



THE CENTER
FOR EFFECTIVE
PHILANTHROPY



FOUNDATIONS RESPOND TO CRISIS: Toward Greater Flexibility and Responsiveness?

*The Final in a Series
of Three Reports*

FOUNDATIONS RESPOND TO CRISIS: Toward Greater Flexibility and Responsiveness?

The Final in a Series of Three Reports

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ABOUT THE CENTER FOR EFFECTIVE PHILANTHROPY

The mission of the Center for Effective Philanthropy (CEP) is to provide data and create insight so philanthropic funders can better define, assess, and improve their effectiveness—and, as a result, their intended impact.

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Introduction

In light of the crises of 2020—a global health pandemic and resulting economic crisis, which have exacerbated long-standing inequities in our society, as well as a nationwide reckoning with anti-Black racism—nonprofits and funders alike have called on foundations to change the way they work to meet the needs of the moment.¹ They have urged funders to recognize the unprecedented needs and increased demand for services and provide nonprofits with maximum flexibility to respond to these crises. They have challenged foundations to provide more flexible funding, reduce what they ask of grantees, and shift power dynamics by putting greater trust in the nonprofits that are working under great pressure to serve communities. They also have encouraged funders to do more to advance equity, particularly racial equity, and to be guided by the needs of communities most affected.

Advocacy for more funders to adopt these practices is hardly new. Yet, evidence suggests that past calls for change have not been widely followed. Despite increasingly favorable attitudes

toward multiyear general operating support, these grants are more the exception than the rule.² Similarly, requests for foundations to streamline and improve their processes have been growing over the years, but research indicates that grantees aren't spending any less time on application and reporting processes now than in the past.³ As funders step up and demonstrate greater flexibility and responsiveness, the question then becomes: Is their response merely a momentary adjustment, or will the crises of 2020 spur substantive, long-term change in how funders approach their work?

In this report—the final of this three-part series—we explore the extent to which foundations are being more flexible and responsive, including loosening grant restrictions, reducing what is asked of grantees, and providing more unrestricted support.

The findings presented in this report are based on survey and in-depth interview data collected and analyzed by CEP. In July and August 2020, we surveyed more than 800 foundations.

- ▶ We received responses from 236 foundations —170 of which had signed Philanthropy's Commitment During COVID-19 Pledge and 66 of which had not.
- ▶ Additionally, 41 foundations that signed the pledge participated in hour-long in-depth interviews with CEP. (See Methodology for more information.)



RESEARCH QUESTIONS

This research effort sought to explore the following questions:

1. How are foundations responding to the crises of 2020? What high-level changes are they making?
2. How are foundation leaders responding to inequities exacerbated by the pandemic? How are they reckoning with racism?
3. In what specific ways are foundations supporting their grantees differently?
4. Will foundation leaders make these changes permanent or will they return to old practices over time? And what does this moment mean for the future of foundation philanthropy?

ABOUT THIS SERIES

This report is the third and final in a three-part series that explores how foundations are responding to the crises of 2020. The [first report](#) in this series considered how these crises are shaping the thinking and actions of U.S. foundations. The [second report](#) focused on how foundations are supporting communities hit hardest by

the pandemic—Black, Latino, Native American, immigrant, and low-income communities and people with disabilities—and how foundations are reckoning with racism. We will collect data about whether these practices are continuing when we undertake a second phase of this research next year.


ABOUT THE PLEDGE

We based many of our questions for this research study on elements of the pledge “[A Call to Action: Philanthropy’s Commitment During COVID-19](#)” (subsequently referred to by some, including in this report, as “the pledge”), launched on the Council on Foundations’ website. This pledge—spurred by leaders at the Ford Foundation and informed by those involved in the Trust-Based Philanthropy Project—

charged funders to act with “fierce urgency to support our nonprofit partners, as well as the people and communities hit hardest by the impacts of COVID-19.” Nearly 800 signatories pledged to ease or eliminate restrictions on grants, reduce what is asked of grantees, support and uplift the voices of grantee partners, invest in the communities most affected, and more.

What We Found

Most foundations have changed their practices to be more flexible and responsive. They are loosening grant restrictions, providing more unrestricted funding, and reducing what they ask of grantees. Many plan to continue these practices in the future, though to a lesser degree than during their pandemic response.



Foundations—regardless of whether they signed the pledge or not—are making significant changes in response to the crises of 2020, as we described in the [first report in this series](#). Almost all surveyed foundation leaders are loosening or eliminating restrictions on existing grants, making new grants as unrestricted as possible, and reducing what is asked of grantees (Figure 1). At most foundations, these actions are being taken across most or all program areas (Figure 2). Notably, for more than half of foundations, these are new practices.

All of the foundation leaders we interviewed said that these crises have compelled them to reevaluate their strategies and grantmaking approaches as well as their administrative processes. They described wanting to be a supportive partner and ensure their grantees have the flexibility they need to respond to the crises. Said one leader, “We wanted to show that we cared about our partners. We wanted to support them in the work.” Another added, “This is not the moment to think about all the reasons why we shouldn’t do something. This is the moment to do it.”

FIGURE 1.

Loosening Restrictions, Reducing What Is Asked of Grantees, & Making New Grants Unrestricted

Percentage of foundations implementing the following actions (*Number of respondents is equal to or greater than 235*)

