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.

MORE INFORMATION
Third-party assessments that CEP commissions, along with additional financial information, can be found on our website: www.effectivephilanthropy.org.
June 9, 2017

Dear Colleague,

2016 was a year of dramatic change. As foundations ask more questions and think deeply about their work and role given this new context, foundation effectiveness matters critically.

At the Center for Effective Philanthropy (CEP), we work to provide resources to foundations to help them improve their effectiveness. Through our research, assessments, advisory services, programming, and other initiatives, CEP is dedicated to supporting funders with the data and insights they need to learn and improve.

In 2016, we pursued this in a number of ways — from the three major research reports we published, to our 88 different assessment and advisory services engagements, to numerous speaking engagements and blog posts delving into the different facets of foundation effectiveness. It was a busy year, and we invite you to read more about our activities in this annual report.

Sincerely,

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

Phil Buchanan
President
philb@effectivephilanthropy.org
CEP’s research seeks to help foundations be as effective as possible by contributing data and insight to inform practice. In 2016, we published three new research publications: one looked at the meaning and state of practice of transparency among foundations; another, completed in partnership with the Center for Evaluation Innovation (CEI), provided comprehensive benchmarking data on foundation evaluation practices; and a third examined foundation CEOs’ perspectives on the future of foundation philanthropy. We presented research findings from these reports at various convenings, including the 2016 meeting of CEI’s Evaluation Roundtable, Grantmakers for Effective Organizations’ 2016 National Conference, and the William and Flora Hewlett Foundation’s 50th anniversary symposium.

CEP’s research team also made strides in 2016 on several other research initiatives, including studies on approaches to limited life philanthropy, the roles and experiences of program officers, and foundations’ understanding of beneficiaries’ needs. Reports resulting from these projects will be released in 2017.

Transparency is a much-discussed topic across sectors — philanthropy included. But for foundations, it’s not always clear what is meant exactly by the word, who foundations’ primary audiences for their transparency efforts are, or what might be the most important matters for funders to be transparent about.

To better understand transparency in philanthropy — both its meaning and the current state of practice among foundations — CEP analyzed survey data from 145 foundation CEOs and more than 15,000 grantees and systematically reviewed more than 70 foundation websites. Released in February 2016, Sharing What Matters: Foundation Transparency shows that funders see grantees as the primary audiences for their transparency efforts, and both foundations and grantees believe transparency about the substance of foundation work, rather than about financial disclosures or governance, matters most to effectiveness. The report also finds that foundations are doing well in certain areas when it comes to transparency, such as sharing information on their grantmaking processes and goals and strategies.

But when it comes to being transparent about how they assess their own performance and lessons learned from what has worked and what has not, foundations are less transparent. This comes despite a shared belief that it would be beneficial to do so — so both funders and grantees may learn and improve.

For foundations, there are many questions to reflect on when thinking about which evaluation practices best align with their strategy, culture, and mission. How much should foundations invest in evaluation? What can they do to ensure that the information they receive from evaluation is useful to them? With whom should they share what they have learned?

Developed in partnership with the Center for Evaluation Innovation (CEI) and released in September 2016, Benchmarking Foundation Evaluation Practices is the most comprehensive data collection effort to date on evaluation practices at foundations. The report shares data on crucial topics related to evaluation at foundations, such as evaluation staffing and structures, investment in evaluation work, and the usefulness of evaluation information.
Based on the perspectives of more than 200 foundation CEOs collected through in-depth interviews and a survey, *The Future of Foundation Philanthropy: The CEO Perspective* captures foundation leaders’ views on challenges and concerns about the changing landscape in which they work, practices they believe hold the most promise for helping foundations reach their potential, and the most pressing issues that will influence foundation philanthropy in the coming years.

Released in December 2016, the report shows that two-thirds of foundation CEOs believe in the potential of foundations to make a significant difference in society, but most do not see foundations taking full advantage of their opportunities for impact. However, it also finds reasons for optimism for the future of philanthropy: much of what CEOs see as standing in their way is under their control to change, and they identify a number of ways foundations can get closer to realizing their potential for the future — such as learning from the experiences of those they are ultimately trying to help and learning from the knowledge or experiences of grantees.

