

# ANNUAL REPORT 2015



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 data — primarily comparative data — we develop and draw on in our research, assessments, 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. Third-party assessments that CEP commissions, along with additional financial information, can be found on our website: [www.effectivephilanthropy.org](http://www.effectivephilanthropy.org).

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# INTRODUCTION LETTER

June 10, 2016

Dear Colleague,

In a year that saw political polarization and strife, we were also reminded, in 2015, that progress and positive change happens.

Marriage equality became a reality and, when you look closely, it turns out that effective foundations were instrumental players in this effort. Hope, too, for change and even bipartisan consensus was apparent in the area of criminal justice reform. Here, again, several foundations played a key role. While we tend to focus on where foundations have fallen short, it's important to remember that foundations can and do make a significant difference, working with their grantees and other key partners.

Whether nationally, internationally, or locally, foundations matter. Their effectiveness matters. And that's what the [Center for Effective Philanthropy](#) (CEP) is all about. Our work is designed to help foundations improve. This goes for our three research reports published in 2015, our more than 75 client engagements, our national conference for foundation leaders in San Francisco (our highest rated ever by attendees) — indeed, for all we do.

The year 2015 saw CEP expand its agenda, offerings, and reach. We invite you to read more about our activities in this Annual Report. Please don't hesitate to reach out to let us know your thoughts, reactions, and ideas.

Sincerely,



A handwritten signature in black ink that reads "Grant Oliphant".

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



A handwritten signature in black ink that reads "Phil Buchanan".

Phil Buchanan  
*President*  
[philb@effectivephilanthropy.org](mailto:philb@effectivephilanthropy.org)

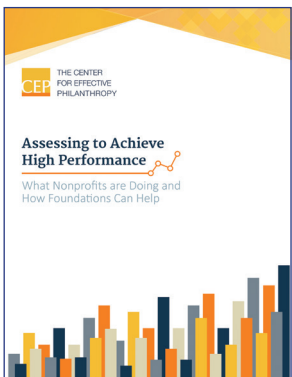
# RESEARCH



CEP's research seeks to help foundations be as effective as possible by contributing data and insight to inform practice. In 2015, we published **three new research publications**: one looked at how foundations do — or don't — support nonprofits' assessment efforts, one examined foundation investing practices, and a third examined foundation governance practices.

CEP's research team also spent much of 2015 looking closely at foundation transparency and partnering with the Center for Evaluation Innovation to benchmark evaluation practices at foundations. Reports resulting from these two projects will be released in 2016.

In 2015, CEP also became a charter member — and the first research organization focused on the philanthropic and nonprofit sectors — to join the Transparency Initiative, a program developed by the American Association for Public Opinion Research (AAPOR) to encourage organizations that conduct surveys to more broadly and effectively disclose research methods.



For foundation leaders to most effectively support grantees, more needs to be understood about the extent to which nonprofits are assessing performance, how they are approaching this work, and what they are looking for from their funders to support it.

Released in April 2015, [Assessing to Achieve High Performance: What Nonprofits are Doing and How Foundations](#)

[Can Help](#), shows that most nonprofits receiving funding from large foundations collect and use information about their performance, yet many want to gather additional — or better — data. The typical nonprofit in the study allocates just two percent or less of its budget to assessing its performance, and few employ staff who are dedicated to this work full time. Only a minority of nonprofits in the study report receiving support from foundations for their performance assessment efforts.

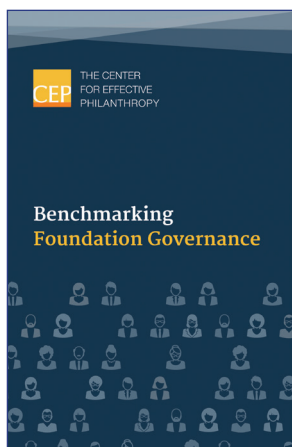


There's been a lot of discussion about aligning investment practices and mission at foundations, but to what extent are foundations engaging in practices like impact investing and negative screening? To dig beneath the talk and better understand the current state of practice at large private foundations, CEP surveyed CEOs at those foundations to learn more. Analysis of responses

from 64 chief executives suggests that the rhetoric seems to be outpacing the reality.

This report, entitled [Investing and Social Impact: Practices of Private Foundations](#), shows that at large private foundations, the proportion of dollars allocated to impact investing is small. A sizeable number of large U.S.-based foundations — 41 percent of respondents — report engaging in impact investing, but the median percentage of endowments going toward this practice is only two percent; the median percentage of program/grant budgets going toward it is even lower, just 0.5 percent. The data also reveals that few foundations are using negative screening to exclude particular companies and/or organizations — like fossil fuels, tobacco, or private prisons, for example — from their investment portfolios.