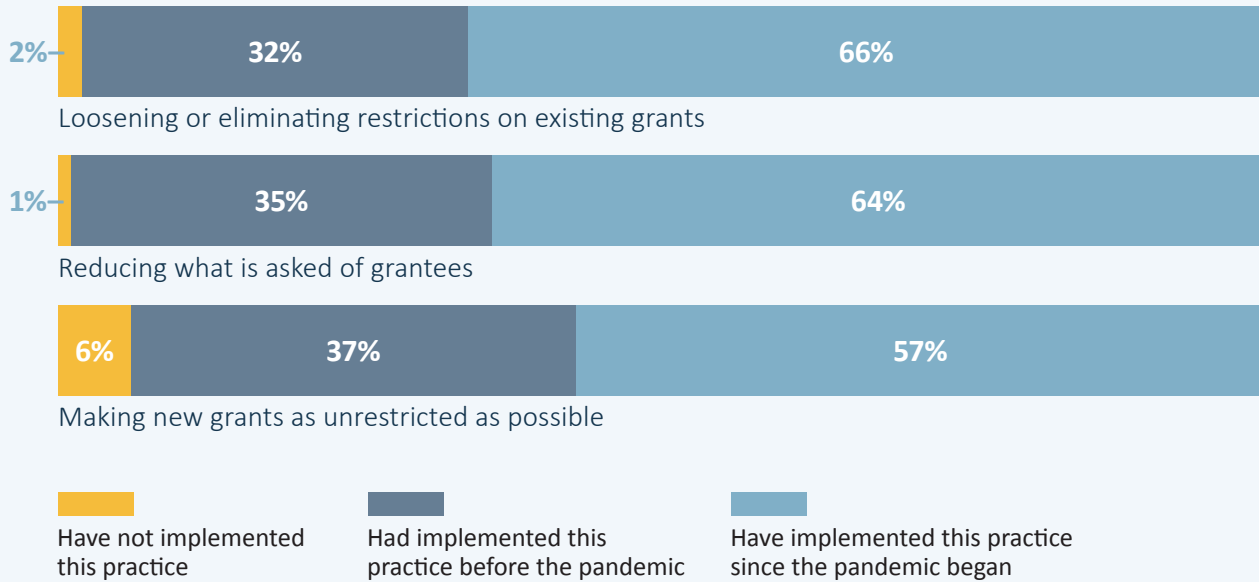
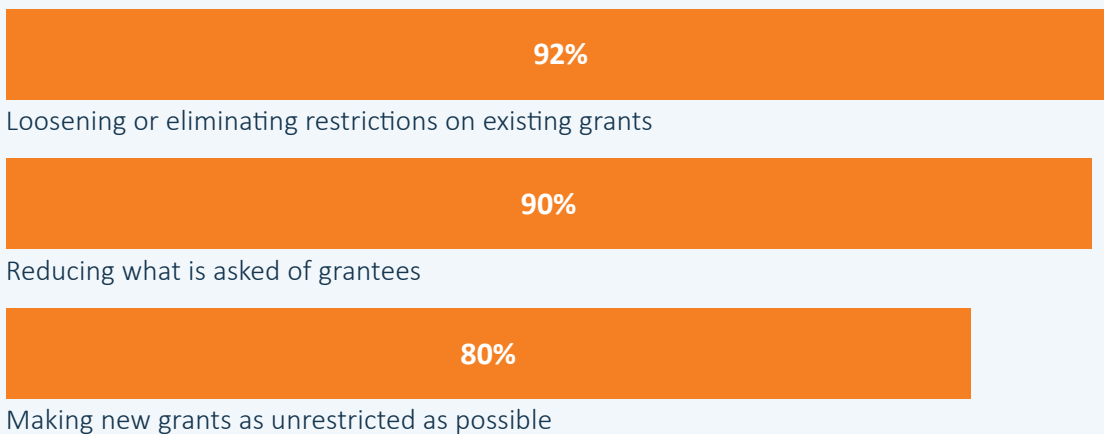



FIGURE 2.

Loosening Restrictions, Reducing What Is Asked of Grantees, & Making New Grants Unrestricted across Program Areas

Percentage of foundations implementing the following actions across **most or all** program areas (*Number of respondents per item ranges from 215 to 230*)





This is not the moment to think about all the reasons why we shouldn't do something. This is the moment to do it.

—FOUNDATION LEADER

DIFFERENCES BETWEEN RESPONDENT FOUNDATIONS THAT DID AND DID NOT SIGN THE PLEDGE

Compared to those that did not sign the pledge, respondents whose foundations signed the pledge were more likely to say that they:

- ▶ Simplified/reduced reporting requirements for more of their grantees
- ▶ Refrained from holding more of their grantees accountable for missed grant aims
- ▶ Supported organizations led by people from the communities most affected by the pandemic
- ▶ Supported grantees' advocacy
- ▶ Proactively unrestricted grants for more grantees
- ▶ Accelerated payment schedules for more grantees

Respondents from foundations that signed the pledge also were more likely to report that they will make the following practices permanent in at least some program areas:

- ▶ Loosening grant restrictions
- ▶ Reducing what they ask of grantees
- ▶ Making new grants as unrestricted as possible

Obviously, these differences could simply be a function of funders' mindsets prior to signing the pledge—we're not suggesting causality. Foundation leaders we interviewed—all of whom signed the pledge—overwhelmingly described signing the pledge as an easy decision because they were already undertaking these practices or had committed to implementing them. Survey respondents who signed the pledge also reported implementing elements of the pledge before signing it.

AWARENESS OF THE PLEDGE AMONG NONPROFIT LEADERS

Just 29 percent of nonprofit leaders—55 respondents—indicated that they were aware of the pledge in a survey we conducted of CEP’s *Grantee Voice* panel. Of those, only 13 nonprofit leaders said that at least one of their foundation funders had communicated to them that they had

signed the pledge. Of course, awareness of the pledge is different from experiencing its benefits in the form of more flexible and responsive foundation practices. Nonetheless, the low level of awareness is striking.

Foundations Are Loosening Grant Restrictions

Foundation leaders reported multiple ways in which they are loosening grant restrictions. They most frequently reported not holding grantees responsible for missed grant objectives, with almost 90 percent doing so for at least half of their grantees (Figure 3). One leader explained, “With very few exceptions, we said, ‘Use this grant for anything you need: no requirements of conferences, events, or other project deliverables.’”

Almost two-thirds of leaders reported that their foundations offered to discuss converting their funding to unrestricted support for at least half of their grantees. Fewer funders—43 percent—proactively converted restricted grants to unrestricted funding for at least half of their grantees (Figure 3). One leader whose foundation offered to remove grant restrictions said, “Several grantees said, ‘It really helped to just stop this program we’re doing and fund our operations.’ We have granted every single request like that.”

Another foundation leader said, “We contacted all organizations and said, ‘We know that you’re taking on a lot. You’re at the front lines of

responding to this crisis. Use these resources in any way that you feel you need to respond to this current moment.’”

