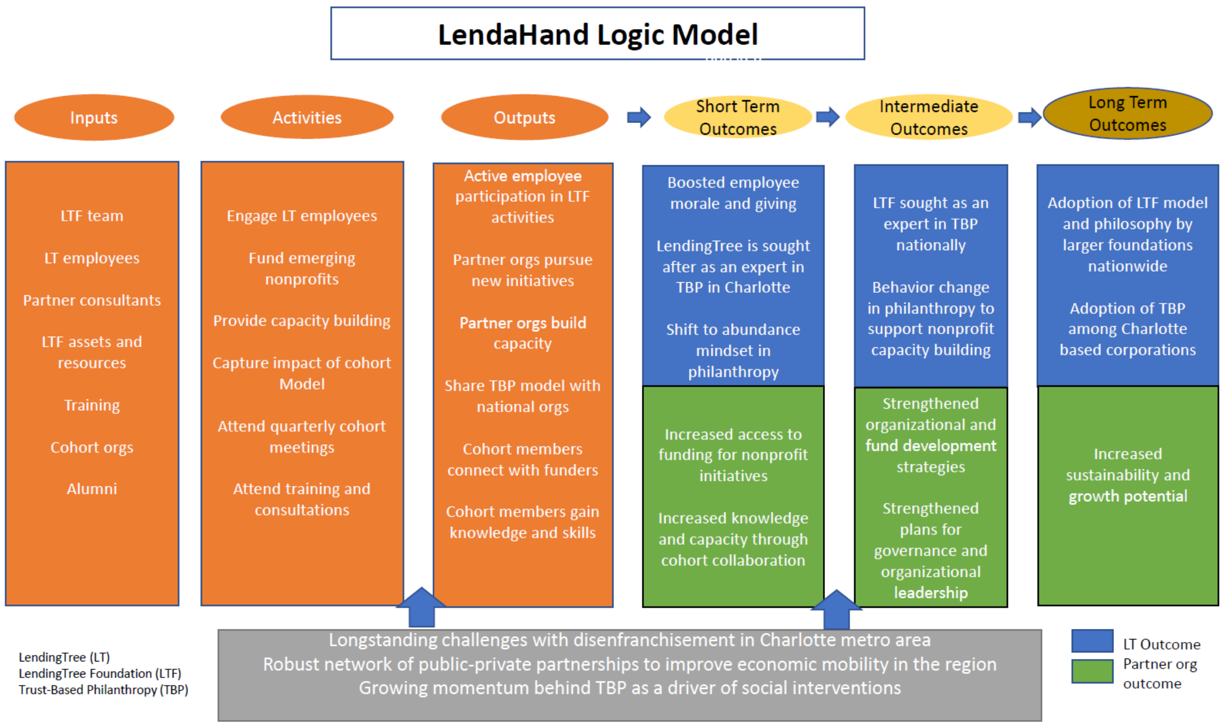
Logic Model

The logic model provides an overview of the activities, programs, and outcomes defining the first three-year LendaHand Alliance cohort. The cohort includes ten nonprofits—labeled as "cohort orgs"—having impact across diverse service areas in Charlotte, aligned with LTF's four pillars: Innovation and Entrepreneurship, Homeownership, Financial Wellness, and Upward Mobility.

The following are key areas defining the relationships and interplay of resources and functions which characterize the program.

- The **Inputs** represent two things: (1) the resources that the Alliance model makes available to help cohort participants effectively meet their unique goal, including recruitment of employees and training and donor engagement; and (2) the cohort participants' own contributions to the network of organizations, including "Spotlight Alumni" who offer guidance from their own experiences.
- The **Activities** encompass functions and strategies to equip all cohort participants with tools to help the organizations effectively mobilize and implement methods to drive their respective missions, facilitated by LTF's approach to trust-based philanthropy.
- The **Outputs** reflect how the Alliance model addresses the questions of "in what" and "for whom", including employees' engagement with LTF's activities, capacity building exercises and getting connected to donors.
- The **Outcomes** are broken out by short-term, intermediate, and long-term focus. The short-term outcomes for LTF include boosted employee morale and establishment in Charlotte as a known resource for expertise, while Alliance nonprofits experience better access to funding and greater knowledge relevant to nonprofit management. In the intermediate term, LTF becomes a resource for trust-based philanthropy on the national stage as participating nonprofits strengthen organizational and fund development strategies. In the long-term, LTF becomes the central driver of a national consortium of corporate trust-based philanthropic giving. Alliance participants have strengthened governance and improved leadership competencies and are fully equipped to market their vision, attract donors, access funding, create network hubs for sharing experiences and strategies with other non-profits, and build their own operational capacity to accomplish their goal(s).

