
Theory of Change

A Guide for Community Changemakers

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Theory of Change Guide for Community-Based Organizations (CBOs)

Strengthening Proposals and Programs Through Strategic Thinking

What is a Theory of Change?

A Theory of Change (TOC) is a strategic planning tool that maps out how your organization believes change happens—specifically, how your activities will lead to your desired long-term outcomes. Think of it as a roadmap that connects your daily work to your ultimate impact, showing the logical sequence of events that must occur for your mission to succeed.

Unlike a logic model, which focuses on inputs and outputs, a Theory of Change starts with your end goal and works backward, identifying all the conditions that must be in place for that change to occur. It's both a planning tool and a communication device that helps funders understand not just what you do, but why you believe it will work.

Your Theory of Change is your shared story about what you do and why.

Why Theory of Change Matters for CBOs

For Funders: TOCs demonstrate strategic thinking and evidence-based approaches. They show that you've thought deeply about the problem you're addressing and have a clear hypothesis about how to solve it. This builds confidence in your organization's ability to achieve meaningful impact with their investment.

For Your Organization: Developing a TOC forces you to articulate your assumptions, identify potential risks, and clarify the connections between your activities and outcomes. This process often reveals gaps in your strategy or opportunities to strengthen your approach.

For Proposals: A well-crafted TOC serves as the backbone of compelling grant proposals, providing a clear narrative thread that connects problem identification through implementation to impact measurement.

Key Components of a Theory of Change

Effective TOCs include several essential elements:

- **Long-term Impact:** Your ultimate vision for change—what the world will look like if you succeed.

- **Outcomes:** The medium and short-term changes that must happen along the way, typically organized in a logical sequence from your long-term goal backward to your immediate results.
- **Activities & Resources:** The specific interventions, programs, or services your organization will implement and how you will support them.
- **Assumptions:** The beliefs and conditions you assume to be true for your theory to work.
- **External Factors:** Conditions outside your control that could influence your success.

From Simple to Sophisticated: TOC Examples

The Simplest Approach – Based on Strategyzer's [Value Proposition template](#), we have used the following simple prompt to generate initial alignment among project stakeholders: "We believe that [planned activities/products/services] will lead to [outcomes] because [assumptions]." This mad-libs style approach works particularly well for new organizations or those just beginning to articulate their theory.

Example: "We believe that providing after-school tutoring in math and reading will lead to improved academic performance and graduation rates because students need additional support beyond regular school hours, and consistent academic help builds both skills and confidence."

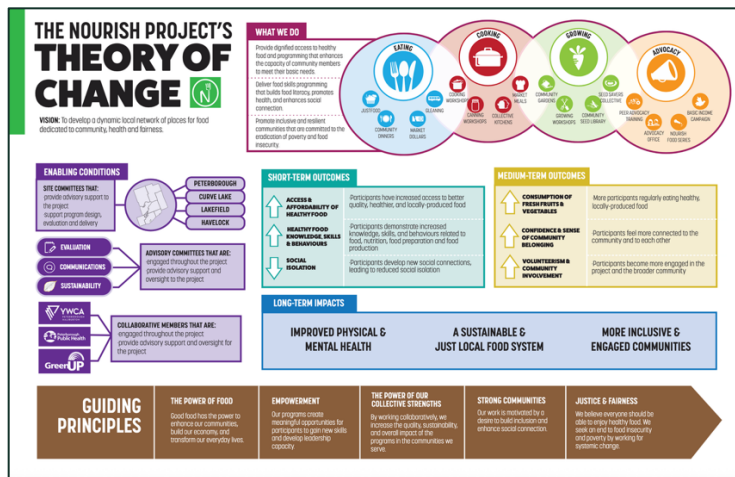
Mid-Level Complexity: Many successful nonprofits use visual maps that show the pathway from activities through short-term outcomes, medium-term outcomes, to long-term impact. These often include arrows showing the flow of change and boxes highlighting key assumptions.

Example: [Grantmakers Concerned with Immigrants and Refugees](#) (GCIR) created a visually engaging TOC to guide their programming, fund-development, and partnerships.



Highly Developed TOCs: Sophisticated organizations create comprehensive theories that include detailed outcome chains, explicit risk factors, feedback loops, and connections to broader systems change. These may span multiple pages and include research citations supporting key assumptions. Organizations typically develop such TOCs to [evaluate](#) and scale their work.

Example: The [Nourish Project](#) seeks to achieve outcomes in the areas of mental and physical health, the design of food systems, and community well-being through focused local programming, inclusive community engagement and governance, and collaborative advocacy and leadership development.



Theory of Change vs. Logic Models

While related, these tools serve different purposes. Logic models typically focus on the operational flow: inputs → activities → outputs → outcomes → impact. They're excellent for program management and basic accountability.

Theory of Change goes deeper, emphasizing the causal relationships and underlying assumptions about why change occurs. It's more strategic and explanatory, making it particularly valuable for complex social problems where the path to change isn't straightforward.

Many organizations benefit from using both tools: a TOC for strategic planning and external communication, and logic models for program implementation and routine monitoring.

Effective Practices for Developing

- **Start with the End:** Begin with your long-term impact and work backward. What needs to happen right before that impact occurs? And what needs to happen before that?
- **Make Assumptions Explicit:** Your theory is only as strong as its underlying assumptions. Identify them clearly and consider how you might test them.
- **Keep it Living:** Your TOC should evolve as you learn. Build in regular review and revision processes.
- **Involve Stakeholders:** Include beneficiaries, partners, and other stakeholders in your development process. Their insights often reveal important pathway elements you might miss.
- **Balance Simplicity and Completeness:** Your TOC should be comprehensive enough to capture your full theory but simple enough that anyone can understand it quickly.

Using TOCs in Grant Proposals

Frame your proposal around your TOC. Use it to demonstrate that your request isn't just about funding activities but about investing in a logical pathway to change. Show how you're monitoring and evaluation plan will test key assumptions and measure progress along your theory's pathway. Explain how your partners play a key role in reaching your outcomes identified in your TOC.

Connect your budget to your theory by showing how each major expense category supports critical elements of your change process. This transforms a budget from a list of costs into a strategic investment plan.

Conclusion

The best Theory of Change is one that authentically reflects your organization's beliefs about how change happens in your specific context. Use these resources as inspiration and guidance to develop a theory that represents your own unique approach to creating impact.

Key Resources

GrantCraft's "Mapping Change: Using a Theory of Change to Guide Planning and Evaluation"- This well-tested guide provides detailed frameworks for developing and using TOCs, with multiple nonprofit examples and practical worksheets. Particularly strong on connecting theory development to evaluation planning. Available at [Grantcraft.org](https://www.grantcraft.org/).

School of Social Impact Theory of Change Canvas is a downloadable template and set of instructions. Additional resources may also be helpful. Available at [School of Social Impact](https://www.schoolofsocialimpact.org/). Strategyzer's [Ad Lib template](https://www.strategyzer.com/ad-lib-template) can help you develop a similar tool for your own work.

The **Bridgespan Group, the Collective Impact Forum, FSG, and the Tamarack Institute** offer collections of resources, templates, training, cases studies, and webinars to help nonprofits and mission-centered organizations identify their intended (often collective) impact, develop and use TOCs, and advance systems change. Available at [Bridgespan Group](https://www.bridgespan.org/), [Collective Impact](https://www.collectiveimpactforum.org/), [FSG](https://www.fsg.org/), and [Tamarack Institute](https://www.tamarackinstitute.org/). (Newsletters available, registration required)