



THE CENTER
FOR EFFECTIVE
PHILANTHROPY



POLICY INFLUENCE:

What Foundations
are Doing and Why

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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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EXECUTIVE SUMMARY

The nonprofit and philanthropic sector has contributed to many advances in our society, including civil rights, consumer protections, public health, and safety. Many of these efforts have been supported by foundations engaging in public policy. Yet, the role of foundations in influencing policy has also been a subject of scrutiny and debate over the past century, and that discussion has intensified again in recent years.

For all the conversation and critique about foundations' engagement in public policy, relatively little data about their efforts in the public policy realm are available, including how many foundations engage in efforts to influence public policy, as well as why and how.

To better understand foundations and public policy influence, CEP studied the perspective of foundation leaders across the country on this topic, through surveys and in-depth interviews.

Here is what we learned.

FINDING ONE:

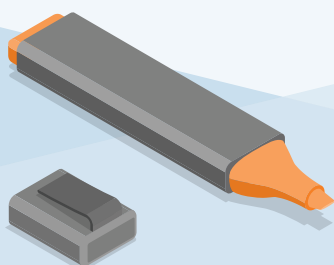
Most foundation leaders view efforts to influence public policy as an important way to achieve their goals. These efforts are not new but have increased in recent years; however, they remain a small portion of most foundations' work.

FINDING TWO:

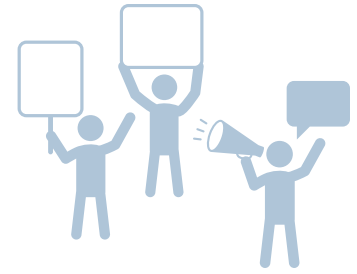
Foundation leaders recognize that they cannot achieve their policy goals alone. Most are supporting grantees' policy efforts and collaborating with others.

FINDING THREE:

Most foundations have had mixed success in their policy efforts or are unsure how effective these efforts have been. Foundation leaders face some common challenges, particularly when it comes to building board support.



INTRODUCTION



Policy change has been an essential part of many notable philanthropic achievements in the United States. Historical examples abound and span the past century. In 1938, for instance, The Carnegie Corporation of New York funded a study on U.S. race relations. This study highlighted racial discrimination and legal segregation—laying the groundwork for the Supreme Court’s *Brown v. Board of Education* decision.¹ In the area of public health, Mary Lasker, founder of the Lasker Foundation, funded significant lobbying efforts to increase public investment in medical research. “If you think research is expensive, try disease!” she said.² These efforts contributed to dramatically increased funding for the National Institutes of Health.³ In the late 1960s, the Field Foundation of New York funded research reports that highlighted pervasive hunger; this contributed to the expansion of the National School Lunch Program.⁴

There are also many more recent examples of philanthropic policy influence. Hundreds of U.S. nonprofits and foundations—working in groups and initiatives like the Funders Census Initiative (FCI) of the Funders’ Committee for Civic Participation (FCCP), United Philanthropy Forum’s Census 2020 Initiative, and California’s Census Policy Advocacy Network (CPAN)—have been advocating to make sure the 2020 census is fair and accurate.⁵ The Open Society, JPB, W.K. Kellogg, and Ford Foundations each pledged \$5 million to “get out the count” efforts, and more than 300 foundations (and many nonprofits, too) called for the removal of a citizenship question on the 2020

Census.⁶ In another recent example, a group of funders spanning the political spectrum helped establish, and continue to support, the Coalition for Public Safety, a national bipartisan coalition of advocacy groups dedicated to criminal justice reform.⁷ The coalition’s advocacy arm played a crucial role in expanding the First Step Act to include sentencing reform.⁸

At the state level, a coalition of nonprofits and other organizations in Oregon, supported by multiyear foundation funding, successfully advocated for Senate bill 454, ensuring sick leave for all Oregonians, which was signed into law in 2015.⁹ At the local level, endorsements from Seattle nonprofits and community organizations, including Seattle Foundation, helped pass Best Starts for Kids, a tax levy investing in comprehensive child development programs.¹⁰

While some policy efforts enjoy widespread or bipartisan support, many are seen as more divisive. “Everyone has a foundation that they love and one that they hate,” in the words of one CEO we interviewed. Progressives lament the policy influence of conservative foundations on issues like the school voucher and charter movement.¹¹ Indeed, progressive funders and nonprofits have sought to learn from what they perceive as the significant success of conservative funders.¹² Meanwhile, conservatives lament the policy influence of progressive funders, pointing to the passage of the Affordable Care Act and successful advancement of marriage equality.

Conversations about philanthropic influence on public policy are not new; as historian Benjamin Soskis has noted, philanthropists received a less-than-welcome reception from much of the public for much of the 20th century.¹³ Critiques about U.S. philanthropic policy influence on our society and our democracy have become more charged in the past several years than they were in the early 2000s. Education historian Diane Ravitch, for example, has warned about what she sees as the disproportionate and unchecked power of a “billionaire boys club” in the field of education.¹⁴ *Time* magazine editor and author Anand Giridharadas claims that big givers use philanthropy to preserve the status quo and protect their interests.¹⁵ Stanford University political scientist Rob Reich argues that philanthropy undermines democratic values and gives outsized political influence to private actors.¹⁶

Yet, for all the conversation and critique about foundations’ engagement in public policy, the sector-wide data about foundation practices in the public policy realm are limited.

This research effort sought to build on other efforts (see Appendix A) and answer the following questions:

- What are foundation leaders’ perspectives on foundation efforts to influence U.S. public policy at the local, state, regional, and/or national levels?
- To what extent are foundations trying to influence public policy? How are they going about this work?
- How effective do foundation leaders believe their policy efforts are, and how do they assess this work?
- What are the challenges foundations face in this work and what are their successes?



To answer these questions, we surveyed and conducted in-depth interviews with private and community foundation leaders across the country, and we surveyed leaders of nonprofit organizations to understand their experiences being supported by foundations as they seek to influence policy. (See Appendix B for full methodology.)

- We received survey responses from 214 foundation leaders (37.5 percent response

rate), including those whose foundations were attempting to influence policy as well as those whose foundations steer clear of the policy realm.

- We interviewed leaders of 43 foundations that focus at least in part on policy engagement.
- We received survey responses from 419 leaders of nonprofit organizations (34 percent response rate).



TERMINOLOGY

After reviewing existing definitions in the field and seeking input from other organizations, we used the following definition of “influence public policy” in our surveys and interviews for this study:

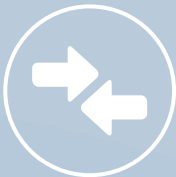
The phrase “influence public policy” is used to encompass the full range of activities foundations can legally pursue in their efforts to influence government priorities, laws, and regulations at the local, state, regional, and/or national levels, and across the legislative, judicial, and administrative branches of government.

Foundations seeking to influence public policy may use a broad range of tools, such as grantmaking, engaging in convenings/collaborations, using their voice, supporting grantees’ efforts, and more. They may engage in a range of activities with the intent of directly or indirectly educating, influencing, or mobilizing the broad public, voters, policymakers, and/or other decisionmakers. These activities can include but are not limited to capacity building, organizing, coalition/movement building, research, policy analysis, media outreach, and/or developing relationships with elected officials.



RESPONSE BIAS IN FOUNDATION CEO SURVEY DATA

There is likely some degree of response bias in the survey data we collected from foundation CEOs. In email communications with foundation leaders about the study, we emphasized our interest in hearing perspectives from foundations that are engaging in public policy efforts as well as those that are not. However, we received some email replies indicating that leaders were choosing to not complete the survey because their foundation does not engage in efforts to influence policy. Ultimately, we received responses from 193 U.S. foundation leaders telling us that their foundation engages in policy work, and 21 telling us that their foundation does not.



FEW DIFFERENCES IN RESPONSES BY FOUNDATION TYPE AND SIZE

Of the 214 foundation leaders who responded to our survey, 69 percent were from independent foundations and 31 percent were from community foundations. Annual giving ranged from approximately \$5 million to approximately \$1 billion. Our analysis found very few differences in responses to survey items between independent and community foundation leaders. Similarly, we saw few differences based on foundations' annual giving levels or geographic locations.

KEY FINDINGS

1

FINDING ONE:

Most foundation leaders view efforts to influence public policy as an important way to achieve their goals. These efforts are not new but have increased in recent years; however, they remain a small portion of most foundations' work.

2

FINDING TWO:

Foundation leaders recognize that they cannot achieve their policy goals alone. Most are supporting grantees' policy efforts and collaborating with others.

3

FINDING THREE:

Most foundations have had mixed success in their policy efforts or are unsure how effective these efforts have been. Foundation leaders face some common challenges, particularly when it comes to building board support.



FINDING ONE

Most foundation leaders view efforts to influence public policy as an important way to achieve their goals. These efforts are not new but have increased in recent years; however, they remain a small portion of most foundations' work.



IMPORTANCE OF POLICY EFFORTS

Foundation leaders who responded to the survey overwhelmingly see an important role for philanthropy in influencing public policy, and 90 percent report that their foundation seeks to do so. Most see these efforts as one of many ways to achieve their goals. As one leader explains, influencing policy is not “an end in and of itself, but a means toward accomplishing our goals.”