The above is all influenced by several external factors, including the pervasive poverty in Charlotte that prompted a mobilization of public-private partnerships to address lack of economic mobility in the region. The growing reception to trust-based philanthropy is another factor that ties into the resources, activities, and desired outcomes of the Alliance model.



III. Evaluation purpose and priority questions to be addressed

The main purpose of this effort is to evaluate the effectiveness of the LTF's LendaHand Alliance cohort model in promoting unrestricted giving, capacity-building, and collaboration among emerging nonprofits in the Charlotte area. The evaluation will be implemented starting with the next cohort of nonprofits that participate in the Alliance model after the conclusion of the current three-year cohort. Learnings from this evaluation will inform expansions of the cohort model into other LendingTree markets.

There are three key objectives driving the evaluation:

1. To assess the impact of the program's Alliance Cohort model on participating nonprofits' capacity-building, fundraising, and collaboration efforts
2. To evaluate the effectiveness of the program's trust-based approach in promoting a shift from a scarcity mindset to an abundance mindset among cohort members
3. To identify the ripple effects of the program beyond transactional metrics and evaluate the program's impact on the wider nonprofit community in the Charlotte area

The priority questions that we aim to address in this evaluation are:

1. To what extent does the Alliance cohort model facilitate trust-building and collaboration among participating nonprofits, and how does this impact the participating nonprofits' ability to work together and achieve their goals?
2. How effective is the Alliance cohort model in investing in capacity-building and augmenting community impact, and what specific outcomes result from this investment?
3. To what degree does participation in the Alliance cohort lead to a shift in mindset among the participating nonprofits, particularly in terms of their perceived ability to be self-sufficient and sustain their work beyond the program's duration?

IV. Evaluation design: Data collection methods and data analysis plan

Data Collection Methods

The proposed evaluation would take the form of a sequential mixed methods approach that starts with a cohort-wide pre/post survey, followed by semi-structured interviews with targeted cohort participants.

1. Survey: A pre/post survey will be developed to capture quantitative data on program impact, with the pre version implemented within the first three months of the cohort and the post within the last six months of the program. The survey will include closed-ended questions that can be analyzed using statistical methods to measure program effectiveness. Cohort member surveys will be distributed to all participating organizations, the leadership/founders of which will distribute to appropriate respondents.
2. Case Interviews: The case interviews will be conducted to gather qualitative data on the program's impact. These interviews will be conducted with a representative group of cohort members selected based on their level of engagement with program resources and training, and geographic location. This includes nonprofit leaders and key organizational staff in the cohort. These interviews will be semi-structured, meaning that while they will have a set of questions, they will also be open-ended, allowing for follow-up questions based on the responses of the interviewees.

Combining quantitative survey data with insights from qualitative data will help us gain a more comprehensive understanding of the LendaHand Alliance model's impact on participating nonprofits and identify any notable disparities or challenges faced by certain groups. Using an explanatory sequential design will enable more open exchange through the interviews to follow from empirical insights gained through survey data.

The main source of both quantitative and qualitative data will be the 10 nonprofit organizations participating in the Alliance cohort. The survey and the case interviews will be administered to the cohort participants themselves, including executive directors, program personnel, and other key staff members who have been involved in the Alliance cohort. To ensure a diverse representation in the case interviews, the evaluation team will consider factors such as organizational size, budget, program focus, and demographics of the staff. The team will work closely with LTF staff to ensure that the sample is inclusive of diverse voices and perspectives, and that all participants have an equal opportunity to share their experiences and insights.

Timeframe for data collection and deployment of methods

This evaluation is meant to be conducted after the conclusion of the current three-year cohort and the start of the next cohort. Starting the evaluation with the next cohort allows for transparent communication about the evaluation's purpose and socialization of approach, enabling participant' input. Providing a preliminary questionnaire to participants at the beginning of the next cohort would enable the evaluators and LTF to establish a baseline for comparison to responses later, when the more robust portion of the evaluation will be carried out.

