2011 ANNUAL REPORT

CEP BY THE NUMBERS

THE CENTER FOR EFFECTIVE PHILANTHROPY
2011 was a year of accomplishment for the Center for Effective Philanthropy. This report is the story of that accomplishment in numbers.
Dear Colleague,

The year 2011 marked the Center for Effective Philanthropy’s 10th anniversary, and it was a period of significant accomplishments for CEP. This Annual Report uses data to tell the story of our pursuit of more effective philanthropy during 2011.

While the data we present here is often encouraging, we believe funders have a long way yet to go before they are truly maximizing their effectiveness and as a result having the most positive impact possible on fields, communities, and people. We believe that foundation effectiveness requires clear goals, coherent strategies, disciplined implementation of those strategies, and relevant performance indicators. As for all organizations – from small businesses to big companies to human service nonprofits to colleges and universities – it takes tremendous will and discipline for funders to maximize their effectiveness.

But for funders, it’s an even bigger challenge because of the lack of naturally occurring feedback loops.

That’s where CEP comes in. We bring data to bear on important questions through our research and our assessment tools. How are funders doing in their relationships with grantees and other key stakeholders? What do we know about how they can do better? Are funders seen to be clear in communicating their goals and strategies? What is the relationship between the rhetoric about foundation strategy and its actual use? How might we bridge that divide? What data exists that would allow funders to better coordinate as they work toward shared goals? How are funders hearing from the intended beneficiaries of their work – the people whose lives they seek to improve?

This is just a sampling of the questions CEP helps to answer for funders through our research and our assessment tools.

We don’t have all the answers when it comes to effective philanthropy, of course. No one does. But we are committed to doing everything we can to help funders assess and improve their performance in pursuit of their intended impact.

We hope you’ll join us in the quest for more effective philanthropy.

Yours sincerely,

Kathy Merchant
President/CEO
The Greater Cincinnati Foundation

Phil Buchanan
President

Kathy Merchant
BOARD CHAIR

Phil Buchanan
PRESIDENT/CEO
CEP’s research draws on comparative data to highlight effective practices. We released three major research reports in 2011.

THE STATE OF FOUNDATION PERFORMANCE ASSESSMENT analyzed performance assessment practices and attitudes among CEOs of major foundations.

RHETORIC VERSUS REALITY: A STRATEGIC DISCONNECT AT COMMUNITY FOUNDATIONS concluded that, just as is the case at private foundations, community foundations struggle to match their rhetorical embrace of strategy with its actual, day-to-day use.

CAN FEEDBACK FUEL CHANGE AT FOUNDATIONS? documented how foundations act on feedback to strengthen their relationships with grantees.
Number of CEP research report downloads from CEP’s website, a 22 percent increase over the previous year.

Number of citations of CEP reports in research published by others that we monitor for references to our work.

Number of speaking engagements at national and regional philanthropy conferences at which CEP presented research findings.
CEP’s Assessment Tools draw on comparative data and help funders make better decisions.

In 2011, we launched the Strategy Landscape Tool, developed by The Monitor Institute, which provides data to allow groups of funders with shared goals to understand who is doing what, segmented by strategy.
Satisfaction

11 of 11

Number of early users of CEP’s Donor Perception Report who said they would recommend the tool to other community foundations in a third-party survey conducted by LFA Group.

Assessment Tools

Reach

16%

Proportion of foundations in CEP’s target audience that have used a CEP assessment tool as of year-end 2011.

Change

66%

Proportion of the 35 Grantee Perception Report (GPR) users surveyed by LFA Group who said the GPR led to "significant change" within their foundations.

Users

86

Number of foundations that used a CEP assessment tool in 2011 (including Strategy Landscape Tool).
2011 was a significant year for YouthTruth as we diversified our funding sources, expanded our reach and influence, and moved closer to demonstrating the power of beneficiary voice in informing better philanthropic decisions.
193
Cumulative number of schools in which YouthTruth has been administered, as of year-end 2011.

75,000
Cumulative number of high school students surveyed.

85%
Proportion of school principals reporting they made changes as a result of YouthTruth.

For more information about the YouthTruth project, visit www.youthtruthsurvey.org.
CEP’s communications and programming work aims to promote the cause of foundation effectiveness along with our research and tools – and to build a community of foundation leaders committed to improvement. In 2011, we hosted our most well-attended and highly rated conference to date, featuring MIT economist Esther Duflo, Bill & Melinda Gates Foundation CEO Jeff Raikes, Harvard Business School Professor Linda Hill, and philanthropist and actor Michael J. Fox.