We proactively made unrestricted grants to a number of the organizations that are viewed and are acting as leaders in the racial equity space here in our region.

—FOUNDATION LEADER

Three-quarters of survey respondents reported that their foundation is providing a higher percentage of unrestricted grant dollars now than pre-pandemic (Figure 4). Most of these foundations already provided at least some unrestricted support before the pandemic. Said one leader, “We committed to making all of the COVID-19 response fund grants unrestricted without a set evaluation.” Another added, “We proactively made unrestricted grants to a number of the organizations that are viewed and are acting as leaders in the racial equity space here in our region.”

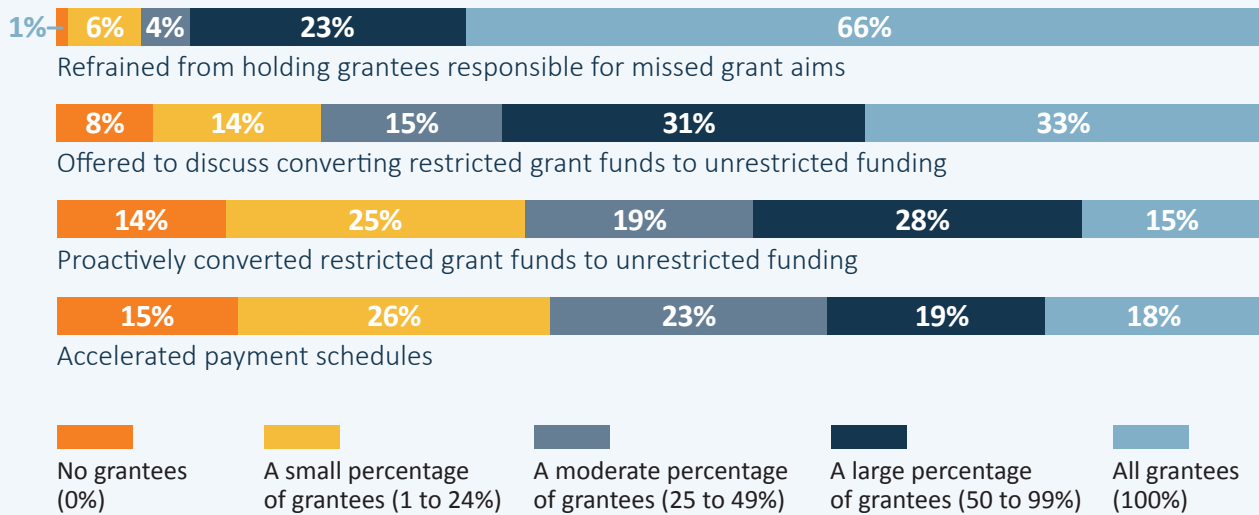
Fewer funders—37 percent—reported that they accelerated payment schedules for at least half of their grantees (Figure 3). Also notable is that few foundations are providing more multi-year

general operating support (GOS). (See the sidebar “What’s Not Changing? The Provision of Multiyear GOS Grants.”)

FIGURE 3.

Loosening Grant Restrictions

Percentage of grantees for which the foundation has taken the following actions (*Number of respondents per item ranges from 173 to 207*)

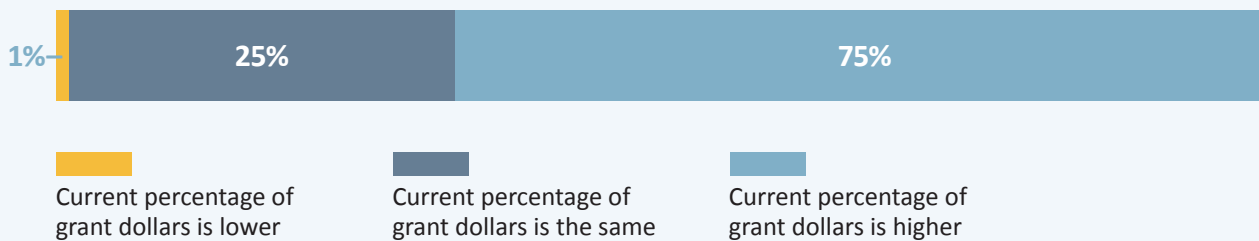


Percentages in this figure may not add to 100 due to rounding.

FIGURE 4.

Provision of Unrestricted Support

Percentage of foundations reporting change in the provision of unrestricted support, in comparison to pre-pandemic practices (*Number of respondents = 220*)



Percentages in this figure may not add to 100 due to rounding.

WHAT'S NOT CHANGING? THE PROVISION OF MULTIYEAR GOS GRANTS

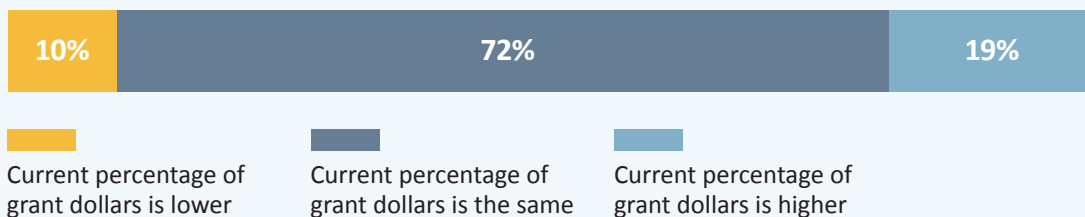
Only fifteen percent of surveyed foundations said that, pre-pandemic, multiyear unrestricted support comprised more than half of their grant dollars. Even as funders are making many changes in response to the pandemic, including grant types—namely, providing more unrestricted funding—they are not making much change to duration of unrestricted grants.

Since the pandemic began, more than 70 percent of survey respondents have made no change in their provision of multiyear unrestricted support grant dollars (Figure 5). And almost 80 percent of survey respondents reported their foundation has made no changes in the overall percentage of multiyear grant dollars that they provide, regardless of grant type.

FIGURE 5.

Provision of Multiyear Unrestricted Support

Percentage of foundations reporting change in the provision of multiyear unrestricted support, in comparison to pre-pandemic practices (*Number of respondents = 216*)



Percentages in this figure may not add to 100 due to rounding.

