



THE CENTER
FOR EFFECTIVE
PHILANTHROPY

Annual Report

2020

The Center for Effective Philanthropy

Foundations and major donors can take on pressing challenges that have defied government and business solutions. But being effective in this work is uniquely challenging.

To make every dollar count, foundations and major donors need to continually assess their performance, learn from data and exemplars, and adapt their practices in ways that are consistent with effectiveness.

That's where CEP comes in.

CEP's Mission

Founded in 2001, CEP is a nonprofit organization focused on the development of data and insight to enable higher-performing funders. CEP's mission 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. This mission is driven by the belief that more effective philanthropic funders can have a profoundly positive impact on nonprofit organizations and the people and communities they serve.

Our belief is that when philanthropic funders use CEP's resources and insights, they can better understand their work and more effectively support the leaders and organizations working toward meaningful change.

More Information

Third-party assessments that CEP commissions, along with additional financial information, can be found on our website at cep.org.

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Introduction Letter

June 2021

Dear Colleague,

To say 2020 was a challenging year is of course a ridiculous understatement. From the devastating loss of life caused by COVID-19 to the threats against American democracy to the long overdue racial reckoning — brought about both by staggering and shameful disparities and brutal police violence — we were tested.

Philanthropy, too, was tested.

Could donors find a way to support nonprofits facing the prospect of increased demand coinciding with decreased revenue? Could foundation and individual givers shift both how they funded and what they funded in a way that met the moment? Would nonprofits even be able to survive the crisis and continue performing their essential work?

CEP was tested, too, as we sought to provide the resources to help givers answer the call. Through our research, programming, and assessment and advisory services, we worked to give donors the information they needed to be effective during a time when effectiveness couldn't possibly have mattered more. In our YouthTruth initiative, we helped education funders and school leaders gauge the tremendous toll the pandemic was taking on American youth, especially on those from heavily-impacted communities.

Our Annual Report tells the story of everything CEP achieved in 2020. We did indeed see many givers rising to the challenges of the time and we worked hard to support them. The next test is whether the shifts we saw can translate into ongoing change for the better.

We will be there, doing our level best to ensure they do.

Yours sincerely,

GRANT OLIPHANT

Board Chair, CEP
President, The Heinz Endowments



PHIL BUCHANAN

President, CEP
philb@cep.org



Research

CEP's data-based publications — available for free download — examine common practices, challenge conventional wisdom, and offer actionable guidance to foundation staff and boards as well as major donors. We ensure that in all our work, our findings and insights are rigorously analyzed and grounded in data, and we are transparent about our methodologies and approach.



7 RESEARCH PUBLICATIONS

Bringing Data to Bear on the Urgent Issues of 2020

With so many unknowns during the early months of the COVID-19 pandemic, and amidst increasingly urgent needs, CEP's research team sought to collect timely data from nonprofit and foundation leaders to inform better funder practice.

In 2020, we adjusted our research agenda to hear from nonprofit leaders so that foundations could better understand and respond to their needs. And with increasingly prominent and urgent calls for funders to be more flexible, to trust and listen to grantees, and to further advance racial equity, we published a three-part series of research reports exploring changes foundations said they were making.

Even as we pivoted to take on these unforeseen studies, we continued to publish research on additional topics — such as foundations and policy

influence and the state of practice regarding multiyear general operating support. While certainly important prior to 2020, policy change and multiyear general operating support have become even more salient as funders reflect on their work and are increasingly pushed to address the many challenges we continue to face.

-Ellie Buteau, Vice President, Research and Naomi Orensten, Director, Research



ELLIE BUTEAU



NAOMI ORENSTEN

Foundations Respond to Crisis

As the COVID-19 pandemic worsened in early spring of 2020, foundations in the U.S. began to respond by shifting resources and practices. Some funders, nonprofits, and others in the field called for fundamental changes in how funders approach their work — including upping the provision of long-term, flexible funding; shifting the funder-grantee power dynamic; placing greater trust in nonprofits; and increasing foundation payout.