**Esther Duflo**  
Abdul Latif Jameel Professor of Poverty Alleviation and Development Economics  
MIT

**Jeff Raikes**  
CEO  
Bill & Melinda Gates Foundation

**Linda Hill**  
Wallace Brett Donham Professor of Business Administration  
Harvard Business School

**Michael J. Fox**  
Founder  
The Michael J. Fox Foundation for Parkinson’s Research
**VISITORS**

54,515

Number of unique visitors to the CEP website in 2011.

**SATISFACTION**

4.3

Average rating, on a 1–5 scale, for overall satisfaction with CEP’s conference.

**BLOG TRAFFIC**

23%

Increase in traffic to the CEP blog in 2011.

**PRESS**

87

Number of media mentions of CEP and our work in press we track.
CEP STRENGTHENED OUR FINANCES BY IMPROVING THE ECONOMICS OF OUR ASSESSMENT TOOLS AND RAISING MORE GRANT SUPPORT THAN IN ANY YEAR IN CEP HISTORY.
**REVENUE**

64%

Proportion of CEP’s total 2011 revenue that was earned, or fee-for-service.

**SUPPORT**

48

Number of foundations providing grant support to CEP.

**DIVERSITY**

6.6

Average rating, on a 1–7 scale, of CEP staff on a question in an annual staff survey asking whether staff agree that “CEP as a whole is respectful of staff of different races, genders, and backgrounds.”
Dollars in thousands

<table>
<thead>
<tr>
<th></th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>Total Assets</td>
<td>$4,197</td>
<td>$1,016</td>
<td>$5,213</td>
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<tr>
<td>Selected Balances</td>
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<tr>
<td>Cash</td>
<td>$2,205</td>
<td>$375</td>
<td>$2,580</td>
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<tr>
<td>Investments</td>
<td>$1,420</td>
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<td>$1,420</td>
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<tr>
<td>Pledges Receivable</td>
<td>—</td>
<td>$641</td>
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Statement of Activities and Changes in Net Assets for the Year Ended December 31, 2011
Dollars in thousands

<table>
<thead>
<tr>
<th></th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td><strong>Operating Revenue and Support</strong></td>
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<td></td>
</tr>
<tr>
<td>Grants and Contributions</td>
<td>$2,926</td>
<td>$(698)</td>
<td>$2,228</td>
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<tr>
<td>Earned Revenue</td>
<td>$3,990</td>
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<td>$3,990</td>
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<td>Interest Income</td>
<td>$20</td>
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<tr>
<td>Total Revenue</td>
<td>$6,936</td>
<td>$(698)</td>
<td>$6,238</td>
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<tr>
<td><strong>Operating Expenses</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Salary and Benefits</td>
<td>$3,608</td>
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<td>$3,608</td>
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<tr>
<td>Program Related</td>
<td>$1,129</td>
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<td>Professional Fees</td>
<td>$510</td>
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<tr>
<td>Office Related</td>
<td>$401</td>
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<tr>
<td>Travel and Meals</td>
<td>$169</td>
<td></td>
<td>$169</td>
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<tr>
<td>Occupancy</td>
<td>$484</td>
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<td>$484</td>
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<tr>
<td>Other</td>
<td>$61</td>
<td></td>
<td>$61</td>
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<tr>
<td>Total Expenses</td>
<td>$6,362</td>
<td></td>
<td>$6,362</td>
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<tr>
<td><strong>Change in Net Assets</strong></td>
<td>$574</td>
<td>$(698)</td>
<td>$(124)</td>
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<tr>
<td>Net Assets at Beginning of Year</td>
<td>$2,303</td>
<td>$1,714</td>
<td>$4,017</td>
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<tr>
<td>Net Assets at End of Year</td>
<td>$2,877</td>
<td>$1,016</td>
<td>$3,893</td>
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</table>
$500,000 or More
The Robert Wood Johnson Foundation

$200,000 to 499,999
Bill & Melinda Gates Foundation
W.K. Kellogg Foundation
Wallace Foundation
The William and Flora Hewlett Foundation

$100,000 to 199,999
The Atlantic Philanthropies
Charles Stewart Mott Foundation
David and Lucile Packard Foundation
Ford Foundation
The James Irvine Foundation
Rockefeller Foundation
Stuart Foundation

$50,000 to 99,999
Edna McConnell Clark Foundation
Gordon and Betty Moore Foundation

$20,000 to 49,999
California Endowment
Duke Endowment
Foundation for the Mid South
The John D. and Catherine T. MacArthur Foundation
Lumina Foundation for Education
Marguerite Casey Foundation
Rita Allen Foundation
Rockefeller Brothers Fund
Surdna Foundation
The W. Clement & Jessie V. Stone Foundation

