

ANNUAL REPORT **2014**



THE CENTER FOR
EFFECTIVE PHILANTHROPY

Improving Foundation Performance Through Data + Insight.

MISSION

To provide data and create insight so philanthropic funders can better define, assess, and improve their effectiveness — and, as a result, their intended impact.

VISION

We seek a world in which pressing social needs are more effectively addressed. We believe improved performance of philanthropic funders can have a profoundly positive impact on nonprofit organizations and the people and communities they serve.

CEP seeks to contribute to the achievement of this vision through the (primarily comparative) data we develop and draw on in our research, assessment tools, advisory services, and programming and communications. This data helps funders understand how they can improve their performance and provides insight on key elements of foundation effectiveness.

Although our work is about measuring results, providing useful data, and improving performance, our ultimate goal is improving lives. We believe this can only be achieved through a powerful combination of dispassionate analysis and passionate commitment to creating a better society.

ABOUT THIS ANNUAL REPORT

This annual report contains numbers pulled from many efforts to understand how we are doing — and how we can improve. Additional information can be found on our website:

www.effectivephilanthropy.org.

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June 25, 2015

Dear Colleague,

We are pleased to present this 2014 Annual Report for the Center for Effective Philanthropy (CEP).

2014 was a year of innovation and renewal for CEP. While the core of who we are and what we do remained the same — data and insight to improve foundation performance — much about the way we do our work changed.

We launched a new website with a new logo and branding that present our work more clearly and simply. Clarity and simplicity was also the goal in our now fully-implemented online reporting system, which delivers clients the results of their assessment tools. In our research publications, we sought to present out findings in new ways, with easy to understand infographics and profiles from which others could learn.

In addition to doing our ongoing work better, we undertook entirely new efforts. We launched an advisory services practice to better support foundations in becoming more effective — helping foundations chart a course toward greater focus, for example.

We did that and much more in 2014, and this Annual Report provides more information on CEP's year: our funders, our clients, and our financial results. We aim, at CEP, to be a model of openness in the way we work, and we hope you find the information you need in these pages to understand what we're about. If you don't, let us know.

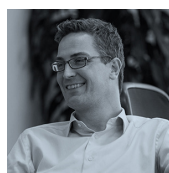
Thank you for your interest and support.

Sincerely,



A handwritten signature in black ink, appearing to read "Grant Oliphant".

Grant Oliphant
Chair, CEP Board of Directors
President, The Heinz Endowments



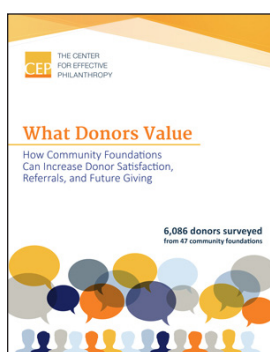
A handwritten signature in black ink, appearing to read "Phil Buchanan".

Phil Buchanan
President

Our research seeks to help foundations be as effective as possible by contributing needed data to inform practice. In 2014, we completed research initiatives that resulted in **three new publications**.

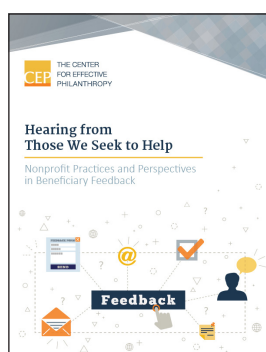
Two of these were CEP research reports: [*What Donors Value: How Community Foundations Can Increase Donor Satisfaction, Referrals, and Future Giving*](#) and [*Hearing From Those We Seek to Help: Nonprofit Practices and Perspective in Beneficiary Feedback*](#). The third, [*“Transparency, Performance Assessment, and Awareness of Nonprofits’ Challenges: Are Foundations and Nonprofits Seeing Eye to Eye?”*](#) was published in *The Foundation Review*, the only peer-reviewed journal of philanthropy.