We came to understand very quickly that the burden on grantees was about to become enormous. They were going to have to cope and adjust in the face of crisis. And their sheer survivability was in doubt. So, we tried to be a model for being as low burden as possible.

—FOUNDATION LEADER

Foundations Are Reducing What They Ask of Grantees

Virtually all foundation leaders said their foundations are reducing what they ask of some grantees. Said one, “We came to understand very quickly that the burden on grantees was about to become enormous. They were going to have to cope and adjust in the face of crisis. And their sheer survivability was in doubt. So, we tried to be a model for being as low burden as possible.”

Most foundations have postponed site visits, reduced or simplified reporting requirements, and postponed reporting requirements for at least half of their grantees (Figure 6). Said one leader whose foundation has eliminated grant reports, “When COVID struck, we sent a message to all our grantees letting them know that we were not going to be asking for reporting. We let them know that if they needed help, we were there to help them.” Another said, “We extended the grant deadlines and said, ‘You tell us what a good timeline for you is. We’re happy to go out a year and half, if that’s how long it’s going to take.’”

Some interviewees also described efforts to streamline applications for new and renewal grants. Said one leader, “We let our grantees know that

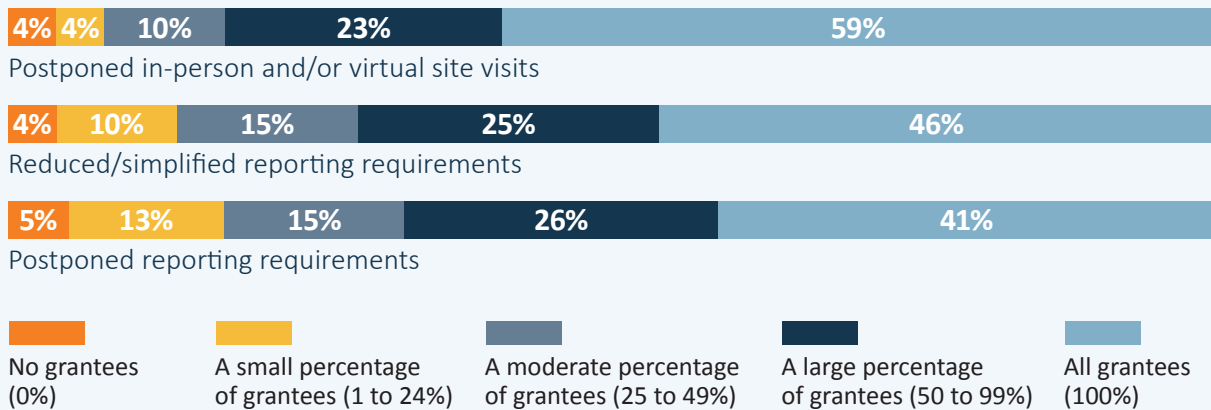
for 2020 they don’t have to fill out an application, they don’t have to do a report.” Another added, “The COVID application had only two questions, asked only of organizations new to us: What are you going to do with these funds to address COVID in your community? How does this reflect a focus on racial justice and address structural racism?”

Most survey respondents said that grantees, and the people and communities they serve, have provided input that shaped their response to the pandemic. The most common change made by foundations, based on feedback from grantees, was reducing what they ask of grantees, such as simplifying processes and relaxing deadlines.

FIGURE 6.

Reducing What Is Asked of Grantees

Percentage of grantees for which the foundation has taken the following actions (*Number of respondents per item ranges from 210 to 221*)



MORE DIVERSE BOARDS MORE LIKELY TO BE FLEXIBLE WITH MORE GRANTEES

More than half of the foundations we surveyed report that less than 25 percent of their board members are people of color (Table 1).

TABLE 1. Racial Composition of Respondent's Foundation Board

(Number of responding foundations = 218)

	PERCENTAGE OF FOUNDATIONS	NUMBER OF FOUNDATIONS
Less than 25% people of color	57%	125
25% to 49% people of color	29%	63
50% to 74% people of color	11%	23
75% to 100% people of color	3%	7

**Note: Response options in the survey were exactly as listed in this table: Less than 25% people of color; 25% to 49%; 50% to 74%; 75% to 100%.*

Foundations with more racially diverse boards were slightly more likely to offer flexibility to more of their grantees.⁴ They were more likely to take the following actions with more grantees than foundations with less racially diverse boards:

- ▶ Proactively converting restricted funding to unrestricted funding
- ▶ Accelerating payment schedules
- ▶ Reducing or simplifying reporting requirements

- ▶ Postponing reporting requirements
- ▶ Postponing in-person/virtual site visits

We did not find differences across survey items related to whether the person leading the foundation identified as a person of color. The [second report](#) in this series shared more about differences in practice between foundations with more, and less, racially diverse boards.

REFLECTIONS ON TRUST

The importance of strong funder–grantee relationships, especially given the current moment, was emphasized by many foundation leaders we interviewed. About 40 percent spoke of the need to build trust, listen, understand, and work in deep partnership with grantees.

Some leaders observed more trust and openness in relationships with grantees over the past months, which they attributed to having been more supportive of and flexible with grantees. One leader said:

Through this deeper relationship, there's more trust and transparency than ever before. Grantees are trusting that we're going to listen to their challenges in the spirit of being supportive. Not in the spirit of, 'Oh, you're having these challenges, we're going to take some money away.' I think partners often feel that they can't be completely candid about what is actually happening, about challenges they're facing. Now, they're seeing that we want to listen and learn in the spirit of supporting them.

This moment has pushed other leaders to reflect on how to be better partners to grantees. One leader said:

We signed the pledge because I wanted to make sure that, as an organization, when we came through this, that we would point to tangible things that we did, more than just giving grantees the flexibility to change the purpose of their grant.

I wanted to look at things that we needed to be doing intentionally as an organization to move us forward to be more effective, to have stronger relationships, and to make a greater impact in the communities that we're investing in, with the partners that are helping us.



We signed the pledge because I wanted to make sure that, as an organization, when we came through this, that we would point to tangible things that we did, more than just giving grantees the flexibility to change the purpose of their grant.