For most of these foundation leaders, policy efforts ensure more effective grantmaking and a better environment for grantees. “Good public policy helps our grants go further, and bad public policy undermines our grantmaking,” says one. Others mention the large scale of public sector spending, saying things like, “Public policy can have significantly more impact on the issues we care about than our grant dollars alone can.”

For foundations focused on systems change or addressing root causes of an issue, policy is often a key component of their work. “Our mission is systems change. The people we care most about are not going to be helped by market solutions. That necessarily puts us in the public policy space,” one says.



Public policy can have significantly more impact on the issues we care about than our grant dollars alone can.

–Foundation CEO

Another leader says:

If foundations do not seek to influence public policy that furthers the goals of their grantmaking, they are undermining their own work. One cannot be serious about, for example, the health of the environment and ignore the importance of policy action on climate change. Any foundation that does ignore that or any other policy connection to its grantmaking interests is either being willfully ignorant or hypocritical.

TOP ISSUE AREAS FOR FOUNDATION POLICY EFFORTS

Education and health are the top two issue areas in which foundations seek to influence public policy.



33%

of foundations seek to influence public policy in **education**



24%

of foundations seek to influence public policy in **health**



Foundation leaders weigh a range of factors when they consider policy engagement. First and foremost, they consider whether policy is the best lever to achieve their goals. They weigh whether there are windows of opportunity; partners to work with—such as other funders or grantees; an achievable, tangible policy outcome to be pursued; and people and communities championing the issue. Additionally, some seek input from grantees as they make decisions about how to influence public policy. Sometimes they also receive input from those who they ultimately seek to help,

although this is usually provided indirectly by grantees. “We try to understand the community perspective. We don’t solely rely on ourselves, experts, and elite decisionmakers,” says one leader.

INCREASING EFFORTS IN RECENT YEARS, THOUGH POLICY REMAINS A SMALL COMPONENT OF THE WORK

Engaging in policy is not a new practice for most foundations in this study. Most have been engaged in policy for a decade or more or, for some newer foundations, for most of their existence. The policy efforts of both private and community foundations are most frequently concentrated at the state and local level, although slightly more than half of foundations also seek to influence policy at the national level.¹⁷

Nearly three-fourths of foundation leaders surveyed have **increased** their own foundation’s



SOME FOUNDATIONS ARE HEAVILY ENGAGED IN EFFORTS TO INFLUENCE POLICY

For most foundations, policy is a small component of their work, but a notable few dedicate much of their time and resources to public policy. “Policy impacts and informs all of our grantmaking,” says one leader. A community foundation leader adds, “Nearly all of our discretionary funds today are aligned with some policy implication.”

Some leaders emphasize that some of their foundations’ program areas are more policy heavy than others. For instance, one leader explains that policy is a small part of the foundation’s overall grantmaking, but one program area has an “intensive and strategic focus on policy advocacy. In that program area, we would never fund anything that we don’t think is having influence on public policy.”

policy efforts over the past three years.¹⁸ These increased efforts have most frequently occurred at the state and local level (Figure 1).

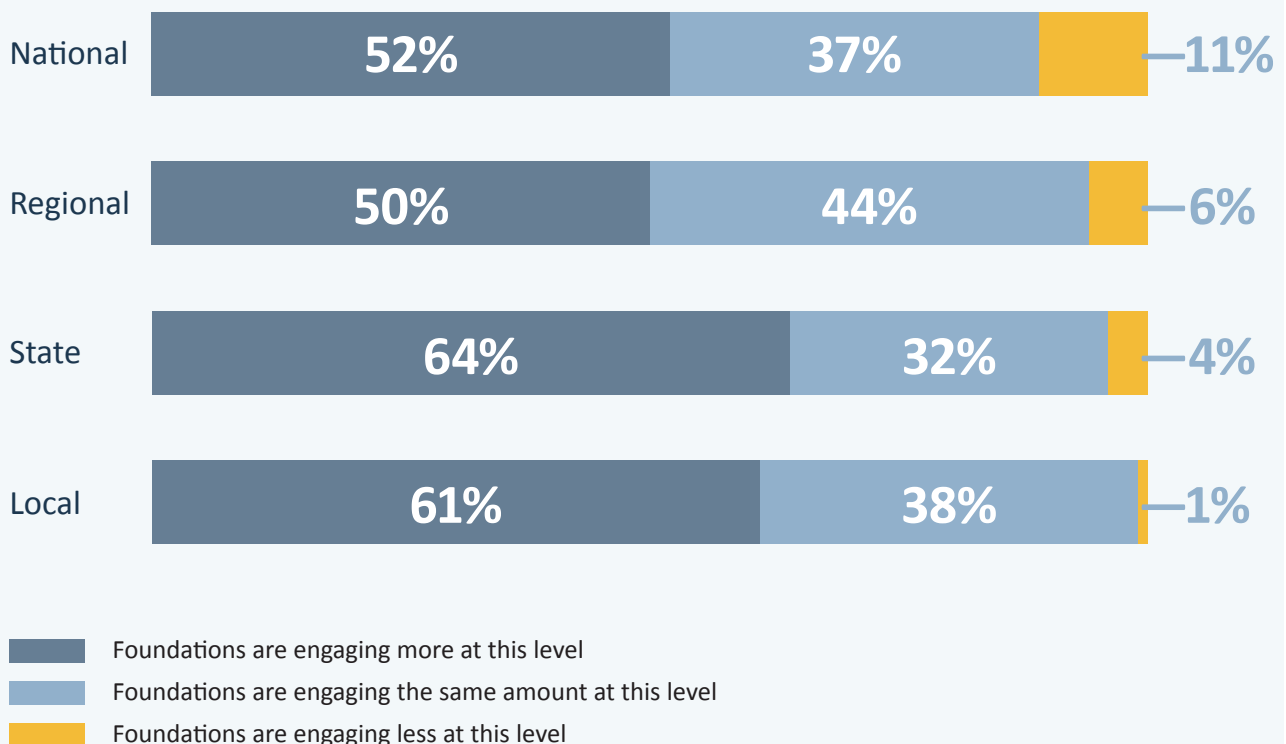
Yet, while foundations are engaging more in policy efforts, most interviewees describe policy engagement as a small component of their overall efforts to achieve their goals. The majority describe limited policy engagement—in terms of dollars, grants, and time—and say things like it is a “small amount” or “very little” of their work. Only a few say that policy is a significant component of their foundation’s efforts.

The intensity of their policy efforts varies over time, as well. Some leaders attribute this variation to fluctuating windows of opportunity that arise in the policy sphere. One-third of foundation leaders describe the importance of thinking opportunistically when it comes to policy change. As one leader says, “When you see a window open in policy, you run through it.”

Some leaders, though, emphasize that being opportunistic does not negate the importance of being patient. “Policy work requires a long view. It’s not just an easy win from a two-year grant,” says one leader.

FIGURE 1.

Changes in the Extent to Which Respondent Foundations Are Engaging in Policy Efforts over the past Three Years by Geographical Level





DEBATING THE ROLE OF PHILANTHROPY IN A DEMOCRATIC SOCIETY

While the first decade of this century saw much lauding of philanthropists—“trust the billionaires” was the prevailing view at the time, as University of Michigan assistant professor of public policy Megan Tompkins-Stange describes—critiques of philanthropy have intensified.¹⁹ Journalist and author Anand Giridharadas writes about how big givers perpetuate inequality and seek to preserve the status quo to protect their interests.²⁰ Rob Reich, Stanford University professor of political science, argues, “Big philanthropy is a form of unaccountable, perpetual, lavishly tax-advantaged power,” and asks the provocative question: “Is philanthropy, by its very nature, a threat to today’s democracy?”²¹

Foundation leaders are aware of these debates, and more than three-fourths of those we interviewed see some merit in them. However, more than three-fourths of interviewees also disagree with some aspects of these critiques, most commonly saying that these claims paint a distorted picture and are not particularly relevant to their work.²² “I don’t point the finger at philanthropy. I point the finger at the economic system that has allowed concentration of wealth,” says one. Nearly three-fourths of interviewees say these debates are not informing their day-to-day work, although most say these critiques underscore the importance of philanthropic humility, transparency, and proximity to beneficiaries and communities.

Foundation leaders instead describe public policy influence as an important and crucial philanthropic tool: Of the survey respondents, 93 percent say foundations should seek to influence public policy that could further their programmatic goals, when relevant. As one leader says, “Grantmaking alone cannot fix the injustices that have been perpetrated through public policy.”

Some emphasize the unique opportunity for foundations to create change:

We can all point to foundations that think they know better than everybody else, marching into a policy area and making a giant mess. On the other hand, given that we are taxpayer subsidized, foundations should not just be funding social services

FINDING TWO

Foundation leaders recognize that they cannot achieve their policy goals alone. Most are supporting grantees' policy efforts and collaborating with others.