The pandemic has exacerbated long-standing structural inequities — especially in Black, Latino, Native American, low-income and working-class communities, and for people with disabilities. As such, foundations were also called on to invest in communities hit hardest by the pandemic, and to integrate racial equity more comprehensively into their work.

Given these calls, what has actually changed in foundations' practices? And what does this mean for the future? CEP explored these questions through surveying and interviewing U.S. foundation leaders. Foundations Respond to Crisis, a three-part research series, shares what was learned.



A Moment of Transformation?

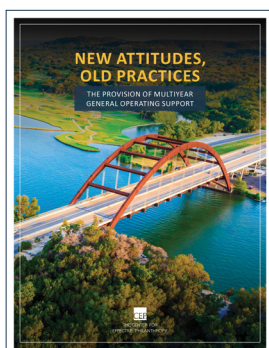
The crises of 2020 catalyzed foundation leaders to reconsider their choices about how they conduct their work. They hope foundations will continue to build on the changes they are making rather than return to ways of the past.

Toward Equity?

Almost all foundations reported placing new, or more, focus on supporting Black, Latino, and lower-income communities. Most foundation leaders said they are reckoning with racism and paying greater attention to racial equity in their work. Significant opportunities for further progress remain, however, and time will tell how deep or sustained this new focus will be.

Toward Greater Flexibility and Responsiveness?

Foundations made changes to be more flexible and responsive. They have loosened grant restrictions, provided more unrestricted funding, and reduced what they ask of grantees. Many plan to continue these practices in the future, though to a lesser degree than during their pandemic response.



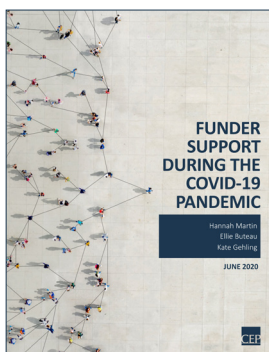
New Attitudes, Old Practices: The Provision of Multiyear General Operating Support

Multiyear general operating support (GOS) provides nonprofits with the flexibility to use funds to fulfill their missions and the ability to plan for the long-term sustainability of their organizations, programs, and services. Nonprofit leaders have long called for multiyear GOS grants, and advocates in philanthropy have increasingly argued that providing multiyear GOS constitutes good grantmaking practice. And yet, so few foundations provide this type of support. This report examines the state of practice in philanthropy when it comes to multiyear GOS. It is accompanied by two companion publications: **Making the Case: Foundation Leaders on the Importance of Multiyear General Operating Support** and **Making It Happen: A Conversation Guide**.



Policy Influence: What Foundations Are Doing and Why

Foundations' engagement in public policy has contributed to advances in society in areas from civil rights to consumer protections to public health. At the same time, and with greater intensity in recent years, the role of philanthropy in influencing policy has been the subject of scrutiny. Based on survey responses from foundation leaders and in-depth interviews with foundation CEOs and staff, as well as survey responses from more than 400 nonprofit leaders on CEP's *Grantee Voice* panel, this report seeks to provide foundation staff, leaders, and boards with data and insights that will spur them to candidly discuss philanthropic involvement in public policy — and help guide their own practices to engage in policy efforts more thoughtfully as they work to achieve their goals.



Funder Support During the COVID-19 Pandemic

Based on a nationally representative survey of nonprofit leaders in May 2020, this report provided timely insights during the first several months of the COVID-19 pandemic on which organizations face the toughest challenges, what is most needed from funders, and what differences in experience are emerging based on characteristics such as organization type and gender of nonprofit leaders. The data in this report also revealed what nonprofits have found to be most helpful from institutional foundations and individual donors, as well as what they need most from both groups during a uniquely challenging time.