Accompanying the report is a companion publication of reflections on the research findings from CEOs of foundations of various sizes, scopes, and missions. The report was commissioned by the William and Flora Hewlett Foundation in conjunction with its 50th anniversary.
In 2016, CEP worked with 72 clients — in 28 states and eight countries — on 88 different assessment and advisory services engagements.

We added several new questions drawn from our research findings to both our Grantee Perception Report (GPR) and Donor Perception Report (DPR) surveys. For example, we added a new set of questions to the GPR about the reporting and evaluation processes foundations use, as well as questions about funders’ connections to beneficiaries. With the DPR, we revised the survey with a focus in particular on questions about donor motivation. We also designed new questions about how grantees and donors are responding to a changed political environment.

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 2016, 50 funders commissioned GPRs. We worked with private, community, corporate, and public funders that range in asset size from less than $1.5 million to more than $10 billion.

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 2016, seven 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 the assessment, with more than 60 users to date. In 2016, seven community foundations used the DPR.

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 2016, nine funders used the SPR. Additionally, in planning for 2017, we designed a more streamlined option for funders looking for a less comprehensive employee survey.

ADVISORY SERVICES

Our customized advisory services grew significantly in 2016. Across more than a dozen projects, our advisory work included: the publication of a major piece of commissioned research on the future of foundation philanthropy; helping a group of peers at different institutions compare the various ways they approach their work, structure their roles, and address common challenges; and advising funders on their philanthropic approach.
Designed to demonstrate the power of listening rigorously to intended beneficiaries, YouthTruth harnesses student and stakeholder 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 2016, YouthTruth received support from the Fund for Shared Insight.

YouthTruth surveyed a total of 148,049 students across 14 states in 2016. By the end of the year, YouthTruth crossed the threshold of a half a million students surveyed in its history.

YouthTruth also expanded its services in 2016, introducing new family and staff surveys to complement its core student surveys. The Family Survey highlights parent/guardian perspectives of their child’s school on six key themes: school culture, relationships, communication and feedback, engagement and empowerment, school safety, and resources. The Staff Survey highlights teachers’ and staff members’ perspectives of their school on four key themes: culture and communication, relationships, engagement and empowerment, and professional development and support.

Additionally, YouthTruth launched a new series of publications in 2016 called Learning from Student Voice, which share findings based on analysis of student perception data from YouthTruth’s aggregate dataset. As part of this series, YouthTruth published reports on four topics: college and career readiness, academic rigor, bullying, and school culture.
Ensuring CEP’s resources and insights are widely accessed and utilized is a top priority for the programming and external relations team. Toward that goal, in 2016 we continued to promote foundation effectiveness with research report designs, staff speaking engagements, the CEP blog, press mentions, social media, and two explainer videos featuring foundation leaders speaking to the power of CEP’s work and the Grantee Perception Report® (GPR).

In April, CEP published a long-form, designed essay by CEP President Phil Buchanan, titled Big Issues, Many Questions. In the essay, Buchanan explores the five most pressing issues facing U.S. foundations in 2016. From growing dissatisfaction with the so-called establishment to embracing collaboration and aligned action, the essay lays out the trends that foundation CEOs and boards cannot overlook or ignore.

Buchanan spoke about these issues in a plenary talk at the 2016 Philanthropic Foundations Canada Biennial Conference in November. Elsewhere, Buchanan and other CEP leaders presented insights from CEP’s research and data in speaking engagements at several national and regional events, including ones hosted by Advancement Network, Arizona Grantmakers, Grantmakers for Effective Organizations, Grantmakers in Health, and Grants Managers Network, to name a few. Additionally, CEP hosted a webinar following the release of Sharing What Matters, in which several foundation leaders discussed their work on transparency in the context of the report’s findings.

