

RICHARD M. FAIRBANKS FOUNDATION: SEEING THROUGH THE EYES OF ITS GRANTEES

BY SUSAN PARKER

About Richard M. Fairbanks Foundation

- » An independent, private foundation founded in 1986
- » Area served: Greater Indianapolis area with an emphasis on Marion County
- » Overview: The foundation seeks to fund initiatives and organizations delivering impactful solutions that address key challenges facing the Indianapolis community
- » Focus areas:
 - *Health*: Public and preventive health with emphases on the safety net system; health information technology; and health as an economic driver with a focus on life sciences
 - *Vitality of Indianapolis*: Significant economic growth drivers including ensuring an educated workforce
 - *Sustainable Employment*: Training/ education programs to achieve self-sufficiency and beyond
- » Commissioned GPRs in 2005 and 2009

	2005	2009
No. of active grants	85	102
No. of staff (FTEs)	3	5
Assets (Millions)	\$314MM	\$272MM

WHEN A FOUNDATION RECEIVES EXTREMELY POSITIVE

ratings from its grantees, one might expect the staff to think its job is done and move on to other matters. That wasn't the case for the Richard M. Fairbanks Foundation (Fairbanks).¹

When the Indianapolis-based foundation first undertook a Grantee Perception Report® (GPR) in 2005, it learned that it was highly rated compared to other foundations whose grantees the Center for Effective Philanthropy (CEP) surveyed on many key dimensions. Strengths included perceptions of the impact on grantees' local communities and the strength of relationships between funders and grantees – both the quality of interactions and the clarity and consistency of communication. Grantees described Fairbanks as “well respected” and a “model” for other foundations.

Still, in 2009 Fairbanks asked CEP to survey its grantees again.

Fairbanks leaders said they undertook the GPR again because they wanted to make sure they had maintained their strong relationships with their grantees. The foundation had also made changes in their organization that included hiring more staff and beefing up their communications. Fairbanks leaders wanted to learn how those changes had been experienced by their grantees.

“When you are the one with the money, it's always easy for people to make you feel good about the work that you do,” said Betsy Bikoff, vice president and chief grantmaking officer of the foundation. “But it's important for us to try to have an independent gauge. [By] having an organization like CEP collect information on an anonymous basis, hopefully, the grantees can share their honest and candid responses....It's a way to have an outside metric. It's also a way to measure us against a peer group or a national benchmark just to see where we are.”

Fairbanks is still a relatively new foundation in terms of active grantmaking. Though it was founded in 1986, it was not fully funded until 2000 when its founder, Richard M. Fairbanks, died and left it the bulk of his estate. At the time of its first GPR, Fairbanks was only a few years into much of its work with grantees.

Focusing on the Grantee

When asked to reflect on the reasons for the foundation's high ratings, members of the senior staff said they believe it comes down to the way they treat their grantees. From the start, cultivating and maintaining strong relationships with grantees has been central to meeting the goals of Fairbanks.

"To the extent possible, we try to make the relationship helpful to the grantee," wrote Leonard Betley, president and chairman of the foundation in a memo to its staff and board describing why he thought grantees rated the foundation so highly. "We constantly remind ourselves that access to money, in and of itself, does not make one smarter or better informed. We respect the passion, the energy, and the knowledge of those with whom we deal."

Asking Their Grantees Key Questions

What's more, the Fairbanks staff members said they often fill an unmet need for their grantees.

"One question that we like to ask our grantees is, 'What is it that you need the most that you're having the most trouble funding?'" Betley said. "You don't get very sexy answers to these questions. You get from small grantees that they need to get their parking lot paved. From large grantees you hear that they need to have a parking garage. And we tend to fund those types of things. Those are projects for which they are having a difficult time getting funding but that they really need. And I think that shows up in how they react to us."

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Maintaining Strong Relationships

When Fairbanks undertook the GPR again in 2009, its staff hoped to learn whether they had at least maintained their strong ratings with grantees. The results were better than Fairbanks' staff had hoped. In fact, Fairbanks received unusually high ratings and even saw improvement from the 2005 GPR.

In the 2009 GPR, Fairbanks' grantees rated the foundation higher than 90 percent of funders on the following measures:

- » Impact on, and understanding of, grantees' organizations and local communities

- » Quality of the foundation's interactions with grantees (grantees' comfort approaching the foundation when a problem arises, responsiveness of staff, and fairness of treatment by the foundation)
- » Clarity of the foundation's communication of its goals and strategy
- » Impact of the foundation's reputation on grantees' ability to secure funding from other sources
- » Helpfulness of the selection and reporting and evaluation processes

In addition to faring well compared to other foundations, Fairbanks improved compared to its own ratings in 2005. For example, on its impact on perceptions of grantee organizations, Fairbanks improved from slightly below the 50th percentile to near the top of the range.

One grantee commented that Fairbanks' staff is "superbly easy to communicate with and supremely helpful. They give guidance when guidance is requested and are hands off when they need to be. In other words, they make every aspect of receiving a grant a pleasure and not a burden."