SUPPORTING GRANTEES' POLICY EFFORTS

The primary way foundations pursue their policy agenda is through grantmaking. Almost three-fourths of foundations that engage in policy work support grantees' policy efforts.

Foundation leaders in this study report that their foundations support a broad range of grantees' policy activities (Figure 2). They most frequently support grantees' efforts to collaborate; convene; educate others; and organize, mobilize, and engage individuals, communities, and groups.

Leaders outline several benefits to supporting grantees' policy efforts. Some emphasize that grantees can be better positioned to affect policy than foundations. "Do not go it alone—your grantees are probably better at this than you are!" says one. Others describe how the work of

their grantees informs and enhances their own policy efforts, noting that grantees help foundation staff members deepen their understanding of the issues and the policy landscape.

Some leaders also describe how grassroots policy efforts are key to achieving durable change. Three-fourths of foundations we interviewed provide at least some grant support to grassroots organizations engaged in policy efforts. Yet, far fewer say that supporting grassroots policy efforts is core to their work. One leader explains:

The people who live in those communities, they're the fabric of it. They're the ones who are going to stay, and so they both have the most at stake, and they have the most invested. So, I think if you want to be sustainable in your influence, you have to engage the grassroots community.



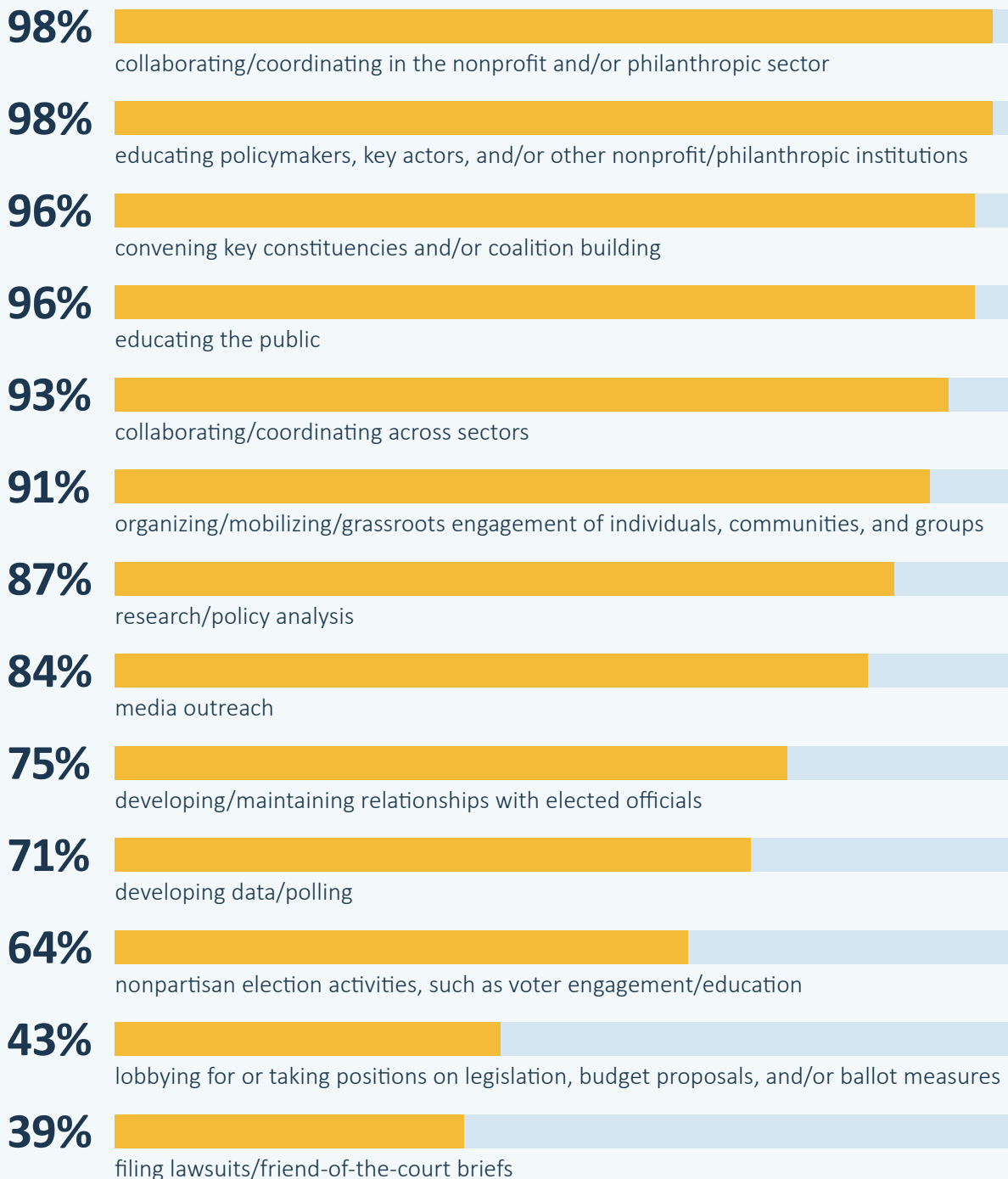
Do not go it alone—your grantees are probably better at this than you are!

—Foundation CEO



FIGURE 2.

Percentage of Respondent Foundations That Support Grantees' Efforts to Engage in Each of the Following Policy Activities



FOUNDATION PRACTICES AND SUGGESTIONS FROM NONPROFIT LEADERS

While most nonprofit leaders say that their foundation funders are supportive of their policy efforts, they offer numerous suggestions about how foundations can better support them in these efforts.²³ The top suggestion, from almost half of nonprofit leaders, is for foundations to be willing to fund more of their policy work. “Funds are difficult to raise for this purpose,” says one nonprofit leader. Another requests that foundations “simply fund the proposals we have before them that support allowable public policy work.”

The second most frequent suggestion about how foundation funders could better support grantees’ policy efforts, offered by about one-fourth of nonprofit leaders, is providing grants with greater flexibility, stemming from an understanding of the complex and long-term nature of creating policy change. “These funds could be less program

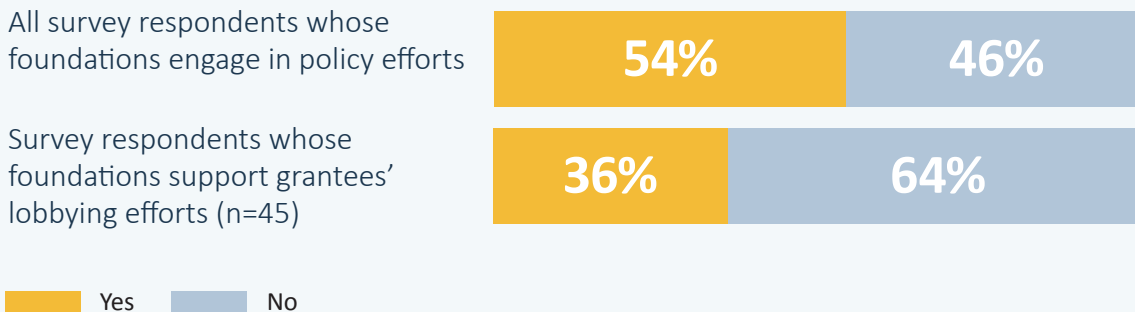
specific and restrictive, and more unrestricted to influence macro outcomes,” says one. Others ask that foundations “stop needlessly disallowing lobbying in their contracts” and request that foundations “not cap the amount of funds that we can use for advocacy/lobbying purposes.” Another adds, “Allow for multiyear funding. This work often takes years to complete and to show impact.”

While some foundation leaders emphasize the importance of flexible, general operating support for policy work, only 27 percent of foundation leaders say it is extremely important to the foundation’s strategy to provide general operating support for grantees’ policy efforts. And 54 percent report that their foundation’s grant agreements include specific language prohibiting or limiting grantees from using grant funds to engage in lobbying or other attempts to influence legislation. Respondents whose own foundation supports grantees’ efforts to lobby for or take positions on legislation, budget proposals, and/or

FIGURE 3.

Percentage of Foundations with Grant Agreements That Prohibit/Limit Lobbying

Do the foundation’s grant agreements include specific language prohibiting/limiting grantees from using grant funds to engage in lobbying or other attempts to influence legislation?



ballot measures are significantly less likely to utilize grant agreement language that limits or prohibits their grantees from engaging in lobbying; however, more than one-third still report using such limitations (Figure 3).

COLLABORATION

Eighty percent of foundation leaders are part of collaborative efforts to influence policy, and working with others is the top recommendation they give to those who are considering engaging in this work. “None of us can solve these problems alone,” says one leader.

Leaders most frequently describe collaborating with other foundations. Most participate in formal collaborations with other foundations, such as co-funding initiatives, issue-based

foundation affinity groups, and regional foundation associations. Some also informally align grantmaking and exchange knowledge.

Most interviewees also report that their foundations collaborate with government. They emphasize the importance of building good communications and relationships with key officials over time, not just when they need their support. For example, at one foundation, staff members hold long-standing relationships with state and local government officials who help them assess the feasibility of their policy aims and help them make the strongest possible case for policy adoption.