Additionally, we presented research findings at numerous national and regional speaking engagements and webinars. We also shared findings from a variety of analyses and perspectives on our blog, including [*“The Grantee Perspective on Nonprofit Sustainability,”*](#) [*“Foundations’ Sunsetting: A Burgeoning Trend,”*](#) and [*“Foundation Helpfulness in Nonprofit Efforts to Assess Progress.”*](#)



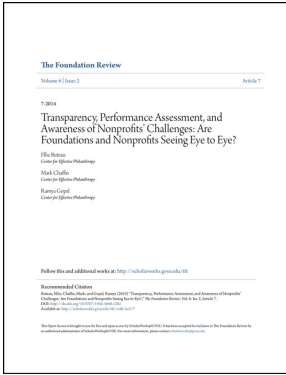
To better understand how community foundations can best respond to the current environment, we asked donors about how satisfied they are with the community foundations with which they work. What matters most to them? What do these

donors want from their community foundations? Released in April 2014, ***What Donors Value: How Community Foundations Can Increase Donor Satisfaction, Referrals, and Future Giving*** revealed that donor satisfaction is vital for community foundations. Donors who are more satisfied with their community foundation are more likely to indicate that they plan to continue giving and are more likely to recommend the foundation to others. The data also show that the strongest predictors of donor satisfaction are donors’ sense of the foundation’s level of responsiveness when they need assistance and donors’ perceptions of the foundation’s impact on the community.



For nonprofit organizations, hearing from the beneficiaries they seek to serve is an important practice for planning, implementing, and evaluating their programs and services. But does this feedback and an understanding of

intended beneficiaries’ needs reach foundation funders and influence their funding and strategic decision-making? Published in October 2014, ***Hearing from Those We Seek to Help: Nonprofit Practices and Perspectives in Beneficiary Feedback*** investigates what nonprofits are doing to hear from those they seek to help and whether their leaders believe their foundation funders are tuned in to the needs of their intended beneficiaries. The data in the report reveals that most nonprofits are collecting and using feedback from their beneficiaries to improve their programs and services, but nonprofit leaders believe most of their foundation funders lack a deep understanding of their intended beneficiaries’ needs. Nonprofit leaders believe foundations’ lack of understanding of their beneficiaries’ needs is reflected in their funding priorities and programmatic strategies. Nonprofits believe foundations can benefit from deeper engagement with beneficiary feedback.



In order for nonprofits and foundations to work most effectively together, they must understand each other’s perspectives. But do they? Members of our research team co-authored an article published in *The Foundation Review* entitled **“Transparency, Performance Assessment, and Awareness of Nonprofits’ Challenges: Are Foundations and Nonprofits Seeing Eye to Eye?”** The article discusses the alignment, or lack thereof, between the perspectives of nonprofit and foundation CEOs on four aspects of foundation practice: foundation transparency with the nonprofits they fund, foundation support for nonprofit performance assessment, foundations’ awareness of nonprofits’ challenges and foundations’ use of resources to help address nonprofits’ challenges.

2014 was a busy and productive year for the assessment tools team at CEP. We worked on **88 assessments with 67 different funders** including community foundations, family foundations, and healthcare conversion foundations, among others. We worked with funders in **23 states and six countries** as we increased our international reach, expanding our work with funders in Europe and adding new clients in the Middle East and Asia.

The year saw a particularly strong interest in CEP's tools, and in response we added an additional round of surveys for Grantee Perception Reports (GPR). We also continued to bring the GPR to smaller funders through our streamlined GPR, and added new questions to the survey on the topic of transparency. Additionally, we kicked off a major review and evaluation of our Staff Perception Report (SPR), which will result in an increase in the survey's focus on topics of employee engagement. And across all tools, we have been pleased with positive feedback from the first users of our online reporting system through which we now deliver survey findings to clients.

GRANTEE PERCEPTION REPORT® (GPR)

The GPR provides funders with comparative, actionable feedback based on responses to a customizable online grantee survey. Through a mix of quantitative and qualitative data, the GPR answers crucial questions about foundation performance. In 2014, 52 funders commissioned GPRs. They ranged in focus and in asset size — from \$23 million to \$11 billion.

In conjunction with the GPR, our denied Applicant Perception Report (APR) is a separate, shorter survey that gathers and analyzes feedback from a funder's denied applicants. In 2014, 10 foundations used the APR alongside their GPR.

DONOR PERCEPTION REPORT (DPR)

The DPR collects and assesses donor feedback on important topics such as satisfaction, relationships, and future giving to help community foundation leaders identify strategies for most effectively engaging their donors. The survey is customizable and explores donors' perceptions of the community foundations to which they contribute.

Since we launched the DPR in 2009, we have continued to see substantial growth in the use of this tool. In 2014, 13 community foundations used the DPR.

STAFF PERCEPTION REPORT (SPR)

The SPR gathers feedback from foundation staff members about their job satisfaction, experiences in the workplace, and views of foundation impact. The report contains a mix of quantitative and qualitative feedback — giving leadership the opportunity to assess their work environment and culture, to compare their ratings with peer institutions, and to use SPR feedback as a benchmark for internal changes and improvement efforts. In 2014, nine funders used the SPR.