–FOUNDATION LEADER

About one-third of interviewees also said that their heightened awareness of funder–grantee power dynamics has pushed them to make things easier for grantees. They described being more attentive to how they exert control and more focused on building trust. As one leader said, “Some grantees understand that we are always open to adjusting grant goals. But not all grantees feel comfortable asking because they have worked with funders in a top-down manner. So, we let all grantees know, ‘You have flexibility. The funds are yours. Just do what you need to do.’”

Most Foundation Leaders Say They Will Continue These Practices, but to a Lesser Degree

Among foundations that began these practices in response to the pandemic, more than half said that they will continue them in the future. However, most foundations reported that they will do so to a lesser degree than their current pandemic practice. Furthermore, about 30 percent are unsure whether they will continue these practices (Figure 7).

Among the majority of foundations that plan to continue these practices, almost 40 percent of interviewees said they will be more intentional in making decisions about when to offer GOS grants. One leader said, “This crisis has confirmed

“

We treat our processes like they came down from the mountain with Moses, like they’re embedded on tablets. They’re not. They were made up by us. And this moment has called those processes into question.

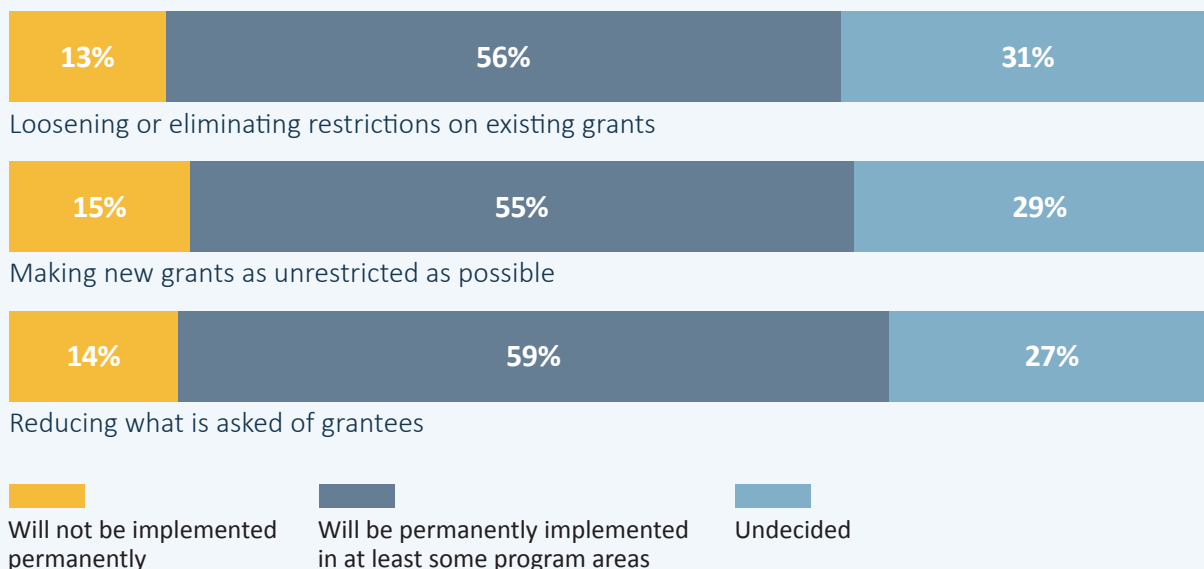
–FOUNDATION LEADER

the way we want to work. We had already started to provide more flexible support. This clarifies our role in creating a strong field and what it takes to do that, and why it’s necessary to give general operating support.” Another added:

FIGURE 7.

Lasting Change?

Percentage of foundations that will continue these practices, among those that began these practices in response to the pandemic (*Number of respondents per item ranges from 136 to 155*)



Percentages in this figure may not add to 100 due to rounding.

Well, we know we can give more GOS grants, but you may have a grantmaking committee or a board say, 'How do we know that they're going to use the money the right way?' With 800 people signed onto the pledge, it gave us permission to say, 'This is what has to be done, and GOS is the practice that needs to happen moving forward.'"

Nearly 40 percent of interviewees said they are now more attuned to the administrative burden of their processes. They said that they are more focused on building trust throughout their processes, and they are modifying elements of the application process to center equity and ensure access to applicants that otherwise might not have been eligible for grant support. They said they will maintain practices like simpler, shorter processes, reporting processes that are more commensurate with grant size, and less bureaucracy. A few said they will replace formal reports with informal phone calls or emails and will accept proposals or reports prepared for other funders.

How do we use this moment as a proof point that funders can do rigorous, intentional grant making without burdening grantees?

—FOUNDATION LEADER

Some leaders we interviewed viewed these changes as long overdue and hoped for more transformative shifts in how funders approach their work. “How do we use this moment as a proof point that funders can do rigorous, intentional grant making without burdening grantees?” asked one funder. Another said, “We treat our processes like they came down from the mountain with Moses, like they’re embedded on tablets. They’re not. They were made up by us. And this moment has called those processes into question.”



Conclusion

Even before the crises of 2020, foundation leaders were well aware that they could be working differently, in ways that they themselves believe would lead to greater impact. As we reported in 2016, “While few [CEOs] believe foundations are currently reaching their potential, much of what CEOs see as standing in their way is under their control to change.”⁵

The data we recently gathered from surveys and interviews and shared throughout this three-part series suggest that foundations—institutions often perceived as notoriously process-heavy and resistant to change—are making significant changes in response to these crises. By loosening grant restrictions, reducing what they ask of grantees, and providing more unrestricted support, they are demonstrating greater flexibility and responsiveness to nonprofits and those they seek to support. They are more focused on the

importance of building strong, trusting funder–grantee relationships, and they are more attentive to the funder–grantee power differential. And some hope these crises spur more transformative change in how funders approach their work—that this moment will be more than, as one leader put it, “tinkering on the edges.”

Yet, despite greater focus on building trust and being more mindful of how they use their power—practices that are central to foundations that tend to provide more multiyear GOS than typical—most foundations continue to provide very little multiyear GOS, the grants that nonprofit leaders see as most helpful. Even as most foundations have become more flexible and responsive in their grantmaking practices in the wake of the crises of 2020, our findings suggest that most do not plan to implement these practices to the same degree in the future as they are now.