None of us can solve these problems alone.

–Foundation CEO



IN FUNDERS' OWN WORDS, WHY THEY COLLABORATE WITH OTHERS

Enhance impact: “As a smaller foundation, we have more impact when we work collaboratively with other funders. We spend a lot of time educating and engaging other funders.”

Ensure alignment: “You don’t want to be funding at cross purposes. You want to be as collaborative and coordinated as possible. I’ve never understood funders who think they need market share and act like they’re competing for something—because everybody’s buying what we’re selling.”

Leverage resources: “It gives us more clout and a louder voice.”

Demonstrate broad support: “Broader representation helps changes stick.”

Build and share knowledge: “We need people coming from different perspectives with different kinds of expertise.”

Values: “The power of collective voice is important and aligns to our values of engaging our community.”





FOUNDATIONS DIRECTLY ENGAGING IN POLICY

More than half of foundations engaging in policy do so outside of grantmaking. Of those, more than three-fourths engage in the following activities (Figure 4):

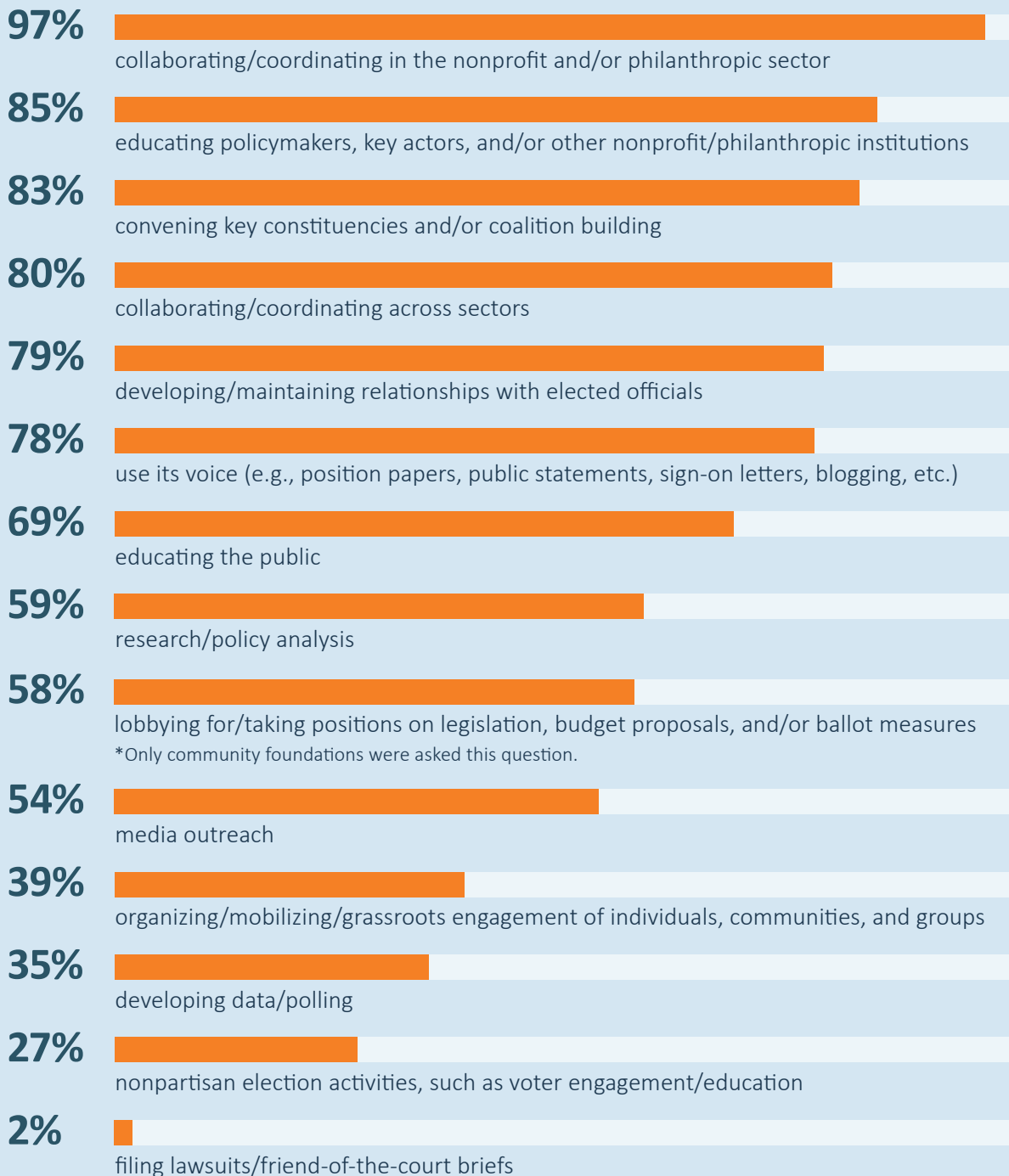
- Collaborating/coordinating in the nonprofit and/or philanthropic sector and across sectors
- Educating policymakers, key actors, and/or other nonprofit/philanthropic institutions
- Convening key constituencies and/or coalition building
- Developing/maintaining relationships with elected officials
- Using the foundation's voice directly (e.g., position papers, public statements, sign-on letters, blogging, etc.)

More than half of community foundations that we surveyed engage in lobbying, and more than one-third of them have taken the 501(h) election.²⁴



FIGURE 4.

Percentage of Respondent Foundations That Engage in Each of the Following Policy Activities outside of Grantmaking



FINDING THREE

Most foundations have had mixed success in their policy efforts or are unsure how effective these efforts have been. Foundation leaders face some common challenges, particularly when it comes to building board support.



EFFECTIVENESS AND ASSESSMENT OF FOUNDATION POLICY EFFORTS

In assessing their foundation’s policy efforts, half of leaders we interviewed think that, overall, they have had mixed success. They emphasize the inherent challenges of policy work and the inevitability of some degree of failure. Some describe the nonlinear, long-term nature of creating sustainable policy change, and say things like, “You’re not really doing the work if you don’t have things that don’t work out.” One reflects:

This work is hard. It’s really important to acknowledge that. It can be wearing, and success is unpredictable. Even when you think you’ve won you can still lose four years later. But the lesson from that isn’t to give up. The lesson is to keep doing it and to try harder.

More than one-third are unsure how effective their efforts have been. “I’m sure we’ve had some impact, but it’s very hard to quantify. There’s no easy answer,” says one leader.²⁵ Binary measures—such as whether desired policies were passed (or whether undesired policies were not passed)—are a key indicator of success for most leaders. Some also rely on incremental indicators

to track progress. “Are we going to get every policy change that we proposed? No. Have we enhanced the dialogue? Yes. Did we ripen the political environment? Yes. None of this is black and white,” says one leader.²⁶

Some leaders emphasize the importance of assessing their policy efforts in terms of contribution, not attribution. “I can give you lots of indicators about contribution. But these are not things that can be causally determined in the real world. A search for attribution is either ego driven or just implausible,” says one leader. These foundations’ assessment efforts focus on learning and improving. “We try to assess what’s changing and what’s working, without getting hung up on our particular causality attribution, because all of this work is done in partnership with others,” says another.



Are we going to get every policy change that we proposed? No. Have we enhanced the dialogue? Yes. Did we ripen the political environment? Yes. None of this is black and white.

–Foundation CEO





POLICY CHANGE REALIZED

Leaders share many examples of policy successes to which their foundations have contributed.

They describe the policy efforts and success of their grantees. “We supported numerous organizations that led a successful effort to put a redistricting reform measure on the statewide ballot. The measure then was overwhelmingly approved by voters,” reports one leader. Another offers this success story: “Through our support of early childhood policy-advocacy organizations and our direct educational efforts, there has been increased state funding for these programs and higher standards for early childhood education.”

Leaders describe **collaborative partnerships**. “A statewide coalition of grantmakers focused on early learning led the state to adopt funding for early learning programs, thereby dramatically expanding access. To date, thousands more children have access to high quality early learning,” shares one leader. Another references supporting “a local smoke-free coalition that successfully advocated for indoor and outdoor clean air ordinances, which reduced smoking rates.”

Leaders describe wins that were the result of **long-term funding and commitment**. “Same sex marriage equality won through a 15-year collaborative effort!” says one leader. “When the Affordable Care Act (ACA) passed, we had been funding health care reform advocacy for years. Our long-term funding allowed many of these same advocates to pivot and engage in advocacy about implementation of ACA. As a result, the state has been a model for coverage nationally,” explains one leader. Another relays, “The foundation led a decade-long effort to shift state and local policy around the importance of pre-K, resulting in the state making a significant commitment to pre-K funding.”

Some leaders mention **successful defense**—such as saving “several programs on the chopping block” and protecting “state funding and higher standards for rural early childhood education.” Others mention **new policy wins**, such as securing statewide

anti-predatory lending legislation, increased wage protections and sexual harassment protections for hotel workers, and Medicaid expansion. One foundation supported a coalition that “influenced the city council to pass legislation prohibiting suspensions and expulsions of elementary and middle school students, which disproportionately affect students of color and their likelihood of graduating from high school.”