In August, we launched an updated website, featuring a sortable and searchable library for CEP research and a sleeker, more easily navigable CEP blog. The blog had a range of thought-provoking posts from staff and guest contributors throughout the year, including Bob Hughes, president and CEO of the Missouri Foundation for Health; Kate Wolford, president of the McKnight Foundation; Megan Tompkins-Stange, author of Policy Patrons; and Dave Biemesderfer, president and CEO of the Forum of Regional Associations of Grantmakers.

In 2016, CEP was mentioned in numerous media outlets including Bloomberg, Fast Company, Yahoo! News, The Chronicle of Philanthropy, the Stanford Social Innovation Review (SSIR), and Alliance Magazine. Buchanan also appeared on Take Two on 89.3 KPCC National Public Radio in Los Angeles and The Business of Giving with Denver Frederick on AM970 The Answer in New York. He also continued to write columns for The Chronicle of Philanthropy and was named The Nonprofit Times’ “Influencer of the Year” for 2016.
Statement of **financial position** for the year ended December 31, 2016

*dollars in thousands*

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$4,376</td>
<td>$1,831</td>
<td>$6,207</td>
</tr>
<tr>
<td>Selected Balances</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$1,306</td>
<td>$327</td>
<td>$1,633</td>
</tr>
<tr>
<td>Investments</td>
<td>$2,025</td>
<td>-</td>
<td>$2,025</td>
</tr>
<tr>
<td>Pledges Receivable</td>
<td>-</td>
<td>$1,345</td>
<td>$1,345</td>
</tr>
</tbody>
</table>

---

Statement of **activities and changes in net assets** for the year ended December 31, 2016

*dollars in thousands*

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue and Support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and Contributions</td>
<td>$4,296</td>
<td>($999)</td>
<td>$3,297</td>
</tr>
<tr>
<td>Earned Revenue</td>
<td>$3,130</td>
<td>-</td>
<td>$3,130</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$7,426</td>
<td>($999)</td>
<td>$6,427</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Services</td>
<td>$5,984</td>
<td>-</td>
<td>$5,984</td>
</tr>
<tr>
<td>Supporting Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and General</td>
<td>$1,270</td>
<td>-</td>
<td>$1,270</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$143</td>
<td>-</td>
<td>$143</td>
</tr>
<tr>
<td>Total Supporting Services</td>
<td>$1,413</td>
<td>-</td>
<td>$1,413</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$7,397</td>
<td>-</td>
<td>$7,397</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>$29</td>
<td>($999)</td>
<td>($970)</td>
</tr>
<tr>
<td>Net Assets at Beginning of Year</td>
<td>$3,615</td>
<td>$2,830</td>
<td>$6,445</td>
</tr>
<tr>
<td>Net Assets at End of Year</td>
<td>$3,645</td>
<td>$1,831</td>
<td>$5,476</td>
</tr>
</tbody>
</table>
2016 CEP FUNDERS

$500,000 OR MORE

$200,000 TO $499,999
The David and Lucile Packard Foundation
Ford Foundation
S.D. Bechtel, Jr. Foundation
W.K. Kellogg Foundation

$100,000 TO $199,999
Barr Foundation
Rockefeller Brothers Fund

$50,000 TO $99,999
Gordon and Betty Moore Foundation
The Kresge Foundation
Rita Allen Foundation
The Wallace Foundation

$20,000 TO $49,999
Carnegie Corporation of New York
Charles Stewart Mott Foundation
The Duke Endowment
John D. and Catherine T. MacArthur Foundation
Oak Foundation
Surdna Foundation

UP TO $19,999
The Assisi Foundation of Memphis
The Colorado Health Foundation
Delaware Community Foundation
Doris Duke Charitable Foundation
Evelyn and Water Haas, Jr. Fund
The Heinz Endowments
Henry Luce Foundation
Houston Endowment
Kansas Health Foundation
The Leona M. and Harry B. Helmsley Charitable Trust
Longwood Foundation
The McKnight Foundation
New Hampshire Charitable Foundation
New York State Health Foundation
Richard M. Fairbanks Foundation
Saint Luke’s Foundation
Sobrato Family Foundation
Teagle Foundation
Weingart Foundation
Wilburforce Foundation