## RESEARCH, CONTINUED...



On a typical foundation board, what are its members' most common areas of expertise? How common is it for an original donor — or a family member — to sit on a board? To what extent are board members involved in grantmaking? There are lots of questions out there about foundation governance. Yet there has been little data about foundation boards' structures and practice. In surveying foundation CEOs as part of a larger benchmarking

study, CEP worked closely with [BoardSource](#) to design and include questions related to governance to collect and bring to light new data on foundation boards.

The resulting publication, [\*Benchmarking Foundation Governance\*](#), is a straightforward report-out of data and infographics on crucial topics related to foundation governance — including composition, member expertise, structure, involvement, and characteristics of meetings.

# ASSESSMENTS



In 2015, CEP provided **87 assessments** to **75 different funders** in **27 states** and **five countries**. We also ramped up our new advisory services offerings, completing eight projects with a variety of foundations.

One of the major projects we completed in 2015 was a refresh and redesign of the online reporting system (ORS) through which clients interact with their findings and data. We rolled out the “ORS 2.0” in October, and have been pleased with positive feedback about its user-friendliness, the visual presentation of findings and data, and its navigability. We also added several new questions from our latest research findings to our surveys, and based on feedback from clients, we refined the way we present recommendations for improvement.

## 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 2015, 49 funders commissioned GPRs. They ranged in focus and in asset size — from less than \$10 million to \$9 billion. We received third-party feedback about the GPR user experience and changes we had made to the assessment. We were very pleased to see that the results of that 2015 survey of GPR users were quite positive overall, and, in a number of important areas, trending up from past feedback.

In conjunction with the GPR, our Applicant Perception Report (APR) is a separate, shorter survey that gathers and analyzes feedback from a funder’s declined applicants. In 2015, six 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, with more than 60 users to date. In 2015, 10 community foundations used the DPR.

As with the GPR, we commissioned a third-party assessment of DPR users’ experiences and changes made. We were excited to see that every respondent reported making a change in their work based on the DPR results, and all said they would recommend the DPR to a colleague.

## STAFF PERCEPTION REPORT (SPR)

The [SPR](#) gathers feedback from foundation staff members about their engagement, 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 2015, 11 funders used the SPR.

# ADVISORY SERVICES



In 2014, CEP began to market and offer **data-driven strategic advising** to foundations and donors establishing foundations to help them **better understand and improve their effectiveness**. This **advisory services** practice draws on **CEP's knowledge** about foundation practices and structures, as well as our datasets, to work with funders on customized projects.

In 2015, this new facet of our work took a major step forward and we completed eight engagements, including workshops for foundation staff about best practices in working well with grantees; several customized benchmarking projects; and several customized surveys of non-grantee stakeholders, including policy makers, business leaders, and other funders.

## ADVISORY SERVICES WE PROVIDE INCLUDE:

**Overall Assessment of Effectiveness:** Using CEP's definition of foundation effectiveness as our framework, CEP collects and analyzes the information and examples a funder needs to determine its capacity, effectiveness, and opportunities for improvement.

**Customized Benchmarking:** CEP provides customized data collection and analysis, including operational benchmarking, customized surveys, focus groups, interviews, and comparisons to other funders.

**Supporting Implementation:** CEP coaches board and staff teams as they develop their own action plans to improve performance.

**Creating Organizational Performance Indicators:** CEP structures board and staff team efforts to develop and use organizational performance indicators to track progress, learn from experience, and modify their plans as appropriate.

**Building Capacity:** CEP designs and delivers workshops and other group learning opportunities for boards and staff within one foundation or with groups of foundations to improve their effectiveness.

# YOUTHTRUTH



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. YouthTruth is designed to demonstrate the power of listening rigorously to intended beneficiaries.

In its seven-year history, YouthTruth has surveyed hundreds of thousands of students across 200 school districts, and continues to grow. 2015 was YouthTruth’s strongest year ever, as we surveyed a total of 82,703 students across 12 states and four countries.

## YouthTruth

— STUDENT SURVEY —

A NATIONAL NONPROFIT

### 2015 YOUTHTRUTH FUNDERS

Fund for Shared Insight


Bill & Melinda Gates Foundation

Stuart Foundation

W. Clement and Jessie V. Stone Foundation



# PROGRAMMING AND EXTERNAL RELATIONS



In May, more than **300 foundation leaders** came together in San Francisco for CEP's 2015 national conference, *Leading Effective Foundations*.