The Funding Landscape: Nonprofit Perspectives on Current Issues in Philanthropy

Nonprofit staff and volunteers are the ones doing the critical work on the front lines, providing support and creating the change that philanthropy cares deeply about. Too often in philanthropy, unfortunately, the nonprofit perspective goes unheard. So, in November 2019, CEP surveyed its *Grantee Voice* panel of nonprofit CEOs with questions about a number of hotly debated issues in philanthropy, including the pros and cons of donor-advised funds (DAFs), the use of gift acceptance policies, and concerns about a recession. This report, published prior to the onset of the COVID-19 pandemic, shares what was learned.

Assessment and Advisory Services

CEP's assessments and advisory services provide actionable insights and benchmarking on foundation clients' work with, and influence on, key stakeholders. Hundreds of funders of every type and size have commissioned CEP's assessments — including the **Grantee and Applicant Perception Report, Donor Perception Report, and Staff Perception Report** — to make the best choices about how to use their resources to create impact.



88 TOTAL
ENGAGEMENTS



WITH **78**
PARTNERS

Helping Funders Listen Comprehensively in a Rapidly Changing Context

In the early days of the pandemic, we didn't know how long it would last or how bad it would be. But we did know that the Assessment and Advisory Services team at CEP needed to respond quickly. More than ever, it was paramount to ensure that funders were able to quickly respond to actionable feedback about their work — and that grantees, declined applicants, and other stakeholders could share their challenges and perceptions with funders in ways that were timely, relevant, and respectful of their time.

After the onset of the pandemic, we modified our standardized assessment surveys to include questions on the pandemic and economic crisis, and we delivered that data to our foundation partners as soon as surveys closed. To help funders receive quick and candid feedback on what their grantees were experiencing during the pandemic, we also launched a rapid-feedback survey tool and made the survey instrument publicly available for anyone to use.

We also increased the number of assessment survey rounds in 2020 from three to eight to ensure funders could launch surveys at a time of their choosing.

CEP's surveys have long included questions about respondents' demographic characteristics, which allows us to analyze the data for differences in perceptions and helps our clients understand and act on any meaningful ways that different groups experience their work. In 2020, we added questions

to all our core surveys that help funders learn more about the diversity of their grantee partners and declined applicants, donors, staff, and other stakeholders. We also added questions focused on the movements for racial justice, which inquire about funders' responses to those mass movements and whether grants are intended to benefit historically disadvantaged groups.

Additionally, our team fielded several new types of advisory engagements in 2020 — notably, surveys about the demographic characteristics of funders' grantees and staff and virtual learning convenings of recent Grantee Perception Report (GPR) users.

We believe that the challenges of our present moment underscore the importance of funders listening to their partners. Candid feedback can help funders make the most of their relationships, use assets most effectively, and increase impact when it is most needed.

—Mena Boyadzhiev, Director, and Sonia Montoya, Manager, Assessment and Advisory Services



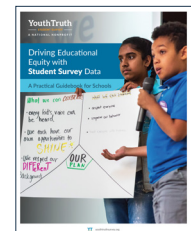
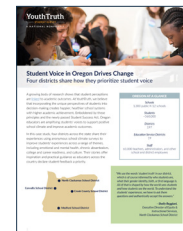
MENA BOYADZHIEV



SONIA MONTOYA

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

276,773 STUDENTS AND **69,903** FAMILY AND STAFF
SURVEYED ACROSS **23** STATES



4 AGGREGATE DATA REPORTS, CASE STUDIES, AND GUIDEBOOKS

In a Changed Context for Schools, Making Sure Student Voices Are Heard

In the spring of 2020, when the COVID-19 pandemic forced nearly all of the U.S.'s 55 million K–12 students to stop doing school in the way they had been taught and engage in remote learning, YouthTruth also pivoted. We rapidly adapted our processes to allow for virtual surveying, created modules focused on distance learning and DEI, added new comparative cohorts to contextualize experiences during the pandemic and in different learning settings, and worked closely with school system partners to navigate shifting timelines as they attended to emergency distance learning.