LOOKING AHEAD

In the months and year to come, CEP will undertake a second phase of this research. We will continue exploring how foundations are responding to these crises, and which changes they will make permanent in their post-pandemic practice. In particular, we will seek to answer the following questions:

1. In what ways will the crises of 2020 influence foundation philanthropy for the long term?
2. What factors might help, or hinder, foundations from implementing more permanent changes to their grantmaking?
3. How will foundation leaders continue to act on the practices that they see as having newfound urgency, such as listening to grantees, building funder–grantee relationships grounded in trust and partnership, mitigating against the funder–grantee power differential, and engaging more in policy and advocacy?
4. In what ways are foundations supporting communities most affected by the pandemic—particularly Black, Latino, and Native American communities, and people with disabilities—which, historically, philanthropy has not done enough to fund?
5. How are foundations continuing to reckon with racism? How are they changing their practices to focus more on racial equity and racial justice?
6. Are foundations continuing to be more responsive to and flexible with their grantees?

Methodology

The findings presented in this three-part report series are based on data collected, analyzed, and interpreted by CEP. In total, 236 foundation leaders and 191 nonprofit leaders completed surveys. Additionally, 41 foundations participated in in-depth interviews. Information detailing the process for collecting and analyzing the data is below.

Survey Methodology

Survey Populations

FOUNDATIONS THAT SIGNED THE PLEDGE (SIGNED SAMPLE)

The Council on Foundations provided CEP staff with a list of all organizations that had signed the pledge as of July 7, 2020. Foundation CEOs whose organizations had signed the pledge by this date were invited to participate in a survey examining their implementation of its elements. CEOs were eligible for inclusion in this research study if the foundation they worked at was

categorized as an independent foundation, health conversion foundation, public charity, regrantor, corporate foundation, or community foundation by Candid's Foundation Directory Online or CEP's internal contact management software; and

had annual asset and giving information available through Candid's Foundation Directory Online.

FOUNDATIONS THAT DID NOT SIGN THE PLEDGE (UNSIGNED SAMPLE)

CEOs of foundations that did not sign the pledge but that would typically be invited to participate in CEP's research (i.e., community and independent foundations that give at least \$5 million annually in grants), were invited to participate in a survey examining their responses to the COVID-19 pandemic. These CEOs were eligible for inclusion in this research study if the foundation they worked at

was based in the United States;

was categorized as an independent, health conversion, or community foundation by Candid's Foundation Directory Online or CEP's internal contact management software; and

provided \$5 million or more in annual giving, according to information provided to CEP from Candid in June 2019.

Furthermore, to be eligible for inclusion in either the signed or unsigned sample, CEOs leading eligible foundations must have had

a title of president, CEO, executive director, or equivalent, as identified through the foundation's website, 990 form, or internal CEP staff knowledge; and

an e-mail address that could be accessed through the foundation's website or internal CEP records.

NONPROFITS

Nonprofit perspectives on the support foundations are providing during the pandemic were collected from CEP's panel of nonprofit leaders, *The Grantee Voice: Feedback for Funders*. For more information on the current panel, please click this [link](#).

Survey Sample Characteristics

FOUNDATIONS

After meeting the criteria above, in July 2020, 446 CEOs of signed foundations and 437 CEOs of unsigned foundations were invited via email to complete their respective surveys. The survey instructions invited CEOs to pass the survey along to other senior leaders at their foundation if those people were better positioned to complete it.

While the surveys were fielded, 14 signed foundation CEOs and 13 unsigned foundation CEOs were removed from the sample due to invalid emails or responses showing them to be ineligible. Two foundation CEOs were removed from the unsigned sample and added to the signed sample because new information showed that they had signed the pledge since our sample was created. One foundation CEO was removed from the signed sample and added to the unsigned sample because new information showed that it had not signed the pledge.

Completed surveys, defined as having completed at least 80 percent of crucial questions displayed, were received from 158 signed foundation leaders and 62 unsigned foundation leaders. Partially completed surveys, defined as being at least 50 percent complete, were received from 12 signed foundation leaders and 4 unsigned foundation leaders (Table 2). Of the 236 total responses received from foundations, 166 came from CEOs/executive directors or equivalent, 32 came from vice presidents of programs or equivalent, 6 came from directors of strategy or equivalent, 19 came from other senior leaders, and 13 came from respondents who did not indicate their role.

NONPROFITS

In July 2020, the 590 nonprofit leaders who comprise the *2019-2021 Grantee Voice* panel were invited via email to complete their survey. While the survey was fielded, 9 nonprofit leaders were removed from the panel as they had left their respective organizations or provided information indicating that they were ineligible to be part of the panel. Completed surveys were received from 190 leaders, and a partially completed survey was received from one leader (Table 2).

TABLE 2. Sample Characteristics and Response Rates

SURVEY SAMPLE	SURVEY PERIOD	NUMBER OF ELIGIBLE RESPONDENTS	NUMBER OF COMPLETED/PARTIAL RESPONSES	SURVEY RESPONSE RATE
Signed foundations	July to August 2020	434	170	39%
Unsigned foundations	July to August 2020	425	66	16%
Nonprofits	July to August 2020	581	191	33%

Survey Administration

All three surveys were fielded online for a four-week period from July to August 2020. Foundation and nonprofit leaders were sent a brief email including a description of the purpose of the survey, a statement of confidentiality, and a link to the survey. Leaders were sent up to eight reminder e-mails.

Survey Respondent Demographics

FOUNDATIONS

Foundation respondents from both samples represented foundations that varied in type, assets, and giving (Table 3).