The pre survey would be administered in the first three months of the cohort, while an appropriate timeframe for the post survey and case interviews would within the final six months of the third program year, after conclusion of the inaugural cohort. Survey data collection can continue for a period of 4-6 weeks, with reminders to encourage completion.

For the case interviews, data collection should begin after the survey has been completed and analyzed, so the results of the survey can inform the selection of interviewees and the focus of the interviews. The post survey and case interviews should be completed within the closing six-month period of the third program year to ensure that the data collected is timely and relevant.

Resources and Logistics

To conduct the evaluation of the LendaHand Alliance cohort, LTF will need a range of resources to collect and analyze the data. Given potential limited resources, it's important that the tools used for data collection and analysis are not prohibitively expensive. There are myriad free and low-cost tools to collect the survey data, including Google Forms. We will also use low-cost tools such as Zoom for conducting the semi-structured interviews. In addition, we will use transcription software to transcribe the interviews, which can be a cost-effective alternative to hiring a professional transcription service.

To ensure that the data analysis process is inclusive, we will involve the cohort participants as much as possible and ensure all stakeholders are aware of available options and their unique merits. Their judgment on this will be an important driver of the tools that will be used in the evaluation. The following guiding principles will help ensure an inclusive process in data collection and analysis:

- Provide opportunities for participants to review and provide feedback on the survey questions before the survey is launched
- Schedule the semi-structured interviews at times that are convenient for the participants, taking into account their work schedules. This is especially important for the nonprofit leadership who have busy calendars and limited bandwidth
- Ensure that participants are informed about the evaluation process and have a clear understanding of how their input will be used. We will also seek input from the LTF to ensure that the evaluation process is sensitive to the needs and experiences of the participating nonprofits. By involving the cohort participants in the evaluation process, we aim to ensure that the evaluation findings are relevant, meaningful, and useful to cohort participants

Standards of comparison

Given that LTF aims to become a resource for trust-based philanthropy across the U.S., and hopes to assess the potential for the Alliance cohort model to scale and be replicated in other metro areas, it is appropriate to focus comparative assessment on the impact of the Alliance cohort model with that of traditional philanthropic giving models. While the evaluation will also assess how the program has impacted the wider nonprofit community in the Charlotte area, learnings from the evaluation should also help LTF understand how their model compares to other implementations of trust-based philanthropy. As part of the evaluation, it will be worthwhile to identify 4-5 other organizations employing trust-based philanthropic giving in nonprofit contexts—ideally, in metropolitan areas with similar socioeconomic characteristics and demographics as Charlotte.

Data Analysis Plan

Overall, the mixed-methods approach would produce both quantitative data providing a broad overview of program impact and qualitative data providing depth and context to the findings. The approach to survey data will be heavily oriented towards descriptive statistical analysis, with some use of inferential methods where feasible.

The proposed criteria for success in the LendaHand Alliance program include:

- Increase in trust and collaboration between participating nonprofits -To determine if change in trust occurred, the following measures could be considered:
    1. *Frequency and quality of communication*: How often the participating nonprofits communicate with each other and the quality of communication, such as open and honest communication
    2. *Collaboration*: The number and quality of collaborative initiatives between participating nonprofits
    3. *Confidentiality*: The level of confidentiality and sharing of sensitive information among participants

4. *Shared strategic vision*: Instances of participating nonprofits working collaboratively in developing and executing on strategies related to shared goals (e.g., economic empowerment in the Charlotte area)
5. *Long-term relationships*: The extent to which participating nonprofits feel that their participation in the program has facilitated long-term, meaningful relationships with other nonprofits in the Charlotte area
6. *Perception of trust-building actions*: The participating nonprofits' perception of the program's specific actions to build trust among them and how effective these actions have been

- <u>Increased capacity of participating nonprofits to deliver services and achieve their missions</u>
- <u>Augmented community impact through partnerships and collaborations among participating nonprofits</u>

  The following measures of capacity building could help capture how organizations are expanding and achieving more community impact:

  1. Number of new programs or services offered
  2. Increase in the number of beneficiaries served
  3. Increase in organizational budget and revenue
  4. Increase in new funding streams, such as individual donations and foundation grants
  5. Number of new partnerships or collaborations formed
  6. Increase in staff size or volunteer base
  7. Improved staff retention rates
  8. Improved communication and marketing strategies (e.g., social media presence, newsletter subscribers, number of events, number of event attendees, press mentions)
  9. Improved technology infrastructure and data management systems
  10. Expansion of physical presence, such as additional office or program space

- <u>Improved mindset among participating nonprofits regarding their ability to self-</u>sustain – The following are potential measures of mind shift change for nonprofit leaders in the cohort:
  1. Attitudes towards financial security (e.g., increase or decrease in confidence in the organization's financial stability and sustainability)
  2. Attitudes towards creativity and innovation (e.g., increased willingness to experiment with new programs or initiatives)
  3. Attitudes towards capacity building (e.g., increased appreciation for the importance of investing in staff training and development)

For the survey data, the first step would be to clean and prepare the data for analysis, including checking for missing data. Once the data is clean, the initial analysis we would perform would involve the following steps:

1. <u>Produce descriptive statistics</u>: Calculate basic summary statistics (mean, median, standard deviation, etc.) for each survey question to describe the central tendency, variability, and distribution of the responses
2. <u>Conduct frequency analysis</u>: Count the number and percentage of participants who selected each response option for each survey question to identify the most common responses
3. <u>Determine relevant crosstabulations</u>: Cross-tabulate two or more survey questions to examine the relationships between variables. For example, cross-tabulate responses to the question "To what extent have the participating nonprofits increased their fundraising capacity as a result of the

program's support?" with responses to the question "How has unrestricted funding given participants newfound capacity to expand their reach, improve their programming, or deepen their impact?" to see if there is a correlation between increased fundraising capacity and expanded reach, improved programming, or deepened impact

Though it would be more challenging and resource-heavy, inferential statistics such as a regression analysis could also be conducted to examine the relationship between specific program components and program effectiveness. Alternatively—or in addition to a regression analysis—we could perform a chi-square test to determine if there are significant differences in the responses to a survey question between different subgroups of participants (e.g., nonprofit leaders vs. organizational staff).

The case interviews would be recorded and transcribed for analysis, ideally using budget-friendly tools such as Nvivo or Atlas-TI. The transcripts would be coded using a thematic analysis approach to identify key themes related to the program's impact, with codes organized into categories based on the research questions to identify patterns and trends. Quotes from the interviews could also be used to support the identified themes and provide context for the findings. The qualitative data from the case interviews would be used to supplement and expand upon the quantitative data from the survey.

To rule out alternative explanations and justify conclusions, we may need additional contextual or financial information. For example, we could compare the results of the cohort to another group of nonprofits in Charlotte area that did not participate in the program. We may also need to consider external factors such as changes in the political or economic climate that may have influenced the program's impact. It would be important to work closely with the LTF staff to gather any additional information necessary to make informed conclusions about the program's effectiveness.

V. Dissemination and Use Plan

Our primary objective with dissemination of results is to convey the LendaHand Alliance cohort model's impact and worth to LTF Leadership and encourage the refinement of the program in order to build upon the successes of and mitigate challenges experienced by its inaugural cohort.

A secondary objective is to promote the successes, challenges, and lessons learned from the inaugural cohort and implementation of LTF's trust-based philanthropy model for future implementation, which could see use by:

- Members of the inaugural cohort as they continue their efforts in Charlotte
- Prospective members of future cohorts
- Funders interested in implementation of trust-based philanthropy in the real world

<u>Anticipated Use</u>
LTF Leadership is anticipated to use elements of the report and presentation in instrumental and persuasive manners, to both strengthen the program itself and garner support for it. Members of the cohort are anticipated to use the findings in an instrumental and conceptual manner, building on lessons learned as participants in the program to evaluate its impact on their operations.

<u>Dissemination Plan</u>
Our recommendation with regard to dissemination of the findings of the evaluation follows a mixed-methods approach as follows:

Deliver a full, formal report to April Whitlock, Executive Director of LTF, with a companion presentation for LTF leadership, followed by a secondary dissemination summarizing the findings in a brochure format for broader use by cohort members and other community partners. This secondary dissemination may be further redistributed in lieu of the formal report by LTF in the future in pursuit of long-term program goals of adoption of the LendaHand Alliance model by larger foundations and Charlotte-based corporations.