In response to a stark lack of firsthand data about how the pandemic and school closures were affecting students' lived experiences, YouthTruth also launched a special standalone survey to explore and share what students had to say about their learning and well-being during COVID-19. In July 2020, YouthTruth released *Students Weigh In: Learning & Well-Being During COVID-19*, a national

report that shared insights from more than 20,000 students about their experiences during that first wave of school closures. To continue to understand and illuminate the student experience during ever-changing conditions, YouthTruth analyzed and shared insights from more than 80,000 students surveyed through our core surveys in fall 2020 and is planning a third report in August. While much uncertainty remains about the future of schooling, it is clear that students' voices and experiences must inform the path forward.

—Jen Vorse Wilka, Executive Director, YouthTruth and Sonya Heisters, Deputy Director, YouthTruth



JEN VORSE WILKA



SONYA HEISTERS

YouthTruth *(continued)*

Regional Student Voice Initiatives

In 2020, YouthTruth continued its work with funders in two regional Student Voice Initiatives, through which participating foundations and their partner districts explore the value of student perception data for school systems and philanthropy alike.

Participating Bay Area Funders:

Career Technical Education Foundation Sonoma County, Community Foundation Sonoma County, Marin Community Foundation, Monterey Peninsula Foundation, Richmond Community Foundation, William and Flora Hewlett Foundation

Participating Ohio Funders:

HealthPath Foundation of Ohio, Martha Holding Jennings Foundation, The Nord Family Foundation

2020 YouthTruth Funders:



Programming and External Relations

CEP's Programming and External Relations team executes our fundraising, builds partnerships, curates and manages our programming, and ensures that the organization's work and important insights for the field of philanthropy are shared widely.



7 PODCAST
EPISODES



7 MAJOR VIRTUAL
WEBINARS

Helping Philanthropy Find Answers to 2020's Pressing Questions

When it became clear in March 2020 that the context for philanthropy was about to change dramatically, CEP's programming and external relations team knew that our work would also need to change in response.

Without in-person events and speaking engagements, we immediately shifted our programming to virtual formats. We debuted the *Giving Done Right* podcast, which I co-host with Phil Buchanan, and hosted engaging webinars to unpack CEP's latest insights and highlight the perspectives of philanthropic leaders about their crisis response. The CEP Blog was a platform for timely conversations addressing the pressing topics of the moment, including funders' responses to the pandemic and the intensified movement for racial justice. For example, Nord Family Foundation Executive Director Anthony Richardson discussed how foundations can act on what they control to confront racism, Imago Dei Fund Managing Partner

Lisa Jackson talked about the need for philanthropy to understand and address its lack of trust, and Libra Foundation Executive Director Crystal Hayling championed philanthropy's responsibility to support Black-led, community-driven organizations.

Across all these efforts, we sought to lift up insights that were timely, relevant, and helped funders make informed decisions in a time where their actions have been critical.

—Grace Nicolette, Vice President, Programming and External Relations



Programming and External Relations (continued)



Giving Done Right Podcast

2020 marked the debut of *Giving Done Right*, a CEP podcast on everything you need to know to make an impact with your charitable giving. Hosted by CEP President **Phil Buchanan** and Vice President, Programming and External Relations, **Grace Nicolette**, the program brings on leaders and experts from throughout the nonprofit sector to answer philanthropy's burning questions and bust myths that have long plagued donors and nonprofits alike. Season One guests included Black Voters Matter Co-Founder **LaTosha Brown**, Latino Community Foundation CEO **Jacqueline Martinez Garcel**, World Relief Seattle Executive Director **Chitra Hanstad**, MENTOR CEO **David Shapiro**, Blue Meridian Partners Chief Operating Officer **Tiffany Cooper Gueye**, Fund for Shared Insight Managing Director **Melinda Tuan**, and entrepreneur and major donor **Jason Hackmann**. The podcast will return for Season Two in 2021.