TABLE 3. Survey Respondent Sample—Foundation Characteristics

FOUNDATION CHARACTERISTIC	TOTAL SAMPLE	SIGNED SAMPLE	UNSIGNED SAMPLE
Type of foundation			
Independent	53%	49%	61%
Health conversion	6%	4%	11%
Community	34%	36%	29%
Public charity	5%	6%	0%
Regrantor	1%	1%	0%
Corporate	2%	3%	0%
Assets			
Range	~\$188K to ~\$11.4B	~\$188K to ~\$9.9B	~\$18M to ~\$11.4B
Median Value	~\$140M	~\$95M	~\$240M
Giving			
Range	~\$4K to ~\$430M	~\$4K to ~\$430M	~\$5M to ~\$365M
Median Value	~\$8M	~\$5.6M	~\$15.8M

NONPROFITS

Nonprofit respondents represented organizations that varied in expenses and staff size (Table 4).

TABLE 4. Survey Respondent Sample—Nonprofit Characteristics

NONPROFIT CHARACTERISTIC	RANGE	MEDIAN VALUE
Expenses	~\$100K to ~\$77M	~\$1.6M
Staff	1 FTE to 540 FTE	15 FTE

Response Bias

FOUNDATIONS

Responses to both foundation surveys were examined for response bias. Signed foundations with leaders who responded to this survey did not differ from non-respondent signed foundations by geographic region, annual giving, or asset levels. Leaders from signed foundations that have used CEP's assessments were slightly more likely to respond to the survey than those from signed foundations that have not used a CEP assessment.⁶ Leaders from signed independent foundations were slightly more likely to respond to the survey than those from signed community foundations.⁷

Unsigned foundations with leaders who responded to this survey did not differ from non-respondent unsigned foundations by geographic region, annual giving level, or foundation type. Leaders from unsigned foundations that have used CEP's assessments were slightly more likely to respond to the survey than those from unsigned foundations that have not used a CEP assessment.⁸ Leaders from unsigned foundations at or above the asset median split were slightly more likely to respond to the survey than those from unsigned foundations below the asset median split.⁹

NONPROFITS

Nonprofits with leaders who responded to the survey did not differ from non-respondent nonprofits by annual expenses, staff size, or geographic region.

Survey Instruments

FOUNDATIONS

The two foundation surveys assessed foundation leaders' experiences responding to the COVID-19 pandemic and the ensuing health, economic, and social crises. The signed foundation survey, which contained 70 items, examined foundations' implementation of the elements of the pledge and the additional ways they are supporting their nonprofit partners during the pandemic. The unsigned foundation survey, which contained 66 items, similarly assessed the extent to which foundations that did not sign the pledge were implementing practices consistent with the pledge's elements, such as loosening grant restrictions, and the additional ways they are supporting their nonprofit partners during the pandemic. The surveys were designed to be comparable, with items and response options in the unsigned survey being amended to remove reference to the pledge.

NONPROFITS

The nonprofit survey consisted of 29 items and included questions about leaders' awareness of the pledge, their foundation funders' commitment to the pledge, and how actions taken by their foundation funders that had signed the pledge during the pandemic have affected their organizations.

Copies of all survey instruments and protocols can be found on our website.

Quantitative Analysis of Survey Data

The quantitative survey data from foundation and nonprofit leaders were examined using descriptive statistics and a combination of correlations, independent sample t-tests, paired samples t-tests, chi-squares, logistic regressions, and analyses of variance tests. An alpha level of 0.05 was used to determine statistical significance for all testing conducted for this research. Effect sizes were examined for all analyses. Unless otherwise noted, only analyses with medium or large effect sizes are reported.

Qualitative Analysis of Survey Data

Thematic and content analyses were conducted on the responses to the open-ended survey items in the foundation and nonprofit surveys.

A codebook was developed for each open-ended item by reading through all responses to identify common themes. Each coder used the codebook when categorizing responses to ensure consistency and reliability. One coder coded all responses to a survey question and a second coder coded 15 percent of those responses. An average interrater reliability level of at least 80 percent was achieved for each codebook.

Selected quotations from the open-ended survey responses were included in this report. These quotations were selected to be representative of themes in the data.

Interview Methodology

Interview Population

Of the foundations included in the signed foundation CEO sample, 80 were randomly selected and invited to be interviewed from June to August 2020. To ensure that our interview group was representative of the type, geographic region, and size of foundations that have signed the pledge, signed foundations were stratified by the following variables:

Type of foundation (independent, community, or corporate foundation)
Geographic region (Midwest, Northeast, South, or West)
Assets (over or under the median of signatories at the time, which was approximately \$127M)

Foundation CEOs were then randomly selected from each of the stratified groups to ensure that a representative sample was invited to participate in interviews.

Ultimately, 41 foundations participated in interviews. CEOs were invited to include staff members who helped to implement the pledge elements at the foundation in their interviews. Of the 41 interviews, 20 were with the foundation CEO, 16 were with the CEO and other staff members, and seven were with foundation staff interviewing in the CEO’s stead. Interviewees were not asked to share how they identify with regard to race or gender.

Sample Demographics

Interviewees represented foundations that varied in type, geographic location, and asset size (Table 5).

TABLE 5. Interviewee Sample—Foundation Characteristics

FOUNDATION CHARACTERISTIC	PERCENTAGE
<i>Type of foundation</i>	
Independent	51%
Health conversion	2%
Community	39%
Corporate	7%
<i>Geographic location</i>	
Northeast	27%
Midwest	22%
South	29%
West	22%
<i>Assets</i>	
Range	~\$1.67M to ~\$2.32B
Median value	~\$136M

Interview Protocol

An interview protocol was developed and three pilot interviews with leaders of foundations that signed the pledge were conducted to test the clarity, relevance, and utility of the interview protocol. The interview protocol was edited based on the feedback from the pilot interviewees and results of the pilot interviews. Pilot interviews were excluded from the analysis.

Every interview protocol began with an introductory script describing the purpose of the study and the confidentiality of the conversation. At the start of the conversation, interviewees were asked to provide permission for the interview to be recorded and transcribed.

The interview protocol consisted of 19 questions for the interviewee(s) about why their foundation signed the pledge, how their foundation has implemented the elements of the pledge, actions the foundation has taken beyond the pledge, how the foundation has responded to our country's reckoning with racism, and their thoughts, more broadly, on what these compounded crises mean for the philanthropic sector going forward.

Data Collection

From June to August 2020, 41 interviews were conducted by two CEP staff members. Interviewers discussed the interview process and worked together to establish consistency in style. Interviews lasted approximately one hour. All interviewees were promised confidentiality.