In 2014, we began building a new practice area to provide foundations with **data-driven strategic advising** to increase their effectiveness. In its early stages, these new offerings are an **exciting new development** that is bringing CEP into a new era in its 14-year history.

ADVISORY SERVICES WE PROVIDE INCLUDE:

Organizational effectiveness assessments, with follow on consultation and coaching on improvement plans

Assistance designing organizational performance indicators

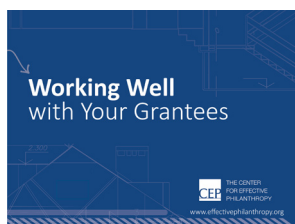
Customized data collection and analysis, including focus groups, interviews, pulse surveys, and benchmarking

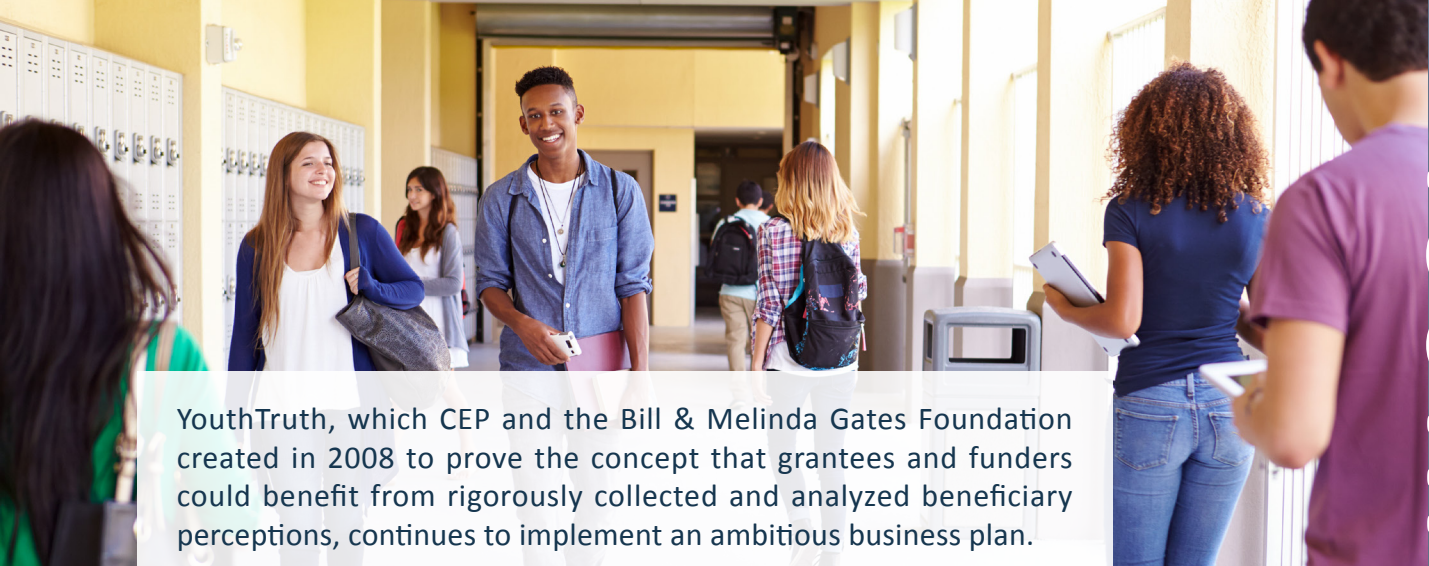
Structured learning communities

Staff training and workshops

Board facilitation and training on practices of effective foundation board

In 2014, we engaged clients in advisory engagements on diverse projects including facilitating strategy and performance assessment planning, structuring staff discussions on how to respond to assessment tool results, and delivering workshops on the principles of [Working Well With Grantees](#), CEP's guide for foundation program staff, published in 2013.





YouthTruth, which CEP and the Bill & Melinda Gates Foundation created in 2008 to prove the concept that grantees and funders could benefit from rigorously collected and analyzed beneficiary perceptions, continues to implement an ambitious business plan.

YouthTruth harnesses student perceptions to help educators accelerate improvements in their K–12 schools and classrooms. Through validated survey instruments and tailored advisory services, YouthTruth partners with schools, districts, states, educational organizations, and education funders to enhance learning for all students.



In 2014, YouthTruth surveyed approximately 56,000 students in 30 states.