INDIVIDUAL CONTRIBUTORS
Michael Bailin
Paul Beaudet
Kevin Bolduc
Phil Buchanan
Tiffany Cooper Gueye
Stuart Comstock-Gay
Alexa Cortes Culwell
Alyse d’Amico
Phil Giudice
Bob Hughes
Barbara Kibbe
Amanda King
Latia King
Patricia Kozu
Jean McCall
Debra Natenshon
Grace Nicolette
Alex Ocasio
Grant Oliphant
Hilary Pennington
Christy Pichel
Nadya Shmavonian
Vince Stehle
Valerie Threlfall
Jen Vorse Wilka
Lynn Perry Wooten
2016 ASSESSMENT AND ADVISORY SERVICES SUBSCRIBERS

Alaska Mental Health Trust Authority  
Arcus Foundation  
Azim Premji Philanthropic Initiatives  
Blue Cross Blue Shield of North Carolina Foundation  
C & A Foundation  
City Bridge Trust  
College Futures Foundation  
The Columbus Foundation  
The Commonwealth Fund  
The Community Foundation for Greater New Haven  
The Community Foundation of North Louisiana  
Community Foundation of Northeast Alabama  
The David and Lucile Packard Foundation  
Delaware Community Foundation  
EMpower - the Emerging Markets Foundation  
Episcopal Health Foundation  
Eugene and Agnes E. Meyer Foundation  
Ewing Marion Kauffman Foundation  
The F. B. Heron Foundation  
First 5 Santa Barbara County  
Ford Foundation  
Fund for Shared Insight  
Gordon and Betty Moore Foundation  
Grantmakers In Health  
Hampton Roads Community Foundation  
The Harvest Foundation  
Hawai’i Community Foundation  
Health Care Foundation of Greater Kansas City  
Helios Education Foundation  
Houston Endowment  
James Graham Brown Foundation  
The John A. Hartford Foundation, Inc.  
John D. and Catherine T. MacArthur Foundation  
The Kresge Foundation  
Longwood Foundation, Inc.  
Lor Foundation  
Mama Cash Foundation  
Mathile Family Foundation  
Melville Charitable Trust  
MetroWest Health Foundation  
Minnesota Department of Employment and Economic Development (DEED)  
The Morris and Gwendolyn Cafritz Foundation  
Napa Valley Community Foundation  
Nellie Mae Education Foundation  
New Hampshire Charitable Foundation  
The Nord Family Foundation  
North Texas Community Foundation  
Peter Kiewit Foundation  
Philanthropy New York  
Pisces Foundation  
Raikes Foundation  
REACH Healthcare Foundation  
Realdania  
Richmond Memorial Health Foundation  
Rockefeller Brothers Fund  
The Rockefeller Foundation  
The Skillman Foundation  
Thomas and Jeanne Elmezzi Private Foundation  
The Trump Foundation (Israel)  
Tufts Health Plan Foundation  
W. K. Kellogg Foundation  
The Wallace Foundation  
Walton Family Foundation  
William G. McGowan Charitable Fund  
William Penn Foundation  
Y & H Soda Foundation
Grant Oliphant (Chair)
President
The Heinz Endowments

Richard Ober
President & CEO
New Hampshire Charitable Foundation

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

Paul Beaudet (as of 1/1/17)
Executive Director
Wilburforce Foundation

Hilary Pennington
Vice President, Education, Free Expression and Creativity
Ford Foundation

Lynn Perry Wooten
Associate Dean of Undergraduate Programs
University of Michigan’s Ross School of Business

Phil Buchanan (ex officio)
President
Center for Effective Philanthropy

Christy Pichel
Former President
Stuart Foundation

Nadya Shmavonian
Director
Nonprofit Repositioning Fund

Tiffany Cooper Gueye, Ph.D.
Chief Executive Officer
BELL (Building Educated Leaders for Life)

Vince Stehle
Executive Director
Media Impact Funders

Crystal Hayling
Managing Director
Environment Leaders Fellowship
Senior Advisor
Aspen Philanthropy and Society, The Aspen Institute