



2018 Annual Report



THE CENTER
FOR EFFECTIVE
PHILANTHROPY

The Center for Effective Philanthropy

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.cep.org

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MAY 2019

Dear Colleague,

News of government dysfunction, inequality, bigotry and hate, and potential environmental catastrophe provide daily reminders of how much vital work there is to do. We need a strong nonprofit sector and a strong civil society, supported by effective giving. And — excuse the cliché but it feels true — we need it now more than ever.

Foundations and philanthropists have the unique challenge — and opportunity — to help strengthen our civil society. And that's why the Center for Effective Philanthropy (CEP) exists — to assist foundation leaders and major donors in maximizing their impact while taking on many of today's most pressing societal challenges. For nearly 18 years, CEP has led the movement to improve philanthropy through a powerful combination of dispassionate analysis and a passionate commitment to improving lives, all rooted in a deep conviction that listening matters. Today, more than 350 foundations have used CEP's assessments and services to gather honest feedback from their stakeholders, staff, and grantees in an effort to become more effective.

In 2018, we worked toward building a more effective philanthropic sector in several ways — including releasing six research publications, conducting 105 different assessment and advisory services engagements, and commenting on crucial topics in the philanthropic sector through webinars, speaking engagements, op-eds, and blog posts. We also began efforts to reach those who give outside the foundation structure, releasing our first dedicated resource for individual donors. As always, we sought to help funders cut through the noise and understand what it means to give more effectively.

We invite you to read more about our activities in 2018 in this annual report. We welcome your thoughts, reactions, and ideas — please don't hesitate to reach out.

Sincerely,

GRANT OLIPHANT
Chair, Board of Directors
President, The Heinz Endowments

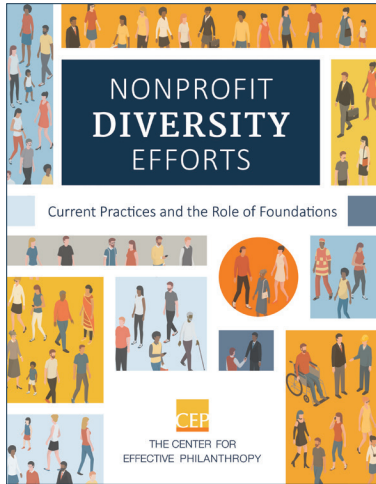
PHIL BUCHANAN
President
philb@cep.org



Research



6 research publications



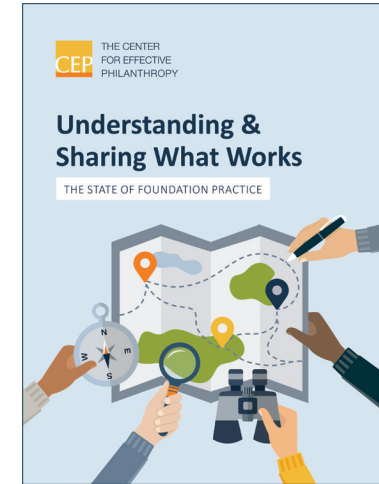
Nonprofit Diversity Efforts: Current Practices and the Role of Foundations

In discussions about diversity at foundations, it's essential that the perspectives of grantees be included in the conversation. We surveyed and analyzed the responses of 205 leaders of nonprofit organizations with annual expenses between \$100,000 and \$100 million to better understand how diversity relates to the work of nonprofits. This includes diversity of nonprofit leadership, what demographic information nonprofits and funders alike are collecting about nonprofits, and how that information is used.



Strengthening Grantees: Foundation and Nonprofit Perspectives

Strong organizations, leaders, and networks are crucial to foundations' and nonprofits' ability to achieve shared goals. Our analysis of survey responses from 170 nonprofit CEOs and 187 foundation leaders provides a comprehensive examination of foundations' efforts to strengthen grantee organizations and leaders. The data reveals that foundations are not as in touch with nonprofits' needs as they think they are, and that both foundations and nonprofits alike have a role to play in closing the gap between the support nonprofits need and the support foundations provide.