Data Analysis

Interview recordings were professionally transcribed and thematically coded by members of CEP's research team. Several transcripts were reviewed by three coders, and common themes were identified and used to create a codebook. The codebook was used to code all subsequent transcripts and ensure consistency across all coders. An 80 percent level of pairwise interrater reliability agreement was achieved for all codes.

Descriptive statistics were conducted to examine the prevalence of common themes in each interview. Quotes that were representative of these themes are included throughout the report.

Endnotes

1. Kathy Reich, “Opinion: How This Crisis May Upend Grant Making for Good,” *The Chronicle of Philanthropy*, March 31, 2020, <https://www.philanthropy.com/article/how-this-crisis-may-upend-grant-making-for-good/>; “Philanthropy Needs To Trust Nonprofits Now More Than Ever,” Trust-Based Philanthropy Project, March 17, 2020, <https://trustbasedphilanthropy.org/blog/2020/3/17/philanthropy-needs-to-trust-nonprofits-now-more-than-ever>; Farhad Ebrahimi, “Why Should It Take a Pandemic to Bring out the Best in Philanthropy?,” *Inside Philanthropy*, March 30, 2020, <https://www.insidephilanthropy.com/home/2020/3/30/transformational-philanthropy-in-the-time-of-covid-19-why-should-it-take-a-global-pandemic-to-bring-out-the-best-in-us>; Lisa Pilar Cowan, “The Coronavirus Crisis Has Changed How I View What Matters in Philanthropy,” *The Chronicle of Philanthropy*, April 7, 2020, <https://www.philanthropy.com/article/the-coronavirus-crisis-has-changed-how-i-view-what-matters-in-philanthropy/>; Alex Daniels, “9 Leading Nonprofit Groups Urge Foundations to Dig Into Endowments to Support Charities,” News, *The Chronicle of Philanthropy*, April 2, 2020, <https://www.philanthropy.com/article/9-leading-nonprofit-groups-urge-foundations-to-dig-into-endowments-to-support-charities/>; Lori Villarosa, “COVID-19: Using a Racial Justice Lens Now to Transform Our Future,” *Nonprofit Quarterly*, March 30, 2020, <https://nonprofitquarterly.org/covid-19-using-a-racial-justice-lens-now-to-transform-our-future/>; “Open Letter to Philanthropy: The Cure to Viral Racism Is Within Our Hands,” Asian Americans/Pacific Islanders in Philanthropy, April 6, 2020, <https://aapip.org/our-stories/open-letter-to-philanthropy-the-cure-to-viral-racism-is-within-our-hands>; “‘We Must be in It for the Long Haul’ Black Foundation Executives Request Action by Philanthropy on Anti-Black Racism,” ABFE, accessed October 27, 2020, <https://myemail.constantcontact.com/ABFE-Black-Foundation-Executives-Request-Action-by-Philanthropy-on-Anti-Black-Racism.html?soid=1101087134630&aid=267apd9sHNQ>; Lori Bezahler, “Opinion: To Achieve Justice, Philanthropy Must Give Up Its Power,” *The Chronicle of Philanthropy*, June 4, 2020, <https://www.philanthropy.com/article/to-achieve-justice-philanthropy-must-give-up-its-power-opinion>
2. Ellie Buteau et al., “New Attitudes, Old Practices: The Provision of Multiyear General Operating Support,” (Cambridge, MA: Center for Effective Philanthropy, 2020), <https://cep.org/portfolio/new-attitudes-old-practices/>; Distribution of Grants by Support Strategy, 2004–2017 (2020), distributed by Candid.
3. Jessica Bearman, “Alternatives to the Fiery Furnace: Thoughtful Reporting Requirements,” *The Center for Effective Philanthropy* (blog), July 28, 2015, <https://cep.org/alternatives-to-the-fiery-furnace-thoughtful-reporting-requirements/>; “Project Streamline,” PEAK Grantmaking, accessed November 10, 2020, <https://www.peakgrantmaking.org/principles-for-peak-grantmaking/project-streamline/>; Jessica Bearman, “Drowning in Paperwork, Distracted from Purpose: Challenges and Opportunities in Grant Application and Reporting,” PEAK Grantmaking, January 1, 2008, <https://www.peakgrantmaking.org/resource/drowning-in-paperwork-distracted-from-purpose/>; Naomi Orensten, “Grantee Voice: Improve Foundation Processes,” *The Center for Effective Philanthropy* (blog), February 5, 2019, <https://cep.org/grantee-voice-improve-foundation-processes/>; Vu Le, “Foundations, it’s time to stop using grant applications to distribute funding,” *Nonprofit AF* (blog), September 9, 2019, <https://nonprofitaf.com/2019/09/foundations-its-time-to-stop-using-grant-applications-to-distribute-funding/>

4. Across more than 20 items in the survey, statistically significant results of a small effect size were detected with the racial composition of the board. Almost all of these differences were comparing boards with less than 25 percent people of color to boards with 25 percent or more people of color. A handful of differences emerged comparing boards with less than 50 percent people of color to those with half or more members being people of color.

5. Ellie Buteau, Naomi Orensten, and Charis Loh, “The Future of Foundation Philanthropy: The CEO Perspective,” (Cambridge, MA: Center for Effective Philanthropy, 2016), <http://cep.org/wp-content/uploads/2016/12/CEPs-The-Future-of-Foundation-Philanthropy-December-2016.pdf>

6. A chi-square analysis was conducted between whether leaders of signed foundations responded to our survey and whether those foundations have used a CEP tool. A statistical difference of a small effect size was found (0.109).

7. A chi-square analysis was conducted between whether leaders of signed foundations responded to our survey and foundation type. A statistical difference of a small effect size was found (0.168).

8. A chi-square analysis was conducted between whether leaders of unsigned foundations responded to our survey and whether those foundations have used a CEP tool. A statistical difference of a small effect size was found (0.192).

9. A chi-square analysis was conducted between whether leaders of unsigned foundations responded to our survey and whether those foundations were greater or less than the asset level median split. A statistical difference of a small effect size was found (0.116).



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