They describe using a **combination of policy tools**. One says, “The adoption of Medicaid expansion in our state has resulted in greater access to critical health care services. We contributed to this by funding organizations to coordinate; by funding efforts to strengthen organizing, communications, advocacy, and lobbying activities into a single set of strategic messages; by using our own political capital with policymakers; by supporting research and dissemination of data; by using our voice; and by taking a public position in favor of the expansion because it aligned with our strategic priorities.”





TAKING A STAND AND GAINING DONORS



Community foundations have an additional stakeholder group to consider: donors. When deciding whether to engage in efforts to influence public policy, most community foundations take into consideration what they think donors want and the possibility of gaining or losing donors.²⁷

None of these leaders report that their foundations have lost more donors than they gained as a result of the foundations' efforts to influence public policy. In fact, nearly one-third say they gained more donors than they lost (Figure 5).

FIGURE 5.

Impact of Policy Work on Number of Donors



-  The foundation gained more donors than it lost
-  The foundation neither gained nor lost a substantial number of donors

**No community foundation CEOs report that they lost more donors than they gained*

One leader reflects:

There's a belief that community foundations have to be neutral. I think we have to be nonpartisan. I think we have to be solutions focused. But it is nonsense to believe that we can't take a point of view on our community. There had been fear of our policy work, but we didn't have any donor backlash, and we didn't lose favor with the city.

COMMON CHALLENGES

Most foundation leaders we interviewed have not experienced negative consequences from policy engagement.²⁸ Only a few mention facing public criticism, which they shake off as “the cost of doing business.” Some explain the lack of negative consequences as a function of being strategic and thoroughly assessing risk, while others think it is because their policy efforts are uncontroversial. A few leaders wonder aloud, “If nobody’s ever mad at us, then are we really taking on hard stuff?”

However, leaders do experience common challenges across their policy work, mainly building board support, but also deciding whether and how to prioritize policy efforts and understanding the policy sphere.²⁹

Building Board Support

The most frequent challenge leaders face is building board support for policy efforts. Only 45 percent of leaders say their board is completely supportive of the foundation’s efforts to influence public policy (Figure 6).

Despite most foundation leaders reporting no negative consequences from policy work, some

leaders describe their boards as wary of policy engagement, citing fears of becoming political, concerns about policy missteps, and general risk aversion. “Our board is afraid of the word advocacy,” says one leader. Others reference challenges of board engagement and education—their boards do not understand the importance of policy or do not see the foundation as having a role to play in policy. A few reference diverse political opinions among board members. These factors all make it hard for leaders to build board consensus and clarity on policy efforts, and to ensure board alignment with staff.

Further complicating matters, fewer than one-third of leaders believe that their boards understand very well which policy-related activities are legally permissible (Figure 7).



Our board is afraid of the word advocacy.

—Foundation CEO

FIGURE 6.

Foundation Leaders’ Ratings of Board Support for Policy Efforts

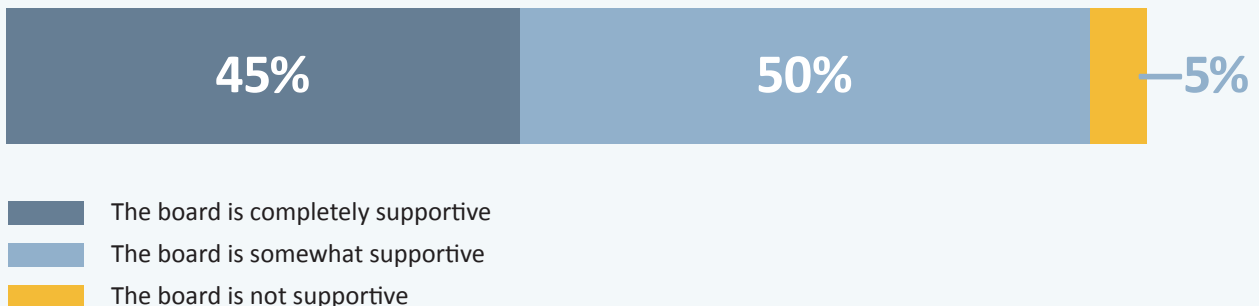
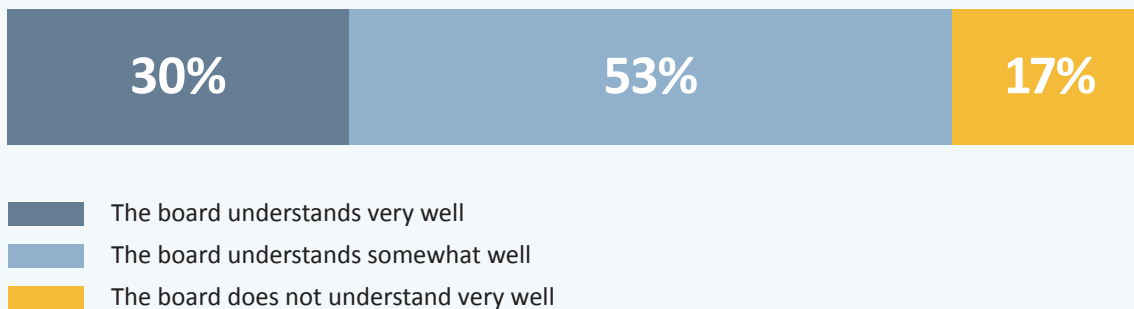


FIGURE 7.

Leaders' Assessment of Their Boards' Understanding of Which Public Policy-Related Activities Are Legally Permissible for the Foundation to Engage In



One frequent suggestion foundation leaders make to those who are considering getting into policy work is to build board buy-in. They recommend engaging the board “early and often” in conversations about policy issues relevant to the foundation’s goals and grantees. To make policy work more concrete, some suggest discussing grantees’ policy efforts and examples of successful policy efforts from other funders. One leader, for example, says that presentations to the board about their policy work often include grassroots activists, community members, grantee organizations, or a national expert on the topic. They also recommend discussing the legal guidelines for philanthropic policy influence.

Deciding Whether—and How—to Prioritize Policy Efforts

The second most frequent challenge foundation leaders report is deciding whether—and how—to engage in policy. They mention the difficulty of

balancing competing priorities. “We understand the importance of influencing public policy but do not always practice what we preach,” admits one leader. They describe having limited staff, internal capacity, and time and not knowing which policy issues to pay attention to. As one leader summarizes, “Too little time/too many issues.”

Some leaders feel overwhelmed by the magnitude of the challenges they seek to address, relative to their foundation’s financial resources and even the financial resources of philanthropy in general. “A lot more money is needed to support advocacy work beyond what we can provide,” explains one leader.

To mitigate against this, some leaders emphasize the importance of having clear policy goals and strategies. “Treat advocacy as one of the tools for achieving the objectives of a grant strategy,” suggests one leader, and another adds, “Start where it makes sense for your foundation.”

Understanding the Policy Sphere

The third most frequent challenge leaders face is developing an understanding of the issues they seek to address.

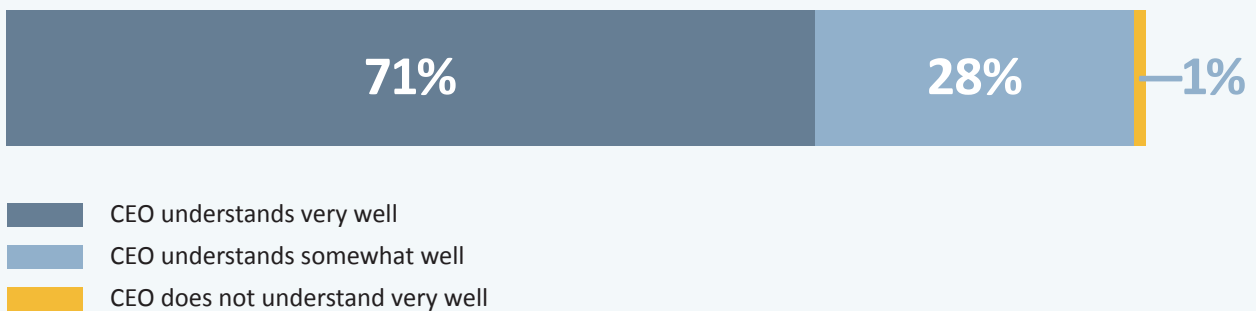
Some struggle to stay current on the policy context and understand the various stakeholder perspectives and agendas. To address this challenge, leaders advise others to “spend a lot of time understanding how and what policies are affecting (positively and negatively) your programming work.” Others acknowledge that this challenge is

exacerbated by a sense of insufficient staff capacity for policy work.

Even as most leaders say they understand very well which policy-related activities are legally permissible to engage in (Figure 8), some describe the laws as “murky.” Some leaders suggest building this understanding, and to do so, leaders primarily turn to philanthropy-serving organizations (e.g., membership organizations, affinity groups), legal counsel, and foundation colleagues—and they find these sources to be extremely helpful.³⁰

FIGURE 8.