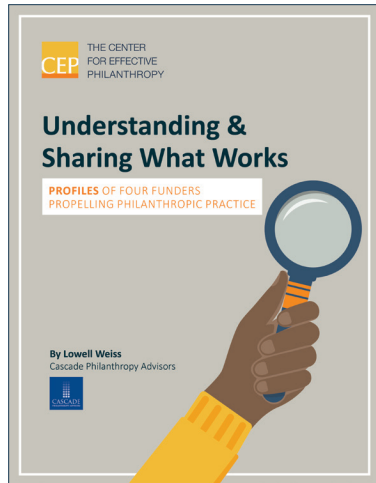
Understanding & Sharing What Works: The State of Foundation Practice

Assessing the performance of a foundation is notoriously challenging, but it is crucial to learning and improvement. Based on analysis of 119 survey responses and 41 interviews from foundation CEOs, *Understanding & Sharing What Works: The State of Foundation Practice* synthesizes key findings about how foundations are assessing what's working and what isn't in their efforts to reach their programmatic goals, how they use that information, and how they decide what to share with others.

Research continued



6 research publications



Understanding & Sharing What Works: Profiles of Four Funders Propelling Philanthropic Practice

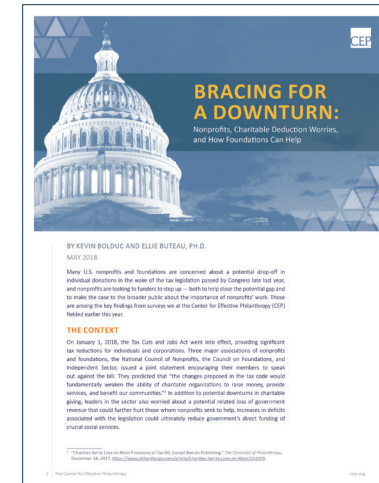
This piece is a companion to *Understanding & Sharing What Works: The State of Foundation Practice*.

Authored by Lowell Weiss of Cascade Philanthropy Advisors, these four profiles seek to bring the data from that report to life through stories of foundations whose practices in learning and sharing may be relevant for others. The four foundations profiled are Rockefeller Brothers Fund, Weingart Foundation, Communities Foundation of Texas, and Impetus-PEF.



Donors: 5 Things Nonprofits Want You to Know

The power imbalance that exists between nonprofits and donors means that important things are often left unsaid, which can, in turn, render donor giving less effective. Over 15 years, CEP has collected candid, anonymous feedback from more than 100,000 nonprofit leaders. Based on our research, we created a resource for donors that summarizes five things that nonprofits want their donors to know but may not be telling them directly. This is the first resource CEP has released aimed at helping individual donors improve the effectiveness of their giving.



Bracing for a Downturn: Nonprofits, Charitable Deduction Worries, and How Foundations Can Help

On January 1, 2018, the Tax Cuts and Jobs Act went into effect, doubling the amount of the standard deduction that individuals can claim in their tax returns and thereby reducing the number of itemizers taking advantage of the charitable deduction. Through analysis of the perspectives of 170 nonprofit CEOs and 187 foundation staff, we examined how foundation and nonprofit leaders are viewing the implications of new tax legislation in the U.S. — and what role funders can play in helping grantees respond to it.

Assessment and Advisory Services

CEP's assessments provide actionable insights and benchmarking on foundation clients' work with — and influence on — key stakeholders. Hundreds of funders of every type and size have commissioned CEP's assessments to make the best choices about how to use their resources to create impact.

Grantee Perception Report® (GPR)

The GPR — the most widely used grantee survey — provides funders with candid and actionable comparative feedback from grantees on key topics including impact on grantees' fields, communities, and organizations; understanding of intended beneficiaries; and interactions and communications with grantees.