Virtual Programming

In a year where in-person gatherings were shelved, CEP hosted a number of virtual programs designed to highlight thought-provoking conversations and provide data and insights to inform funders' decisions in an urgent moment. For example, in April, CEP's **Phil Buchanan** and **Grace Nicolette** spoke with Harvard Business School's **Nancy Koehn** about what nonprofit leaders can learn from the great leaders of the past about leadership in a time of crisis. CEP also hosted multiple virtual discussions with panels of funders digging deeper into CEP's latest research on topics such as what nonprofits need from funders during the pandemic, how foundations were responding to the multiple crises of the year, the urgent need for multiyear general operating support, and foundations' approaches to influencing policy. We also hosted a webinar in partnership with the Council on Foundations on listening to and learning from nonprofit partners during disasters.

Finance and Operations

CEP is committed to being a strong organization financially and operationally. We have a diversified revenue stream including grant support from more than 40 funders, including a mix of both general support and project funders. More than half our revenue is derived from fees-for-service, primarily our assessment and advisory services for foundations as well as our YouthTruth survey products. In addition, we maintain a robust Board Designated Reserve Fund.

Staying Responsive and Nimble

Since our founding, CEP has demonstrated consistent operational excellence and financial prudence, which prepared us to respond quickly and nimbly to the events of 2020.

When offices closed, in March, we took every measure to support CEP's staff pivot to working remotely, including making sure that everyone had what they needed with regards to technology and communication tools.

Cyber-security has always been important and a priority to CEP. Given the shift to working remotely and an increase in global cyber-crime, CEP conducted, via a third party, a comprehensive cyber-security assessment to ensure the integrity of our IT systems.

We also migrated our financial operations — including payments and receivables — electronically, which has advanced our efficiency.

As the scale of the crisis became clear, we took immediate action to assess opportunities for cost savings and to consider COVID-19 lifelines available including the Small Business Administration Paycheck Protection Program (PPP). We were able to finish the year in a strong position, thanks in great part to the PPP, and plan to use some of our 2020 surplus to support our operations in 2021.

—*Rihab Babiker, Vice President,
Finance and Operations*



Financial Information

Statement of Financial Position for the year ended December 31, 2020

dollars in thousands

	Unrestricted	Temp Restricted	Total
Total Assets	5,253	1,942	7,195
Selected Balances			
Cash	2,097	2,081	4,178
Investments	2,830		2,830
P/R		472	472

Statement of Activities and Change in Net Assets for the year ended December 31, 2020

dollars in thousands

	Unrestricted	Temp Restricted	Total
Operating Revenue & Support			
Grants & Contributions	6,117	(1,732)	4,385
Earned Revenue	4,243	(259)	3,985
<i>Total Operating Revenue & Support</i>	10,360	(1,991)	8,370
Operating Expenses			
Program Services	7,860		7,860
Supporting Services			
Management and General	1,570		1,570
Fundraising	116		116
<i>Total Supporting Services</i>	1,686		1,686
TOTAL EXPENSES	9,546		9,546
Change in Net Assets	814	(1,991)	(1,176)
Net Assets at Beginning of Year	4,439	3,932	8,371
Net Assets at End of Year	5,253	1,942	7,195

2020 Funders

\$500,000 or More



\$200,000 to \$499,999

The Fidelity Charitable Trustees' Initiative

\$100,000 to \$199,999

Barr Foundation
Conrad N. Hilton Foundation
Oak Foundation
The David and Lucile Packard Foundation
Rockefeller Foundation
S.D. Bechtel, Jr. Foundation
The Wallace Foundation
The Walton Family Foundation

\$50,000 to \$99,999

The Heinz Endowments
The Leona M. and Harry B. Helmsley Charitable Trust
The Kresge Foundation
John D. and Catherine T. MacArthur Foundation
Margaret A. Cargill Philanthropies
The Gordon and Betty Moore Foundation
The Schusterman Family Foundation

\$20,000 to \$49,999

Blue Shield of California Foundation
The Duke Endowment
The Edna McConnell Clark Foundation
Fidelity Foundation
Fund for Shared Insight

Houston Endowment
M.J. Murdock Charitable Trust
Rockefeller Brothers Fund
Surdna Foundation
Wilburforce Foundation