Attendees heard from notable plenary speakers from a wide range of backgrounds and perspectives. CNN host and Dream Corps President and Founder Van Jones delivered a passionate talk about three priorities in his work: closing prison doors, opening doors of opportunity, and creating a green economy. Henry Timms, 92Y executive director and founder of the #GivingTuesday movement, discussed the concept of “new power” and the importance it holds for building movements and creating positive change. Emerson Collective Founder Laurene Powell Jobs talked with Fay Twersky, director of the Effective Philanthropy Group at the William and Flora Hewlett Foundation and member of the CEP Board of Directors, about her philanthropic work, in particular on the issues of college access and immigration reform. Harvard Kennedy School Professor Barbara Kellerman critiqued the leadership industry and stressed the importance of understanding followership and context. NPR Correspondent Shankar Vedantam spoke about the effect that hidden biases have on our decision making and generosity. And a panel of nine foundation leaders debated new models of philanthropy. Video of several of these sessions are available on CEP's [YouTube channel](#).

In addition to the conference, CEP staff continued to present research and insights at national and regional events across the country, including those hosted by [Global Philanthropy Forum](#), [Southeastern Council on Foundations](#), and [Associated Grantmakers](#), to name a few.

## COMMUNICATIONS

Ensuring CEP's research and insights are widely accessed and utilized is the highest priority for the [Programming and External Relations team](#). In 2015, CEP was mentioned in numerous media outlets including CNN.com, The Associated Press, Reuters, The Chronicle of Philanthropy, The Boston Globe, The Denver Post, and Stanford Social Innovation Review. Phil Buchanan also appeared on a segment on BBC Business Daily and continued to contribute columns to the Chronicle.

The CEP blog also had a range of thoughtful posts from both CEP staff and guest contributors, including BoardSource CEO Anne Wallestad, former Robert Wood Johnson Foundation Vice President for Policy David C. Colby, The Heinz Endowments President and CEP Board Chair Grant Oliphant, and Nonprofit with Balls blogger Vu Le. Phil Buchanan also wrote an eight-part blog series entitled “[Foundation Staff Matter](#)” that challenged critiques of large, staffed foundations and highlighted the important role that staff can play as foundations work with grantees to accomplish shared goals. Separately, Buchanan's post, “[A Misguided Call for Reform](#),” was the most-viewed blog post of the year.

@CEPData

 12,900  
followers



# FINANCIAL INFORMATION

Statement of **financial position** for the year ended December 31, 2015  
*dollars in thousands*

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
Total Assets	\$4,247	\$2,830	\$7,077
Selected Balances			
Cash	\$1,570	\$756	\$2,326
Investments	\$1,540	-	\$1,540
Pledges Receivable	-	\$1,816	\$1,816

Statement of **activities and changes in net assets** for the year ended December 31, 2015  
*dollars in thousands*

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
Operating Revenue and Support			
Grants and Contributions	\$4,276	\$354	\$4,630
Earned Revenue	\$2,891	-	\$2,891
Total Revenue	\$7,167	\$354	\$7,521
Operating Expenses			
Program Services	\$5,730	-	\$5,730
Supporting Services			
Management and General	\$1,250	-	\$1,250
Fundraising	\$111	-	\$111
Total Supporting Services	\$1,361	-	\$1,361
Total Expenses	\$7,091	-	\$7,091
Change in Net Assets	\$75	\$354	\$429
Net Assets at Beginning of Year	\$3,540	\$2,477	\$6,017
Net Assets at End of Year	\$3,615	\$2,830	\$6,445

# 2015 CEP FUNDERS

## \$500,000 OR MORE



### \$200,000 TO \$499,999

The David and Lucile Packard Foundation  
Ford Foundation

### \$100,000 TO \$199,999

Barr Foundation  
The James Irvine Foundation  
The Kresge Foundation  
The Rockefeller Foundation  
S.D. Bechtel, Jr. Foundation  
The Wallace Foundation  
W.K. Kellogg Foundation

### \$50,000 TO \$99,999

Gordon and Betty Moore Foundation

### \$20,000 TO \$49,999

Charles Stewart Mott Foundation  
The Duke Endowment  
John D. and Catherine T. MacArthur Foundation  
Lumina Foundation  
Rockefeller Brothers Fund  
Surdna Foundation