Donor Perception Report (DPR)

The only survey that benchmarks donor perceptions across community foundations, the DPR provides community foundations with candid feedback and insights from their donors on topics including donor satisfaction, future giving plans, and perceptions of leadership in the community.

Staff Perception Report (SPR)

Designed specifically for philanthropic funders, the SPR helps funders gather, understand, and act on staff feedback in ways that connect directly to the unique context of philanthropic effectiveness.

Advisory Services

CEP's advisory services offer data-driven, customized advising to help funders better understand and improve their effectiveness. Each advisory engagement leverages CEP's deep knowledge about philanthropy and what matters to foundations and their stakeholders.

Advisory services projects CEP completed in 2018 include:

- › **Grantee focus groups to elicit suggestions for ways that their funders can redesign grantmaking processes and strengthen relationships with them;**
- › **A deep dive into how one large foundation's program officers prioritize and spend their time, eliciting barriers and suggestions about how they could dedicate more time to building field and grantee partnerships; and**
- › **Surveys of funders' stakeholders — often co-funders and issue area experts — seeking reflections on strategy and ideas for future focus.**



105
total AAS
engagements



80
funders



in **26**
states and
6
countries

YouthTruth

YouthTruth harnesses student and stakeholder feedback to help school leaders and education funders make better decisions that lead to better outcomes for students. Through validated survey instruments for students, family, and staff, as well as tailored advisory services, YouthTruth partners with schools, districts, states, and education funders to enhance learning for all students.

Bay Area Student Voice Initiative

In 2018, YouthTruth began its second year of an initiative with a group of funders in the Bay Area to explore the extent to which funders can constructively learn from the student experiences, insights, and perspectives captured by YouthTruth's surveys. The group is supporting networks of local schools and districts to participate in YouthTruth at no cost (whereas districts typically pay to participate), and coming together as a learning community to discuss how student feedback can be used to enhance effectiveness.

Learning from Student Voice Reports and Case Studies

YouthTruth launched the *Learning from Student Voice* series in 2016 to bring data and insight to bear on pressing challenges related to school experience and improvement. In 2018, YouthTruth continued to analyze its student feedback dataset to publish reports on student engagement, college and career readiness, and bullying. In addition to these reports, YouthTruth published two case studies highlighting strategies and protocols developed and used successfully by an innovative education foundation and a Washington school district to drive change across school climate, professional development, equity, and learning outcomes for students.

2018 YouthTruth Funders



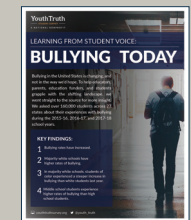
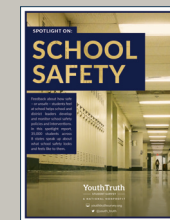
YouthTruth
STUDENT SURVEY
A NATIONAL NONPROFIT

225,077
students surveyed

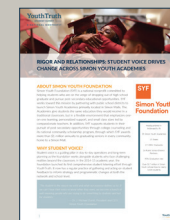
73,222
family and staff surveyed

16
states

PUBLISHED REPORTS



3 Learning from Student Voice reports



2 case studies

Programming and External Relations

CEP hosted several webinars that discussed the findings of recent research reports, including *Strengthening Grantees: Foundation and Nonprofit Perspectives* and *Understanding & Sharing What Works: The State of Foundation Practice*. CEP staff also presented research and insights at several events and conferences in 2018, including ones hosted by Philanthropy New York, Grantmakers for Effective Organization (GEO), and PEAK Grantmaking.

The CEP blog had a range of thought-provoking posts from staff and guest contributors throughout the year, including Wilburforce Foundation Founder Rose Letwin, Ford Foundation Program Officer Chris Cardona, and Nord Family Foundation Executive Director Anthony Richardson.

CEP and Grantmakers for Effective Organizations (GEO) signed a partnership agreement in 2018, offering GEO members a discount on CEP's assessments.



