— A BOOK FOR NONPROFITS —

Candid

The Power of Psychologically Safe Feedback

— BY —

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PULSE FOR GOOD

Candid: The Power of Psychologically Safe Feedback
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CHAPTER

02

Why Gather Feedback as a Nonprofit?

"When we don't prioritize feedback, we are effectively operating in the dark."

During a chat with a Utah state senator, he told us that though the state is spending hundreds of millions on homelessness, they have no idea if their funding is actually helping. For us, that hit hard. Clearly, there was a want to help and money budgeted to help, yet that help was directionless. The state was effectively pouring money into a cause without a game plan and hoping it would aid those in need. You can see straight away how that might be an ineffective strategy. Yet, at Pulse For Good, we consistently see this same issue in the organizations we work with. They don't have the right feedback they need to inform their strategy, so they end up throwing money at the wall and hoping it helps to do something for those in need.

What's more, the funders who donate that money wonder if those funds are making any real difference or simply just vanishing into thin air. Without any feedback loop in motion to see how their donations are making a difference, they might stop donating all together. These days, nonprofits are being stretched thin, resources are tight, and there are more organizations competing for the same dollars. If you're not helping puppies or kids, it's getting tougher to keep donors happy because they are tired of giving money to problems that never seem to get fixed.

To make a difference and show their donors that difference, nonprofits need to make feedback a priority. Too often, nonprofits assume they know what's best without asking for input, or they are so busy that gathering feedback feels impossible. But when we don't prioritize feedback, we are effectively operating in the dark or throwing money at the wall.

Sadly, sometimes even when nonprofits do gather data, it's not the correct data. We have found that many nonprofit organizations tend to focus on the numbers—how many meals served, how many people housed—but they forget to ask how those people feel about the services they receive. Feedback helps fill in those blanks, making the story you tell more complete and

compelling. Sometimes, the feedback that points out problems can be what attracts more donation support, as it shows where help is urgently needed.

From a strategic standpoint, feedback is gold. It helps nonprofits tell their stories in a way that resonates. There's an old saying: "The squeaky wheel gets the grease." If everything looks perfect on the outside, funders might assume you don't need their help. Or, experienced funders might know that if everything looks perfect, there are probably some problems hidden away, like

the clutter tucked under a bed. But when they see some of the dirty laundry, it often helps organizations feel more authentic to funders, and they are excited to put their money towards fixing a problem they can see.

Take a homeless shelter, for example. Donors aren't impressed by how clean the place is. They care about whether homelessness is being addressed. If they still see people on the streets after they have donated, they will be more concerned about your impact than your facilities.

In the end, gathering feedback helps you build trust, improve your services, and understand the true value of what you provide. Listening is key. It shows you're not just slapping a band-aid on the problem, but that you are committed to solving it with the help of the very people you serve.

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HOW FEEDBACK CAN IMPROVE YOUR NONPROFIT

In case we haven't given you enough of a reason to care about gathering feedback, here are five more.

1. Gives Clients a Voice

When clients have strong feelings but no way to express them within your organization, they often vent on platforms like Yelp or Facebook. This external feedback can be damaging if it's the first time you hear about an issue. By providing an in-house outlet for feedback, you can address concerns before they spiral, keeping the conversation within your control and allowing you to manage it effectively.

2. Is Often Required

Gathering feedback is no longer optional—it's quickly becoming a must for nonprofits, especially when federal or state funding is on the line. In healthcare, for example, patient feedback is required across the board, with entire departments dedicated to it. The same trend is spreading to the nonprofit sector, making feedback collection a standard expectation for continued funding and operational success.

3. Helps to Secure Grants

These days, most foundations expect nonprofits to include data and feedback in their grant reports or, at the very least, explain how they plan to

gather this information. Grantors want to know that the organizations they fund are making data-driven decisions and actively listening to the communities they aim to serve. By showing that you're not only gathering input but also acting on it, you make a compelling case that your investors' money will lead to meaningful and measurable results.

4. Outlines Service Gaps

Feedback is also crucial for spotting gaps that other review systems might miss. While platforms like Google focus on five-star ratings, that type of feedback can often be shallow. Real, actionable feedback provides the insights needed to identify and address areas for improvement. It is invaluable for nonprofits looking to make meaningful changes and enhance their services.

5. Helps You Become "Restaurant Smart"

In the book Unreasonable Hospitality[4], Will Guidara talks about the difference between being "restaurant smart" (focusing on what's best for guests) versus "business smart" (focusing on running a tight ship). The same idea applies to nonprofits. You can be business smart and still miss the mark on what's best for the people you serve. The only way to really know if you are meeting their needs is by asking them directly.

These five reasons show why feedback is so powerful for your nonprofit. At Pulse For Good, we're all about doing less but better. We believe in the power of feedback to make nonprofits more effective by streamlining processes to focus on what truly matters and systematizing feedback collection. Without feedback, you are just guessing, relying on assumptions instead of facts. Feedback lights the way, showing you what's working and what needs improvement.

Our approach outlined in the coming chapters is designed to help you gather the data you need efficiently, so you can make informed decisions that truly make a difference. You don't know what you don't know, and that's why asking for feedback is so important. Embracing a growth mindset, rather than fearing the gaps you might find, is the key to refining your services.