### UP TO \$19,999

The Assisi Foundation of Memphis  
California HealthCare Foundation  
The Colorado Health Foundation  
The Columbus Foundation  
Doris Duke Charitable Foundation  
Evelyn and Walter Haas, Jr. Fund  
F.B. Heron Foundation  
Houston Endowment  
The Jacob & Valeria Langeloth Foundation  
The John A. Hartford Foundation  
Kansas Health Foundation  
The Leona M. and Harry B. Helmsley Charitable Trust  
The McKnight Foundation  
New Hampshire Charitable Foundation  
New York State Health Foundation  
Oak Foundation  
Public Welfare Foundation  
The Patterson Foundation  
Richard M. Fairbanks Foundation  
Saint Luke's Foundation  
Sobrato Family Foundation  
The Vermont Community Foundation  
Weingart Foundation  
Wilburforce Foundation  
William Penn Foundation

### INDIVIDUAL CONTRIBUTORS

Michael Bailin  
Kevin Bolduc  
Phil Buchanan  
Alyse d'Amico  
John Davidson  
Robert Eckardt  
Phil Giudice  
Tiffany Cooper Gueye  
Crystal Hayling  
Paul Heggarty  
Bob Hughes  
Barbara Kibbe  
Latia King  
Patricia Kozu  
Kathryn E. Merchant  
Grace Nicolette  
Richard Ober  
Alex Ocasio  
Grant Oliphant  
Hilary Pennington  
Christy Pichel  
Nadya K. Shmavonian  
Fay Twersky  
Jen Vorse Wilka  
Lynn Perry Wooten

# 2015 ASSESSMENTS SUBSCRIBERS

Ann Arbor Area Community  
Foundation

Arcus Foundation

Arizona Community Foundation

Baptist Healing Trust

The Blandin Foundation

Blue Cross Blue Shield of Minnesota  
Foundation

The Boston Foundation

Bush Foundation

Carl and Eloise Pohlad Family  
Foundation

Children's Investment Fund  
Foundation (UK)

The Children's Trust

The Colorado Health Foundation

The Community Foundation for  
Greater Atlanta

Community Foundation of Greater  
Des Moines

Community Foundation Serving Tyne  
& Wear and Northumberland (UK)

Conrad N. Hilton Foundation

Citi Foundation

The David and Lucile Packard  
Foundation

Deaconess Foundation

Einhorn Family Charitable Trust

The Erie Community Foundation

Evelyn and Walter Haas, Jr. Fund

Ford Foundation

Fremont Area Community  
Foundation

Gordon and Betty Moore Foundation

Grand Victoria Foundation

Greater Houston Community  
Foundation

Grove Foundation

Hampton Roads Community  
Foundation

Health Foundation for Western  
and Central New York

The Heinz Endowments

Human Dignity Foundation  
(Switzerland)

Ian Potter Foundation (Australia)

Jessie Smith Noyes Foundation

The John R. Oishei Foundation

John Rex Endowment

Kalamazoo Community Foundation

Kenneth Rainin Foundation

Kessler Foundation

LankellyChase Foundation (UK)

Maine Health Access Foundation

The McKnight Foundation

Medina Foundation

Missouri Foundation for Health

New York State Health Foundation

Northwest Area Foundation

Oak Foundation (Switzerland)

The Philadelphia Foundation

The Ralph M. Parsons Foundation

The Rhode Island Foundation

The Robert Wood Johnson  
Foundation

Saint Luke's Foundation

Sea Change Foundation

The Seattle Foundation

The Skillman Foundation

St. David's Foundation

T. Rowe Price Foundation

Wilburforce Foundation

The William and Flora Hewlett  
Foundation

William Davidson Foundation

William Penn Foundation

Williamsburg Health Foundation

Wiregrass Foundation

Z. Smith Reynolds Foundation

# BOARD OF DIRECTORS



## Grant Oliphant (Chair)

President  
The Heinz Endowments

## Phil Buchanan

President  
Center for Effective Philanthropy

## Tiffany Cooper Gueye, Ph.D.

Chief Executive Officer  
BELL (Building Educated Leaders for Life)

## Crystal Hayling

Principal  
C2Projects

## Richard Ober

President & CEO  
New Hampshire Charitable Foundation

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Ford Foundation

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University of Michigan's Ross School  
of Business

## Nadya Shmavonian

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## Vince Stehle

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Media Impact Funders

## Fay Twersky

Director of the  
Effective Philanthropy Group  
The William and Flora Hewlett  
Foundation