YOUTHTRUTH FUNDERS

- Fund for Shared Insight
- Bill & Melinda Gates Foundation
- Stuart Foundation
- The William and Flora Hewlett Foundation
- Houston Endowment
- W. Clement and Jessie V. Stone Foundation
- The Whitman Institute
- The Children’s Trust
- The California Endowment
- Foundation for the Mid South
- The San Francisco Foundation
- Stupski Foundation

In February, we launched a **new brand identity**, logo, and website. This update extends to all visual aspects of our work, including all external communications, the design of research publications, and the blog.

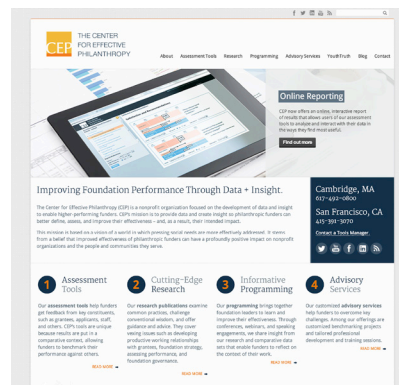
In 2014, CEP was mentioned in numerous media outlets including *The Washington Post*, *The Chronicle of Philanthropy*, *The Boston Globe*, *The Pittsburgh Gazette*, *Nonprofit Quarterly*, and *Alliance Magazine*. Phil Buchanan was interviewed on CNN about how the ALS Association might effectively distribute money raised through the “ice bucket challenge.” Buchanan also co-authored an op-ed in *The Boston Globe* about bullying and student perceptions data and contributed pieces to *Alliance Magazine*, the *Stanford Social Innovation Review* blog, the Council on Foundations site, and *The Chronicle of Philanthropy*. Buchanan was named one of *The Nonprofit Times* “Power & Influence Top 50” for 2014.

The CEP blog also had a range of thought-provoking posts generated both by staff and guest contributors, such as Philanthropic Foundations Canada CEO Hilary Pearson, D5 Coalition Director Kelly Brown, Rhode Island Foundation CEO Neil Steinberg, and UPenn’s Center for High Impact Philanthropy Executive Director Katherina Rosqueta, to name a few. Buchanan’s blog post, “[Emerging Views of Emergent Strategy](#),” generated the most visitors of all posts during the year.

Our Twitter following continues to grow — @CEPData finished 2014 with 9,400 followers, and more effort has been placed on strengthening our presence on Facebook and LinkedIn. In 2014, City Philanthropy named us one of the “10 Top Tweeters in Philanthropy.”

CEP staff members presented research and insights at several national and regional events, including ones sponsored by Independent Sector, Grantmakers for Effective Organizations, the Advancement Network, The Council on Foundations, Exponent Philanthropy, Minnesota Council on Foundations, and Northern California Grantmakers.

In addition, we hosted several webinars ranging from conversations with assessment tool users to follow-ups to our research reports *How Far Have We Come? Foundation CEOs on Progress and Impact* and *What Donors Value: How Community Foundations Can Increase Donor Satisfaction, Referrals, and Future Giving*.



Statement of **financial position** for the year ended December 31, 2014
dollars in thousands

	Unrestricted	Temporarily Restricted	Total
Total Assets	\$4,185	\$2,476	\$6,661
Selected Balances			
Cash	\$1,467	\$1,279	\$2,746
Investments	\$2,161	-	\$2,161
Pledges Receivable	-	\$1,008	\$1,008

Statement of **activities and changes in net assets** for the year ended December 31, 2014
dollars in thousands

	Unrestricted	Temporarily Restricted	Total
Operating Revenue and Support			
Grants and Contributions	\$3,443	\$247	\$3,690
Earned Revenue	\$2,342	-	\$2,342
Total	\$5,785	\$247	\$6,032
Operating Expenses			
Program Services	\$4,573		\$4,573
Supporting Services			
Management and General	\$1,021		\$1,021
Fundraising	\$110		\$110
Total Supporting Services	\$1,131	-	\$1,131
Total Expenses	\$5,704	-	\$5,704
Change in Net Assets	\$81	\$247	\$328
Net Assets at Beginning of Year	\$3,459	\$2,229	\$5,688
Net Assets at End of Year	\$3,540	\$2,476	\$6,016

\$500,000 OR MORE

THE WILLIAM AND FLORA
HEWLETT
FOUNDATION



Robert Wood Johnson Foundation

\$200,000 TO \$499,999

- Ford Foundation
- The James Irvine Foundation

\$100,000 TO \$199,999

- Barr Foundation
- The David and Lucile Packard Foundation
- The Rockefeller Foundation
- S.D. Bechtel, Jr. Foundation