> *Donors aren't impressed by how clean the place is. They care about whether homelessness is being addressed.*

With the right systems in place, you can gather the data you need to make better decisions and create a bigger impact with less effort.

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NONPROFITS WHO HAVE BEEN EMPOWERED BY FEEDBACK

Feedback is powerful, but you don't have to take our word for it. Here are a couple of stories from nonprofits that have used feedback to seriously level up their impact.

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CATHOLIC COMMUNITY SERVICES

A few years back, Catholic Community Services (CCS) was in the running to operate a new homeless shelter in Salt Lake City. While they had experience with a soup kitchen, running a shelter was new territory. To those in the running, we suggested gathering feedback from the people they'd be serving, and CCS was the only organization to take our advice.

They started collecting feedback and quickly found out that the lack of shower curtains was a big deal for their guests. The curtains had been removed to prevent issues, but the feedback showed that this caused discomfort. CCS listened, installed shower curtains, and immediately saw a positive response from the community.

But they didn't stop there. They kept gathering feedback and making small but meaningful changes. When they submitted their proposal to run the shelter, they included all the feedback they collected, along with what they had done to

address that feedback. The result? CCS won the contract. Not because they had the most experience, but because they showed a real commitment to listening and improving. They built trust with both their clients and the broader community, proving that they were dedicated to getting better, even if they weren't perfect. Today, many other service providers look to follow CCS's example.

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HOUSING FIRST

The Housing First model, now the gold standard in addressing homelessness, came from a simple yet powerful idea: ask people experiencing homelessness what they need. Initially, the creator of Housing First tried different approaches without much success. They focused on helping the homeless with food, job assistance, and many other services. But once they asked those affected directly, the solution became clear. People needed stable housing first and foremost.

This approach set a new benchmark for nonprofits working in homelessness and helped to shape a program that truly works. By prioritizing immediate housing, Housing First became a transformative program, now adopted nationwide. This is what it means to really listen to those you serve. When you engage directly with the people impacted and base your solutions on their input, you create programs that are effective and successful.

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REMEMBER: FEEDBACK IS FROM LIVED EXPERIENCE

Gathering meaningful feedback means engaging with people who have lived experience. According to the Oxford dictionary, lived experience is "personal knowledge about the world gained through direct, first-hand involvement in everyday events rather than through representations constructed by other people."[5] In other words, we need to get feedback directly from those who have faced homelessness, addiction, mental health challenges, or any number of difficulties our nonprofits aim to serve.

Sadly, connecting with these individuals isn't always easy. How do you engage someone who's in the thick of such struggles? Approaches like including

people on boards, running

listening sessions, or hiring individuals with these experiences can help. But we believe the most effective and thorough way is through a structured approach to gathering feedback. This system prevents tokenism (where people are included superficially) and ensures the feedback is relevant and comes from genuine expertise.

Note the difference between lived experience and lived expertise. Lived experience is something that happens at a specific moment, while lived expertise comes from dealing with something over a long period. However, lived expertise can become outdated. For example, advice from those who experienced a vulnerability such as homelessness early during the COVID-19 pandemic might not apply as the pandemic evolved. Similarly, travel advice from before 9/11 doesn't necessarily hold up today. It's the difference between a chef and a diner—one cooks the food, and the other enjoys it. The diner's knowledge is valuable, but it might not reflect the realities of the kitchen.

For nonprofits, this means recognizing that while lived expertise offers valuable historical insights, lived experience is often more relevant to current challenges. Fresh, up-to-date feedback from those still in the experience provides insights that apply directly to the present, rather than relying on outdated knowledge.

We hope this chapter has made it clear just how essential feedback is for your nonprofit's success. Whether it's building trust, securing funding, or improving services, feedback is the key to understanding and meeting the needs of those you serve. In the upcoming chapters, we'll dive into how to gather feedback effectively and the importance of addressing biases. Homework Here are a few things you can do today to understand how you are gathering feedback:

- Identify where you currently gather feedback. Are there gaps where important voices are

  being missed?

- Reflect on whether your feedback process is geared toward validation or genuine

improvement. The goal of feedback gathering isn't to hear about how good of a job you are doing.

- Check that your surveys and feedback tools are accessible and user-friendly for the

  people you serve.

- Evaluate how you respond to feedback today. Are you showing that you value feedback

by acknowledging it and making adjustments to solve the issues it uncovers?

FROM THE BACK COVER

Transform how you listen. Change lives at scale.

Feedback is often the most untapped resource in a nonprofit — the one that holds the power to drive real impact. Too many organizations end up collecting surface-level feedback or missing the mark when it comes to truly understanding the needs of those they serve. *Candid* is your guide to building a feedback system that gives you the insights you actually need.

The team at Pulse For Good has collected more than 375,000 anonymous feedback responses across hundreds of locations since 2015, transforming the way nonprofits connect with the people at the heart of their work. Their mission is simple but powerful: to give leaders the data they need to make the best possible choices.

Through this book, you'll discover practical, actionable strategies to gather honest input, close the feedback loop, and build trust both within your organization and with your community. Written for nonprofits of all sizes, *Candid* shows how to turn feedback into real impact at scale.

With candid feedback, you can create lasting impact for those you serve.

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