Leaders’ Assessment of Their Own Understanding of Which Public Policy-Related Activities Are Legally Permissible for the Foundation to Engage In



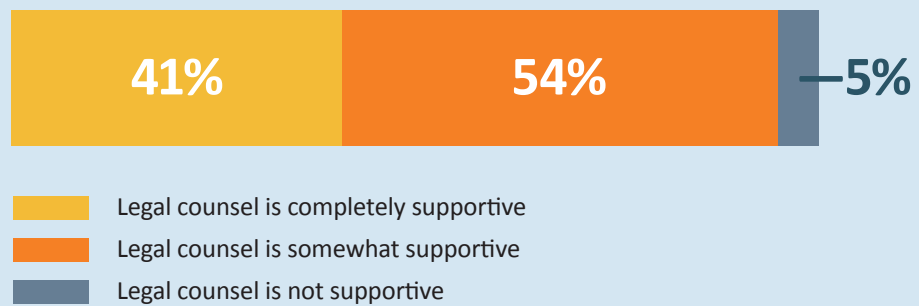


LEGAL COUNSEL SUPPORT FOR POLICY EFFORTS

Although most leaders turn to legal counsel for help understanding the legalities of policy work, fewer than half of leaders report that legal counsel is completely supportive of the foundation's policy efforts (Figure 9).

FIGURE 9.

Foundation Leaders' Ratings of Legal Counsels' Support for Policy Efforts



CONCLUSION

This study clearly shows foundation leaders' strong belief that engagement in public policy is a crucial lever for change. Despite growing debates in society at large about the influence of philanthropy on policy, foundations have increased their policy efforts rather than shying away. And yet, their efforts to influence policy remain a small portion of the work they do to achieve their programmatic goals. Despite the challenges of policy engagement, foundation and nonprofit leaders share a sense that some practices, such as supporting grantees and collaborating with others, will help funders—and their grantees—be more effective in achieving their policy goals.

These data present an opportunity to more thoroughly understand foundation efforts to influence public policy and foundation leaders' perspectives on this topic. More than that, though, we hope this analysis of hundreds of foundation leaders' views can spur foundation staff, leaders, and boards to candidly discuss philanthropic engagement in public policy—serving as a guide for foundations seeking to engage differently or more deeply in policy work.

This research raises a number of questions that may guide the practice of foundations individually and across the sector, including:

Given that many foundation leaders believe that public policy plays a large role in goal achievement, and that policy change can have more impact than foundation grant dollars alone, why does policy engagement remain a small portion of most foundations' overall efforts?

Given that many foundation leaders believe that they cannot achieve their policy goals alone, how can they better support their grantees' policy efforts? And where can they build greater and more effective partnerships with others, including grantees and other funders?

Given that many foundation leaders believe that boards are the most common challenge in their policy work, how can they educate and engage their board to build support?

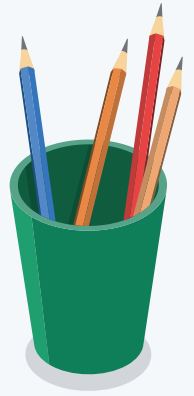
Given that many foundation leaders believe that philanthropic engagement in public policy, at its best, brings external accountability to public systems, elevates unheard voices, and offers promise of systemic change, how can leaders promote and engage in a more nuanced discussion about philanthropy and public policy influence?

The stakes are, of course, high. As one leader says:

It is surprising to me sometimes that foundations would imagine that they can do significant systems work without policy. If you think about the prevailing problems that we're all facing,

philanthropy is not going to grant its way out of the holes we're in. Period. If you're serious about doing something more than feel-good, you have to think ultimately about how the public sector will come to play a role in the solutions that you're trying to develop.

DISCUSSION QUESTIONS



Below is a list of discussion questions for foundation leaders and their boards to consider. Some questions are relevant for all foundations, while others are relevant only for those foundations already engaging in efforts to influence public policy.

CONSIDERING PUBLIC POLICY ENGAGEMENT:

1. In what ways does public policy affect your foundation’s ability to achieve its programmatic goals?

2. If your foundation does not engage in public policy, why is that? What policy activities might the foundation be comfortable with that could help the foundation advance its goals?

REFLECTING ON YOUR FOUNDATION’S PUBLIC POLICY ENGAGEMENT:

1. If, like many foundation leaders, you think that policy work is an important tool for funders, but it is a relatively small amount of your work, then:

a. Why is your foundation’s policy engagement relatively limited?

b. When would it make sense for your foundation to engage in more policy-change work?

c. What additional resources—grantmaking dollars, staff, the board—should you be allocating to your policy efforts to achieve your goals?

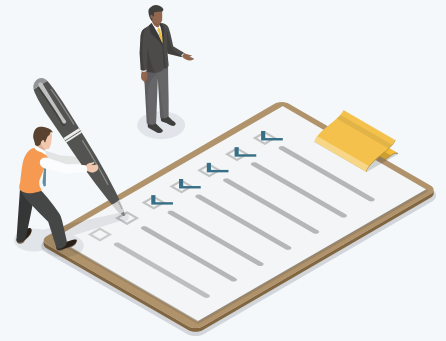
d. When should your foundation take a bolder stance or take more risk in service of the people, issues, and communities you ultimately seek to support?

2. How are foundation staff—especially legal counsel and the board—developing knowledge and understanding of the policy issues you seek to address? How is this understanding informed by grantees and the people and communities your foundation seeks to serve?

3. Given that foundation leaders, along with their critics, believe that foundations should be more transparent, humble, and guided by those they seek to serve, what practices can your foundation put into place to demonstrate these values?

SUPPORTING GRANTEES’ POLICY EFFORTS:

1. How can your foundation’s grantmaking better support grantees to pursue shared policy goals?



2. When might more consistent, multiyear, flexible support with fewer restrictions help your grantees, and the foundation, better achieve policy aims?

COLLABORATING TO ACHIEVE POLICY CHANGE:

1. Where can your foundation build deeper or wider partnerships with others—other funders, grantees, government stakeholders—to achieve a shared policy goal?

SECURING BOARD SUPPORT FOR PUBLIC POLICY ENGAGEMENT:

1. How is the foundation engaging the board on policy issues that influence the foundation’s programmatic goals and the ability of your grantees to be maximally effective?

2. How is the foundation building board understanding of policy as a strategy for greater impact?

3. How is the foundation building board support for its policy work?

4. How is the foundation proactively building board—and staff—knowledge about the legally permissible policy activities the foundation could pursue?

ASSESSING AND IMPROVING POLICY EFFORTS:



1. How is the foundation incorporating lessons from past policy experience—and from the experience of others—into its current policy efforts?

2. How do your learning and assessment efforts reflect the nonlinear and long-term nature of creating sustainable policy change?

APPENDIX A:

Resources for Funders

For foundation staff and board members wishing to learn more, below is a non-exhaustive list of organizations and initiatives that offer resources about foundations and public policy engagement. Resources span a broad range of topics, including how-to guides, board engagement, case studies, legal resources, frameworks for considering policy advocacy, and tools for assessment efforts.

Alliance for Justice's **Bolder Advocacy**

Arabella Advisors

BoardSource's **Stand For Your Mission**

The Bridgespan Group

Candid's **GrantCraft**

The Center for Evaluation Innovation

CFLeads

Council on Foundations

Learn Foundation Law

National Committee for Responsive Philanthropy

United Philanthropy Forum



APPENDIX B:

Methodology

The findings presented in this report are based on data collected and analyzed by CEP. Two data collection methods—surveys and interviews—were employed. Foundation data discussed in this report were gathered through a survey completed by 214 foundation CEOs and interviews with CEOs and other staff members from 43 foundations.³¹ Nonprofit data discussed in this report were gathered through a survey completed by 419 leaders of nonprofit organizations who opted into CEP’s *Grantee Voice* panel in either 2017 or 2019. Information detailing the processes for collecting and analyzing the data is below.

STUDY POPULATION—FOUNDATIONS

Specific criteria were used to determine eligibility for this research study. Foundations were considered for inclusion if they:

were based in the United States;

were independent foundations, including health conversion foundations, or community foundations as categorized by 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 Foundation Center in May 2018.

Individuals leading eligible foundations were considered for inclusion if they:

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

had an email address that could be accessed through the foundation’s website or internal CEP records.

In total, 611 CEOs were considered for inclusion.

SURVEY OF FOUNDATION CEOs

Sample

In January 2019, 611 CEOs were sent an invitation to complete the survey. In the invitation, we told CEOs that if there were other key staff members who help lead the foundation’s efforts to influence public policy, they were welcome to collaborate with those staff members or ask them to complete the survey. While the survey was fielded, 40 CEOs were removed from the sample due to additional information that was received showing they were ineligible for our sample.

Completed surveys were received from 186 CEOs, and partially completed surveys, defined as being at least 50 percent complete, were received from 28 CEOs. Thus, our final survey sample included 214 of 571 potential respondents, for a response rate of 37.5 percent.