The formal report will follow instrumental as well as legitimate utilization (LTF Leadership already hopes to continue the LendaHand Alliance Model in a second series with cohort members in the Charlotte, NC and Seattle, WA area). The presentation will aid in the conceptualization of the model to LTF leadership to cement the findings of the evaluation and further its ability to communicate the impacts of the program to future cohort participants, investors, and other stakeholders. The use of both the formal report and presentation should avoid ethics issues by presenting the data without reservation and in as clear and concise language as possible. We recommend that the presentation be recorded for future reference and possible further dissemination at the community partner's discretion.

A secondary dissemination consisting of a more concise, accessible and visually-intensive summary of the report with the possibility of a companion presentation for stakeholders, particularly members of the inaugural cohort and prospective future cohort participants will follow. This format is suggested for the dual reasons of brevity, as not all information discovered through the evaluation would be applicable to the members of the cohort, and privacy, as some information discovered in the course of the evaluation may be inappropriate for dissemination. Relevant stakeholders should be consulted prior to this dissemination to avoid unintended disclosure of sensitive information and contextual information of Trust-based philanthropy should be included.

It is recommended that materials from the secondary presentation be retained by LTF in a web-based format and translated into Spanish in order to reach a broader population of non-native English speakers in the Charlotte area and beyond with possible additional translations should funders and prospective cohort members belong to non-native English-speaking communities. This web format should be configured for both desktop and mobile devices to ensure accessibility.

Product	**Target**	**Audience**	**Use**	**Deliverer**	**Notes**
Written					
Formal Report	4-6 weeks after data collection is completed	LTF Leadership	Instrumental/ Conceptual	Evaluator	
Infographic	4 weeks after initial report	Cohort Members and additional stakeholders	Instrumental/ Conceptual	LTF Leadership and Evaluator	
Presentations					
LTF Leadership	4 weeks after formal report is received	LTF Leadership and Staff	Conceptual	Evaluator	Persuasive presentation to be conducted by LTF
Stakeholder	4-6 weeks after initial presentation	Cohort Members and additional stakeholders	Conceptual	LTF Leadership and Evaluator	

VI. Appendix

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<td>Evaluation Question(s)
What questions will be answered by the data you collect?</td>
<td>Assessing trust-building and collaboration
1. How frequently do the participants engage in open and honest communication with each other?
2. What specific actions has the program taken to build trust among participating nonprofits, and how effective have these actions been?
3. To what extent do the participating nonprofits feel comfortable sharing confidential information, concerns, and challenges with each other?
4. How has the program's cohort model impacted the level of trust among participating nonprofits compared to traditional philanthropic giving?
5. To what extent do the participating nonprofits feel that their participation in the program has facilitated long-term, meaningful relationships with other nonprofits in the Charlotte area?
6. How do the participating nonprofits envision the continuation of their relationships beyond the three-year funding commitment?

Measuring the effectiveness of investments in capacity-building and augmenting community impact:
1. To what extent have the participating nonprofits increased their facility to deliver services or fulfill their mission as a result of the program's investments in capacity-building?
2. How has unrestricted funding given participants newfound capacity to expand their reach, improve their programming, or deepen their impact?
3. To what extent have the participating nonprofits increased their fundraising capacity as a result of the program's support, and how has this impacted their ability to sustain their work?
4. How has the program's emphasis on trust-based philanthropy impacted the participating nonprofits' capacity-building efforts compared to traditional grant-making models?
5. To what extent have the participating nonprofits leveraged their capacity to build partnerships and collaborate with other nonprofits or stakeholders in the Charlotte area?
6. How has participation in the cohort enabled participants to expand their community reach and impact?
7. In what ways have the participating nonprofits been able to leverage their involvement in the cohort to attract additional funding or support for their programs and initiatives?

Assessing shift in mindset regarding ability to self-sustain
4. To what extent do participating nonprofits feel more confident in their ability to generate their own revenue and become financially self-sufficient?
5. In what ways have the participating nonprofits' attitudes and approaches towards fundraising changed over the course of the program?
6. To what extent have the participating nonprofits developed new skills and knowledge related to financial management and sustainability?
7. How has the cohort model and the support provided by the program impacted the participating nonprofits' perceptions of their own capacity to achieve their mission and goals?</td>
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