21,000
Twitter followers



91
blog posts



Financial Information

Statement of financial position for the year ended December 31, 2018

dollars in thousands

| | Unrestricted | Temp Restricted | Total |
|--------------------------|--------------|-----------------|-------|
| Total Assets | 4948 | 3355 | 8303 |
| Selected Balances | | | |
| Cash | 1186 | 2175 | 3361 |
| Investments | 2040 | | 2040 |
| P/R | | 1179 | 1179 |

Statement of activities and change in net assets for the year ended December 31, 2018

dollars in thousands

| | Unrestricted | Temp Restricted | Total |
|--|--------------|-----------------|-------|
| Operating Revenue & Support | | | |
| Grants & Contributions | 4538 | 358 | 4896 |
| Earned Revenue | 3950 | | 3950 |
| <i>Total Operating Revenue & Support</i> | 8488 | 358 | 8846 |
| Operating Expenses | | | |
| Program Services | 6934 | | 6934 |
| Supporting Services | | | |
| Management and General | 1363 | | 1363 |
| Fundraising | 168 | | 168 |
| <i>Total Supporting Services</i> | 1531 | | 1531 |
| TOTAL EXPENSES | 8465 | | 8465 |
| | | | |
| Change in Net Assets | 23 | 358 | 381 |
| Net Assets at Beginning of Year | 3762 | 2997 | 6759 |
| Net Assets at End of Year | 3785 | 3355 | 7140 |



2018 Funders

\$500,000 OR MORE



Robert Wood Johnson Foundation



\$200,000 TO \$499,999

Barr Foundation
Ford Foundation
S.D. Bechtel, Jr. Foundation

\$100,000 TO \$199,999

Conrad N. Hilton Foundation
The David and Lucile Packard Foundation
Fund for Shared Insight
The Leona M. and Harry B. Helmsley
Charitable Trust
Raikes Foundation
Rockefeller Foundation

\$50,000 TO \$99,999

Gordon and Betty Moore Foundation
The Heinz Endowments
John D. and Catherine T. MacArthur Foundation
The Kresge Foundation
Oak Foundation
The Wallace Foundation
Weingart Foundation

\$20,000 TO \$49,999

Blue Cross Blue Shield of California
California Health Care Foundation
The Duke Endowment
Houston Endowment
James Graham Brown Foundation
Marguerite Casey Foundation
Newman's Own Foundation
Rita Allen Foundation
Rockefeller Brothers Fund
Surdna Foundation

UP TO \$19,999

The Assisi Foundation of Memphis
Columbus Foundation
Community Foundation of Northeast Alabama
Delaware Community Foundation
Doris Duke Charitable Foundation
Eugene and Agnes E. Meyer Foundation
Evelyn and Walter Haas, Jr. Fund
Giving Circles Fund of the Silicon Valley
Community Foundation
Henry Luce Foundation
Kansas Health Foundation
Longwood Foundation
McKnight Foundation
New Hampshire Charitable Foundation
The New York Community Trust
Patterson Foundation
Public Welfare Foundation
Rhode Island Foundation
Richard M. Fairbanks Foundation
Saint Luke's Foundation
Sobrato Family Foundation
Stuart Foundation
Wilburforce Foundation

INDIVIDUAL CONTRIBUTORS

Michael Bailin
Paul Beaudet
Jill Blair
Kevin Bolduc
Phil Buchanan
Antony Bugg-Levine
Stuart Comstock-Gay
Kathleen Cravero
Alyse d'Amico
Jessica David
Mark Edwards
Phil Giudice
Tiffany Cooper Gueye
Crystal Hayling
Paul Heggarty
Bob Hughes
Zachary Kahn
Latia King-Fontánez
Jean McCall
Grace Nicolette
Dick Ober
Alex Ocasio
Grant Oliphant
Hilary Pennington
Christy Pichel
Ross MacNeel Family
Nadya Shmavonian
James Siegal
Vince Stehle
Kelvin Taketa
Fay Twersky
Jen Vorse Wilka
Lynn Perry Wooten