\$50,000 TO \$99,999

- Gordon and Betty Moore Foundation
- John D. and Catherine T. MacArthur Foundation
- Kresge Foundation
- Stuart Foundation
- The Wallace Foundation

\$20,000 TO \$49,999

- The Duke Endowment
- Oak Foundation
- Realdania
- Rita Allen Foundation
- Rockefeller Brothers Fund
- Surdna Foundation

UP TO \$19,999

- The Assisi Foundation of Memphis
- California Community Foundation
- California HealthCare Foundation
- The Colorado Health Foundation
- Doris Duke Charitable Foundation
- Evelyn and Walter Haas, Jr. Fund
- Houston Endowment
- The Jacob and Valeria Langeloth Foundation
- The John A. Hartford Foundation
- The Leona M. and Harry B. Helmsley Charitable Trust
- The McKnight Foundation
- The Patterson Foundation
- The Pittsburgh Foundation
- Public Welfare Foundation
- Richard M. Fairbanks Foundation
- Saint Luke's Foundation
- Skillman Foundation
- Teagle Foundation
- The Vermont Community Foundation
- Wilburforce Foundation

INDIVIDUAL CONTRIBUTORS

- Michael Bailin
- Kevin Bolduc
- Phil Buchanan
- John Colburn
- Rob Correia
- Alexa Cortes Culwell
- Alyse d'Amico
- John Davidson
- Bob Eckardt
- Robert Ewers, Jr.
- Betsy Fader
- Phil Giudice
- Tiffany Cooper Gueye
- Crystal Hayling
- Paul Heggarty
- Bob Hughes
- Angela Killoran
- Latia King
- Jim Knickman
- Patricia Koza
- Kathryn E. Merchant
- Grace Nicolette
- Alex Ocasio
- Hilary Pennington
- Christy Pichel
- Nadya K. Shmavonian
- Marny Sumrall
- Fay Twersky
- Lynn Perry Wooten

- Arcus Foundation
- The Alaska Mental Health Trust Authority
- The Assisi Foundation of Memphis, Inc.
- Blue Cross Blue Shield of Massachusetts Foundation
- Blue Shield of California Foundation
- The Calgary Foundation
- California Community Foundation
- The California Endowment
- Carnegie Corporation of New York
- Central New York Community Foundation
- The Chicago Community Trust
- City Bridge Trust
- The Colorado Health Foundation
- Comic Relief UK
- The Commonwealth Fund
- Communities Foundation of Texas, Inc.
- Community Foundation for the Fox Valley Region
- Community Foundation of Greater Flint
- The Community Foundation Serving Richmond & Central Virginia
- Community Foundation Sonoma County
- Conrad N. Hilton Foundation
- Danville Regional Foundation
- The David and Lucile Packard Foundation
- Democracy Fund
- Essex Community Foundation
- Ford Foundation
- Gordon and Betty Moore Foundation
- Grand Rapids Community Foundation
- Great Lakes Higher Education Guaranty Corporation
- Harold K. L. Castle Foundation
- Health Care Foundation of Greater Kansas City
- HealthPath Foundation of Ohio
- Houston Endowment
- Inter-American Foundation
- The James Irvine Foundation
- The Jim Joseph Foundation
- The John A. Hartford Foundation, Inc.
- John S. and James L. Knight Foundation
- Kalamazoo Community Foundation
- The Kresge Foundation
- Mama Cash Foundation
- The Margaret Clark Morgan Foundation
- Minnesota Philanthropy Partners
- Missouri Foundation for Health
- The Mt. Sinai Health Care Foundation
- New Hampshire Charitable Foundation
- New York State Health Foundation
- Omidyar Network Fund, Inc.
- Paso del Norte Health Foundation
- The Paul G. Allen Family Foundation
- The Peter and Elizabeth C. Tower Foundation
- The Physicians Foundation
- Rancho Santa Fe Foundation
- Richard M. Fairbanks Foundation, Inc.
- The Rockefeller Foundation
- Rogers Family Foundation
- The Saint Paul Foundation
- Sir Dorabji Tata Trust
- Stark Community Foundation
- Stuart Foundation
- Surdna Foundation
- The Teagle Foundation, Inc.
- The Trump Foundation LTD (CC)
- Trust for London
- The Wallace Foundation
- Yad Hanadiv
- The Zeist Foundation, Inc.



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