SURVEY PERIOD	NUMBER OF CEOS SURVEYED	NUMBER OF RESPONSES	SURVEY RESPONSE RATE
January–February 2019	571	214	37.5%

Respondent Sample Demographics

Of the 214 foundations represented in our final survey sample, 69 percent were independent foundations and 31 percent were community foundations. Health conversion foundations accounted for 12 percent of the independent foundations. The median asset size for foundations in the sample was approximately \$248 million, and the median annual giving level was approximately \$14 million. The median age of foundations surveyed was about 45 years.

	INDEPENDENT FOUNDATION	COMMUNITY FOUNDATION
Type of Foundation	69%	31%

FOUNDATION CHARACTERISTICS	RANGE	MEDIAN VALUE
Assets	~\$18M to ~11B	~\$248M
Giving	~\$5M to ~\$1B	~\$14M
Age	8 years to ~110 years	45 years

Survey Administration

The survey was fielded online for a four-week period from the beginning of January 2019 to the beginning of February 2019. CEOs were sent a brief email including a description of the purpose of the survey, a statement of confidentiality, and a link to the survey. CEOs were sent up to eight reminder emails.

Survey Instrument

The survey consisted of 49 items and included questions about foundation CEOs' perspectives about foundation efforts to influence U.S. public policy at the local, state, regional, and/or national levels. CEOs were asked closed- and open-ended questions about a variety of topics, including demographic questions about themselves and their foundations, their thoughts about foundations influencing public policy, their foundations' efforts to influence public policy (or their foundations' decision not to engage in efforts to influence public policy), and changes over the past three years.

Response Bias

Foundations with CEOs who responded to this survey did not differ from non-respondent foundations by annual giving level, age, geographic regional location, or foundation type (i.e., whether the foundation was an independent or community foundation). CEOs of foundations that have used CEP's assessments were moderately more likely to respond to the survey than CEOs of foundations that have not used a CEP assessment.³²

Quantitative Analysis

To analyze the quantitative survey data from foundation CEOs, descriptive statistics were examined, and a combination of independent samples t-tests, chi-square analyses, and analysis of variance tests were conducted. 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. Only findings reaching at least a medium effect size are discussed in this report.

Qualitative Analysis

Thematic and content analyses were conducted on the responses to the following open-ended survey items:

Please explain your response to the close-ended question: Which of the following statements best reflects your opinion with regard to foundations seeking to influence public policy? *Foundations should not seek to influence public policy. / Foundations should only seek to influence public policy in self-defense. / Foundations should seek to influence public policy that could further their programmatic goals, when relevant.*

Why does the foundation engage in efforts to influence public policy?

What are the top two issue areas in which the foundation seeks to influence public policy?

Please list the three most significant challenges the foundation faces in its efforts to influence public policy.

Please describe an example of a significant policy change, and its impact, to which the foundation contributed.

Based on your experience, what are the top three recommendations you would provide to foundations seeking to influence public policy?

A coding scheme was developed for each open-ended item by reading through all responses to recognize recurring ideas, creating categories, and then coding each respondent's ideas according to the categories.

Codebooks were created to ensure that different coders would be coding for the same concepts rather than their individual interpretations of the concepts. One coder coded all responses to a question, and a second coder coded 15 percent of those responses. At least an 80 percent level of interrater agreement was achieved for each code for each open-ended item.

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

INTERVIEWS WITH FOUNDATION LEADERS

Sample

Of the 571 CEOs included in our sample after the survey was administered, 297 were randomly selected and invited to be interviewed in August, September, and October 2019. To ensure that we would end up with an interview group representative of the type and region of foundations in our full sample list, foundations were stratified by the following variables:

Type of foundation (independent or community foundation)

Geographic region (Midwest, Northeast, South, or West)

Then, foundations were randomly selected from stratified groups, with percentages selected for interviews mirroring the corresponding percentages present in the sample population.

In the invitation, we told CEOs that if there were other key staff members who help lead the foundation’s efforts to influence public policy, we would welcome their participation in the interview as well. Of the total number of participants, 27 CEOs chose to be interviewed alone; six chose to invite other staff members to join the interview; and 10 asked other staff members to be interviewed in their place. In the invitation, we noted that we were only interviewing leaders at foundations that are engaging in efforts to influence public policy. Ultimately, CEOs and other staff members from 43 foundations participated in an interview.

Interviewee Sample Demographics

Of the 43 foundations in our final interview sample, 30 were independent foundations and 13 were community foundations. Health conversion foundations accounted for five of the 30 independent foundations. The median asset size for foundations in the sample was approximately \$506 million, and the median annual giving level was approximately \$21 million. The median age of foundations interviewed was about 40 years.

	INDEPENDENT FOUNDATION	COMMUNITY FOUNDATION
Type of Foundation	70%	30%

FOUNDATION CHARACTERISTICS	RANGE	MEDIAN VALUE
Assets	~\$18M to ~10B	~\$506M
Giving	~\$6M to ~\$323M	~\$21M
Age	6 years to ~100 years	~40 years

Interview Protocol

Every interview began with an introductory script describing the purpose of the study and the confidentiality of the conversation. Before any interview questions were asked, interviewees were asked for their permission for the interview to be recorded and transcribed. The protocol contained 11 questions for the interviewee(s) about how their foundation works to influence public policy, experiences with their board in their public policy efforts, how they assess their foundation's efforts to influence public policy, and how the current debate about the role of philanthropy in a democratic society may be influencing their foundation's public policy work.

Three pilot interviews with one former and two current foundation CEOs were conducted in July 2019 to test the clarity, relevance, and utility of the interview protocol. The interview protocol was edited based on feedback from the pilot interviews. Data from the pilot interviews were not included in our analysis.

Data Collection

From August to October 2019, 43 interviews were conducted by two members of CEP's staff. At the start of the process, as well as throughout the data collection period, the two interviewers discussed the interview process to establish consistency in style. Interviews lasted one to one-and-a-half hours.

Data Analysis

Interview recordings were transcribed and qualitatively coded to capture common content and themes. From September to October 2019, three coders were involved in analyzing the interview transcripts. Each coder was responsible for coding a subset of the key themes of interest in this research study. Coders developed coding schemes of the most common answers or perspectives for each theme. Coders discussed these coding schemes with each other and other members of the project team to ensure that they were accurately describing and analyzing the content of the interviews.

Descriptive statistics were examined for interview content and themes included in this report. Selected quotations from the interviews were also included throughout this report. These quotations were selected to be representative of the themes seen in the data.

STUDY POPULATION—NONPROFITS

The *Grantee Voice* panel is a nationally representative group of nonprofits that CEP creates to gather the perspectives of nonprofit leaders. Nonprofit leaders who opted into CEP's *Grantee Voice* panel in either 2017 or 2019 were included in this study. These panels were established in several steps. First, to create a list of nonprofits to invite to the panel, a dataset of almost 430,000 registered 501(c)(3) organizations that filed a Form 990 between 2013 and 2016 was obtained from the National Center for Charitable Statistics (NCCS). CEP kept nonprofits in the dataset only when they met all of the following criteria:

- The organization filed a Form 990 between 2015 and 2016;
- The organization is located in the United States;
- The organization records annual expenses between \$100,000 and \$100 million;
- The organization has a positive contributed revenue;
- The organization has an identified area of work (based on NTEECC coding);
- The organization is not a mutual/membership benefit organization (based on NTEECC coding);
- The organization is not a religious-based organization (based on NTEECC coding);
- The organization is not a hospital or university (based on NTEECC coding);
- The organization is not a foundation (based on NTEECC coding);
- The organization is not a fundraising entity working specifically across issue area groups (based on NTEECC coding);
- The organization is not a supporting organization (based on NTEECC coding); and
- The organization is not flagged by NCCS as “out of scope” (i.e., the organization must be a 501(c)(3), nonforeign entity, or a government entity).

After filtering for nonprofits that met the criteria described above, 142,582 nonprofits remained in the dataset. CEP then took the filtered dataset and randomly selected 14,000 nonprofits, ensuring that this selected sample contained representation across a full range of expenses.

For the 2019 panel (2017 information in parentheses throughout this section), CEP worked with Candid (Foundation Center) to determine whether each nonprofit in this random sample had received any funding between 2015 and 2017 (between 2013 and 2016) from foundations giving at least \$5 million annually in grants. Only nonprofits that had received such funding remained eligible for an invitation to join the panel. In total, 7,987 (6,309) nonprofits met these criteria.

Only individuals leading eligible nonprofits were considered for inclusion. These individuals typically had titles such as executive director, president, or CEO. Ultimately, 4,643 (3,954) nonprofit leaders were invited to join the *Grantee Voice* panel after some were removed because of invalid contact information. While the invitation was open, 212 (134) more nonprofits leaders were removed because of additional information that was received showing they were ineligible for our sample. In total, of 4,431 (3,820) eligible nonprofit leaders, 629 (676) accepted the invitation, resulting in an acceptance rate of 14.2 percent (17.7 percent). We statistically tested for and saw slight differences in the annual expenses and geographical regions of the organizations that did and did not accept the invitation to join the panels.³³ Between the creation of the panels and the start of this research project, 39 nonprofit CEOs were removed because they or their organizations became ineligible.