Up to $19,999
Assisi Foundation of Memphis
Barr Foundation
Blandin Foundation
California HealthCare Foundation
The Colorado Health Foundation
The Columbus Foundation
The Commonwealth Fund
Conrad N. Hilton Foundation
Doris Duke Charitable Foundation
Evelyn and Walter Haas, Jr. Fund
Gaylord and Dorothy Donnelley Foundation
Goizueta Foundation
Houston Endowment
Hyams Foundation
The Jacob and Valeria Langeloth Foundation
John A. Hartford Foundation
John S. and James L. Knight Foundation
Maine Health Access Foundation
McKnight Foundation
The New Hampshire Charitable Foundation
Richard M. Fairbanks Foundation
Saint Luke’s Foundation
Wilburforce Foundation
William Penn Foundation

Individual Contributions
Michael Bailin
Kevin Bolduc
Christine James-Brown
Phil Buchanan
Ellie Buteau
Alexa and Travis Culwell
Alyse d’Amico
Robert Eckardt
Kathleen Enright
Phil and Marcia Giudice
Crystal Hayling
Paul Heggarty
Stephen Heintz
Robert Hughes
Amanda King
Latia King
Patricia Kozu
Joe Lee
Kathy Merchant
Alexandra Ocasio
Joel Orosz
Nadya Shmavonian
Nan Stone
Joyce and Larry Stupski
Valerie Threlfall
Anne Warhover
BETTER PHILANTHROPY:
from data to impact

List of Assessment Tool Seminar
Attendees by Organization

[Handwritten notes]
2011 TOOL SUBSCRIBERS

AETNA Foundation
Alaska Mental Health Trust Authority
The Atlantic Philanthropies
Berkshire Taconic Community Foundation
Blandin Foundation
The Boston Foundation
College Access Foundation of California
The Colorado Trust
The Commonwealth Fund
Communities Foundation of Texas
Community Foundation for Greater Buffalo
Community Foundation of Greater New Britain
The Dallas Foundation
The David and Lucile Packard Foundation
Endowment for Health
The Fund for New Jersey
Fremont Area Community Foundation
The Gill Foundation
Gordon and Betty Moore Foundation
Greater Milwaukee Foundation
Hampton Roads Community Foundation
Humanity United
Inter-American Foundation
The Jacob and Valeria Langeloth Foundation
Kalamazoo Community Foundation
Kansas Health Foundation
Komen for the Cure
The Kresge Foundation
Marin Community Foundation
Minnesota Philanthropy Partners
Missouri Foundation for Health
M.J. Murdock Charitable Trust
The New Hampshire Charitable Foundation
New Profit, Inc.
The New York State Health Foundation
Northwest Health Foundation
Oak Foundation
Omaha Community Foundation
Omidyar Network
The Philadelphia Foundation
Rasmuson Foundation
The Robert Wood Johnson Foundation
Rochester Area Community Foundation
S. H. Cowell Foundation
Sea Change Foundation
The Skillman Foundation
Sobrato Family Foundation
Southern California Edison
Tufts Health Plan Foundation
W. K. Kellogg Foundation
The William and Flora Hewlett Foundation
The William Penn Foundation
Z. Smith Reynolds Foundation
Michael Bailin  
FORMER PRESIDENT & CEO  
The Edna McConnell Clark Foundation

Christine DeVita  
FORMER PRESIDENT  
The Wallace Foundation  
(Term began May 2011)

Crystal Hayling  
FORMER PRESIDENT AND CEO  
Blue Shield of California Foundation

Stephen Heintz, BOARD CHAIR  
PRESIDENT  
Rockefeller Brothers Fund

Christine James-Brown  
PRESIDENT & CEO  
Child Welfare League of America (CWLA)
James R. Knickman
PRESIDENT & CEO
The New York State Health Foundation

Patricia J. Kozu
MANAGING DIRECTOR
National Employment Law Project

Kathryn Merchant
PRESIDENT & CEO
The Greater Cincinnati Foundation

Nadya K. Shmavonian
PRESIDENT
Public/Private Ventures

Anne Warhover
PRESIDENT & CEO
The Colorado Health Foundation
(Term began July 2011)
A NOTE ABOUT HOW WE ASSESS OURSELVES

This annual report contains some numbers pulled from many efforts to understand how we are doing — and how we can improve. All the third-party assessments CEP Commissions are made public, in their entirety, on our website, regardless of whether the data is affirming, neutral, or negative.
FOR ADDITIONAL FINANCIAL INFORMATION, A LIST OF CEP ADVISORY BOARD MEMBERS, AND A LIST OF CEP STAFF, PLEASE VISIT OUR WEBSITE, WWW.EFFECTIVEPHILANTHROPY.ORG.