2018 Assessment and Advisory Services Subscribers

Andrus Family Fund
Arabella Advisors
Azim Premji Philanthropic Initiatives (India)
Bader Philanthropies, Inc.
Barr Foundation
Berkshire Taconic Community Foundation
Blue Cross Blue Shield of Minnesota Foundation
Children's Investment Fund Foundation
(United Kingdom)
Co-Impact
Communities Foundations of Texas, Inc.
Community Foundation of Sonoma County
Democracy Fund
Einhorn Family Charitable Trust
Evelyn and Walter Haas, Jr. Fund
Ewing Marion Kauffman Foundation
Ford Foundation
Foundation for a Just Society
Global Fund For Children
Gordon and Betty Moore Foundation
Great Lakes Higher Education
Guaranty Corporation
Houston Endowment
Howard Gilman Foundation
Iowa West Foundation
Kenneth Rainin Foundation
Mama Cash (Netherlands)
Marin Community Foundation
Michigan Health Endowment Fund
National Geographic Society
New Hampshire Charitable Foundation
Office to Monitor and Combat Trafficking
in Persons
Omaha Community Foundation
Philanthropy New York
Robin Hood
Segal Family Foundation
St. David's Foundation
St. Louis Community Foundation
T. Rowe Price Foundation
The Annie E. Casey Foundation
The Beveridge Family Foundation
The Blandin Foundation
The Boston Foundation
The Colorado Health Foundation
The Commonwealth Fund
The Community Foundation for Greater Atlanta
The David and Lucile Packard Foundation
The Denver Foundation
The Duke Endowment
The Educational Foundation of America
The Greater Cincinnati Foundation
The John A. Hartford Foundation, Inc.
The Kresge Foundation
The Libra Foundation
The Minneapolis Foundation
The New York Community Trust
The Nord Family Foundation
The Ontario Trillium Foundation (Canada)
The Oregon Community Foundation
The Pittsburgh Foundation
The Rockefeller Foundation
The Saint Paul & Minnesota
Community Foundations
The San Francisco Foundation
The Teagle Foundation, Inc.
The Trump Foundation LTD (CC) (Israel)
The Virginia G. Piper Charitable Trust
The Wallace Foundation
The William and Flora Hewlett Foundation
The Winnipeg Foundation (Canada)
Tinker Foundation Incorporated
Tote Board Singapore (Singapore)
UJA-Federation of New York
United Way Greater Toronto (Canada)
Virginia Foundation for Healthy Youth
W. K. Kellogg Foundation
Walton Family Foundation
Weingart Foundation
Whatcom Community Foundation
Wilburforce Foundation
William Davidson Foundation

2018 Board of Directors

GRANT OLIPHANT, *Chair*

President

The Heinz Endowments

PHIL BUCHANAN, *ex officio*

President

CEP

PAUL BEAUDET

Executive Director

Wilburforce Foundation

KATHLEEN CRAVERO

Former President

Oak Foundation

MARK EDWARDS

Co-Founder, Co-CEO

Upstream USA

TIFFANY COOPER GUEYE

Former CEO

BELL (Building Educated Leaders for Life)

DICK OBER

President and CEO

New Hampshire Charitable Foundation

HILARY PENNINGTON

Executive Vice President for Program

Ford Foundation

CHRISTY PICHEL

Former President

Stuart Foundation

KELVIN TAKETA

Former President and CEO

Hawai'i Community Foundation

FAY TWERSKY

Director, Effective Philanthropy Group

The William and Flora Hewlett Foundation

LYNN PERRY WOOTEN

J. Nolan Dean

Charles H. Dyson School of Applied Economics and Management at Cornell University





THE CENTER
FOR EFFECTIVE
PHILANTHROPY

Cambridge, Massachusetts

675 Massachusetts Avenue
7th Floor
Cambridge, MA 02139
617-492-0800

San Francisco, California

131 Steuart St
Suite 501
San Francisco, CA 94105
415-391-3070

cep.org