SURVEY OF NONPROFIT LEADERS

Sample

In November 2019, 1,266 nonprofit leaders who comprise the 2017 and 2019 *Grantee Voice* panels were sent an invitation to complete the survey. While the survey was fielded, 41 nonprofit leaders were removed from the sample because of additional information that was received showing they were ineligible for our sample.

Completed surveys were received from 417 leaders, and partially completed surveys, defined as being at least 50 percent complete, were received from two leaders. Thus, our final survey sample included 419 of 1,225 potential respondents, for a response rate of 34.2 percent.

SURVEY PERIOD	NUMBER OF LEADERS SURVEYED	NUMBER OF RESPONSES	SURVEY RESPONSE RATE
November 2019	1,225	419	34%

Survey Administration

The survey was fielded online for a three-week period in November 2019. 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 five reminder emails.

Survey Instrument

The survey consisted of 51 open- and close-ended items and included questions about a variety of topics, including grantee efforts to influence public policy and other topics which were unrelated to public policy and are not included in this report.

Response Bias

Nonprofits represented by leaders who responded to the survey did not differ significantly from non-respondent organizations by staff size, annual expenses, or region of the United States in which the nonprofit is located.

Quantitative Analysis

To analyze the quantitative survey data from the three questions in the survey relevant to this research, descriptive statistics were examined and a combination of independent samples t-tests, chi-square analyses, and analysis of variance tests were conducted. 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. Only findings reaching at least a medium effect size are discussed in this report.

Qualitative Analysis

Thematic and content analyses were conducted on the responses to the following policy-related open-ended survey items:

Recently, some critics have argued that philanthropy can be undemocratic and a misuse of tax-privileged dollars. These critiques have sparked debates about the role of philanthropy in a democratic society. What are your thoughts on these debates?

What, if anything, could your organization's staffed foundation funders do to better support your organization's efforts to influence public policy?

A coding scheme was developed for these open-ended items by reading through all responses to recognize recurring ideas, creating categories, and then coding each respondent's ideas according to the categories.

Codebooks were created to ensure that different coders would be coding for the same concepts rather than their individual interpretations of the concepts. One coder coded all responses to the questions, and a second coder coded 15 percent of those responses. For each question, at least an 80 percent level of interrater agreement was achieved for each code.

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

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15. Anand Giridharadas, *Winners Take All: The Elite Charade of Changing the World* (New York, NY: Alfred A. Knopf, 2018).

16. Rob Reich, *Just Giving: Why Philanthropy Is Failing Democracy and How It Can Do Better* (Princeton, NJ: Princeton University Press, 2018).

17. Survey respondents at 192 foundations that engage in efforts to influence public policy answered the question, “In which U.S. geographic scope(s) is the foundation attempting to influence public policy? (Select all that apply.)” Of those respondents, 57 percent selected “national”; 37 percent selected “regional”; 82 percent selected “state”; and 70 percent selected “local.”

18. The survey, which was fielded in January 2019, asked respondents to reflect on the previous three years so they would all be thinking about their answers using a similar time frame. Thus, the phrases “last three years” or “past three years” refer to the period of 2016 to 2019 throughout this report.

19. Megan Tompkins-Stange, *Policy Patrons: Philanthropy, Education Reform, and the Politics of Influence*, Educational Innovations Series (Cambridge, MA: Harvard Education Press, 2016).

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21. Reich, *Just Giving: Why Philanthropy Is Failing Democracy and How It Can Do Better*.

22. Interviewees of 40 foundations answered the question, “Recently, critics have argued that philanthropy can have a disproportionate influence on public policy, and that it can be undemocratic and a misuse of tax-privileged dollars. These critiques have sparked debates about the role of philanthropy in a democratic society. What do you make of these debates?” Of those interviewees, all said that they are following the debate to some extent; 83 percent said that they see some merit in the critiques; 90 percent disagree with some aspect of the critiques; and 73 percent both agree and disagree with some aspects of the critiques.

23. Survey respondents at 211 nonprofit organizations that seek to influence public policy answered the question, “To what extent are your organization’s staffed foundation funders supportive of your organization’s efforts to influence public policy?” Of those respondents, 44 percent selected “completely supportive”; 50 percent selected “somewhat supportive”; and six percent selected “not supportive.”

Survey respondents at 160 nonprofit organizations that seek to influence public policy answered the question, “What, if anything, could your organization’s staffed foundation funders do to better support your organization’s efforts to influence public policy?” The two most frequent responses were that foundations could fund more policy work (48 percent) and provide more general operating support grants, multiyear grants, repeated grants, capacity-building grants, and/or grants that do not include language restricting policy work (23 percent).

24. Survey respondents at 61 community foundations answered the question, “Has the foundation taken the 501(h) election?” Of those respondents, 38 percent selected “yes.”

25. Interviewees at 36 foundations answered the question, “How effective do you believe the foundation’s efforts to influence public policy have been?” Of those interviewees, 11 percent said their foundations have mostly had success; 50 percent said their foundations have had mixed success; three percent said their foundations have mostly had failures; and 36 percent said they were unsure.

26. Interviewees at 37 foundations answered the question, “How do you know [how effective the foundation’s efforts to influence public policy have been]?” Not mutually exclusively, 78 percent mentioned measuring success by looking at whether the policy was changed, and 24 percent mentioned looking at whether progress has been made toward policy change.

27. Survey respondents at 61 community foundations that engage in efforts to influence public policy answered the question, “When the foundation is deciding whether to engage in efforts to influence public policy, how much consideration is given to what the foundation thinks donors want?” Of those respondents, 23 percent selected “a great deal of consideration”; 72 percent selected “some consideration”; and five percent selected “no consideration.”

Survey respondents at 60 community foundations that engage in efforts to influence public policy answered the question, “When the foundation is deciding whether to engage in efforts to influence public policy, how much consideration is given to the possibility of gaining or losing donors?” Of those respondents, 30 percent selected “a great deal of consideration”; 62 percent selected “some consideration”; and eight percent selected “no consideration.”

28. Interviewees at 38 foundations answered the question, “Has the foundation experienced any downsides from, or had any concerns about, engaging in efforts to influence public policy?” Of those interviewees, 68 percent said they have experienced no downsides. Of those who have experienced downsides, the most frequently mentioned downsides were criticism (18 percent) and donor pushback (eight percent).

29. Survey respondents at 161 foundations that engage in efforts to influence public policy answered the open-ended question, “Please list the three most significant challenges the foundation faces in its efforts to influence public policy.” The top three challenges they described were getting alignment with stakeholders, particularly the board (55 percent); deciding whether and how to prioritize policy efforts (42 percent); and understanding the policy sphere (29 percent).

30. Survey respondents at 207 foundations answered the question, “What have been your primary sources for understanding which public policy–related activities are legally permissible for the foundation to engage in? (*Select all that apply.*)” Of those respondents, 83 percent selected “philanthropy-serving organizations (e.g., membership organizations, affinity groups, etc.)”; 75 percent selected “legal counsel”; and 60 percent selected “foundation colleagues.”

Respondents who selected each of these sources were asked the follow-up question, “How helpful was this source?” Of those respondents, 171 answered the follow-up question for philanthropy-serving organizations: 61 percent selected “extremely helpful”; 39 percent selected “somewhat helpful”; and one percent selected “not helpful.” One hundred fifty-two answered the follow-up question for legal counsel: 82 percent selected “extremely helpful”; 17 percent selected “somewhat helpful”; and one percent selected “not helpful.” One hundred twenty-three answered the follow-up question for foundation colleagues: 52 percent selected “extremely helpful”; 47 percent selected “somewhat helpful”; and one percent selected “not helpful.”

31. The survey was completed by 186 CEOs/Executive Directors or equivalent, three Directors of Policy or equivalent, seven Vice Presidents of Programs or equivalent, four Directors of Strategy or equivalent, and five other senior leaders.

32. A chi-square analysis was conducted between whether or not foundation CEOs responded to our survey and whether or not those foundations have used a CEP tool. A statistical difference of moderate effect size was found. CEOs at foundations that have used a CEP tool were more likely to respond to our survey.

33. For the 2017 panel, a chi-square analysis of expense quartiles was conducted, and a statistically significant difference of a small effect size was found. Nonprofits with annual expenses less than \$1.7 million were slightly more likely to accept the invitation to join the panel, and nonprofits with annual expenses of \$1.7 million or more were slightly less likely to accept the invitation to join the panel. A chi-square analysis of geographic region was conducted, and a statistically significant difference of a small effect size was found. Nonprofits located in the western United States were slightly more likely to accept the invitation to join the panel, and nonprofits located in the southern United States were slightly less likely to accept the invitation to join the panel.

For the 2019 panel, a chi-square analysis of expense quartiles was conducted, and a statistically significant difference of a small effect size was found. Nonprofits with annual expenses between \$1.7 and \$6.0 million were slightly more likely to accept the invitation to join the panel than nonprofits of other expense sizes, and nonprofits with annual expenses of \$6.0 million or more were slightly less likely than others to accept the invitation to join the panel.



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