Betley attributed the foundation's improvement, in part, to the fact that staff got to know its grantees even better in the intervening four years. Since the 2005 GPR, Fairbanks also added two more staff members who interact with grantees and go on site visits, which played a role in the improved ratings in 2009, Bikoff said. In addition, when hiring new staff, Fairbanks is careful to bring on people who fit into the foundation's culture of putting the needs of grantees' at the center of its work, Betley said.

Exiting Funding Relationships Smoothly

Like many foundations, at times Fairbanks makes changes to its grantmaking approach and priority areas. As part of a strategic revamping at the foundation between 2005 and 2009, Fairbanks reduced the number of its grantees in its small grants portfolio that receive ongoing general operating support of up to \$25,000 a year. The small grants portfolio represented about a third of Fairbanks grantees.

While no organization wants to hear that it will no longer receive ongoing support, grantees got specialized attention to help them make the transition. Grantees received three-year transitional grants from Fairbanks to give them time to seek additional funding. Fairbanks staff also assured each organization that the foundation's decision had nothing to do with the management or work of these groups.

"We met personally with each grantee, explained the reasons, and then we handed them a check and let them know about the additional two years of grant funding," Bikoff said. "The

additional two years would be paid to them in a double payment the following year so they would have time to find other funding. All of the grantees appreciated the approach.”

Fairbanks also made sure that these grantees had documentation to show their board and other funders that the foundation’s decision had nothing to do with the organization’s performance or governance. In addition, Fairbanks alerted other funders in the community that they were ceasing to fund these organizations only because of a change in strategic direction.

Many of the grantees that learned they would not receive ongoing funding from Fairbanks participated in the 2009 GPR in which Fairbanks ranked higher on nearly every measure from the 2005 report, Bikoff noted.

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Beefing up Fairbanks’ Communications Work

The 2005 GPR also revealed areas where Fairbanks could strengthen its relationships with grantees. Among those areas was an opportunity to communicate its funding priorities more clearly. As a result, the foundation made changes in its selection process and began communicating its focus to its grantees and the community in a way that it had not done before, Bikoff said.

For example, Fairbanks narrowed and refined its funding guidelines and worked more closely with grantees. Fairbanks does not accept unsolicited proposals; rather, they build relationships with prospective grantees and work with them to submit proposals. Fairbanks’ continued emphasis on making the selection process as clear and helpful as possible has paid off.

As an example of the comments grantees made in the 2009 GPR, one said, “The program officers are very forthright and helpful in determining areas of interest and in helping craft a proposal that is likely to be successful. It is clear that they value the grantees’ time and resources as well as their own.”

In 2009, Fairbanks’ rating on helpfulness in selection process was higher than 90 percent of funders. The level of involvement of staff in the development of grant proposals was also rated higher in the 2009 GPR – increasing from about the median of funders to above the 75th percentile.

CEP’s research has indicated that grantees that rate foundations higher on the helpfulness of the selection process also tend to rate those foundations higher on the clarity of their

communications.ⁱⁱ A more helpful selection process appears to give grantees a clearer idea of what funders expect from them and how their work fits into funders’ goals.

In fact, Fairbanks’ ratings on its communications of goals and strategies improved from the 70th percentile of funders in 2005 to the 90th percentile in 2009.

Looking to the Future

Ratings on the foundation’s effect on public policy in both the 2005 and 2009 GPRs got the foundation thinking about where it is heading in the coming years. In the 2009 GPR, Fairbanks’ average rating on its effect on public policy in grantees’ fields was similar to the typical funder in CEP’s dataset.

This prompted the foundation’s leaders to think further about whether they wanted to become involved in policy work. “It isn’t that we’re opposed to public policy. It’s just that we haven’t figured out whether merely funding grantees who are involved in public policy is the best way to go or whether there’s something over and above that that we as a staff ought to be doing,” said Betley.

Creating a Respectful Relationship with Grantees

When asked what advice Fairbanks staff might give other foundations, Bikoff and Betley hesitated to tell their colleagues how to do their work. But Bikoff did say this: “Treating every grantee and potential grantee with respect has been a cornerstone of how we do our work. We also try to keep foremost in our minds that we are just the facilitators moving the money to the people who are doing the important work out in the field – the grantees.”

ⁱ The Richard M. Fairbanks Foundation was established in 1986 by Richard M. Fairbanks, the founder and owner of Fairbanks Communications, Inc. He was a pioneer in radio broadcasting for more than 50 years. The foundation focuses on three areas: (1) health, (2) vitality of Indianapolis, and (3) sustainable employment. In 2009, the foundation had \$270 million in assets and awarded \$32 million in grants. It has five full-time-equivalent employees. For more information about the Foundation, go to www.rmff.org

ⁱⁱ Huang, Judy. *Foundation Communications: The Grantee Perspective*. Center for Effective Philanthropy (February 2006).