Up to \$19,999

The Assisi Foundation of Memphis
California Health Care Foundation
Colorado Health Foundation
Columbus Foundation
Delaware Community Foundation
Doris Duke Charitable Foundation
Eugene and Agnes E. Meyer Foundation
Evelyn and Walter Haas, Jr. Fund
Goldman Sachs Directors Fund
Henry Luce Foundation
Johnson Scholarship Foundation
Kansas Health Foundation
The McKnight Foundation
New Hampshire Charitable Foundation
New York Community Foundation
Nord Family Foundation
Open Impact
Patterson Foundation
Public Welfare Foundation
Sobrato Family Foundation
State Street Foundation
Teagle Foundation
Weingart Foundation

Individual Contributors

Michael Bailin
Paul Beaudet
Kevin Bolduc
Phil Buchanan
Yolanda Coentro
Stu Comstock-Gay
Kathleen Cravero
Gregg Croteau
Alyse d'Amico
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Mark Edwards
Betsy Fader
Phil and Marcia Giudice
Tiffany Cooper Gueye
Paul Haggerty
Crystal Hayling
Zach Kahn
Latia King-Fontánez
Patricia Kozu
Jean McCall
Debra Natenshon
Dick and Elizabeth Ober
Grant Oliphant
Hilary Pennington
Christy Pichel
Anthony Richardson
Eric Ross and Nicole MacNeel
Daniel Shively
Nadya Shmavonian
James Siegal
Vince Stehle
Kelvin Taketa
Fay Twersky and Jill Blair
Jen Vorse Wilka
Lynn Perry Wooten

2020 Assessment and Advisory Services Subscribers

Ann Arbor Area Community Foundation
Arizona Community Foundation
Barr Foundation
California Community Foundation
Chandler Foundation
Citi Foundation
College Futures Foundation
Colorado Office of Behavioral Health
Community Foundation for the
Fox Valley Region
Community Foundation of Elkhart County
Community Foundation of Greater Chattanooga
Community Foundation of Tampa Bay
Community Foundation Sonoma County
Conrad N. Hilton Foundation
Craig H. Neilsen Foundation
Dyson Foundation
Fairfield County's Community Foundation
Ford Foundation
Genentech Foundation
Greater Rochester Health Foundation
Hampton Roads Community Foundation
Health Forward Foundation
Hemera Foundation
Houston Endowment
Inter-American Foundation
Luminate Group
Maine Health Access Foundation
Mama Cash (The Netherlands)
Max & Marian Farash Charitable Foundation
May and Stanley Smith Charitable Trust
Mission Investors Exchange
National Geographic Society
Northern New York Community Foundation
Pottstown Area Health and
Wellness Foundation
Rohini Nilekani Philanthropies (India)
Saint Paul & Minnesota Foundation
Stupski Foundation
Surdna Foundation
The Commonwealth Fund
The David and Lucile Packard Foundation
The Denver Foundation
The Findlay-Hancock County
Community Foundation
The Heinz Endowments
The Henry Luce Foundation
The Horizon Foundation for New Jersey
The James Irvine Foundation
The Jim Joseph Foundation
The PATH Foundation
The Peter and Elizabeth C. Tower Foundation
The Robert Wood Johnson Foundation
The Rockefeller Foundation
The San Diego Foundation
The Trump Foundation (Israel)
The William and Flora Hewlett Foundation
Tipping Point Community
Toronto Foundation (Canada)
Trafigura Foundation (Switzerland)
Trust for London (United Kingdom)
W. K. Kellogg Foundation
Wend Collective
Wichita Community Foundation
Wilburforce Foundation
William Penn Foundation
Williamsburg Health Foundation
Zilber Family Foundation

Board of Directors

Grant Oliphant, Chair

President

The Heinz Endowments

Paul Beaudet

Executive Director

Wilburforce Foundation

Phil Buchanan, ex officio

President

CEP

Tiffany Cooper Gueye

Chief Operating Officer

Blue Meridian Partners, Inc.

Stephanie Hull

President and CEO

Girls, Inc.

Dick Ober

President and CEO

New Hampshire Charitable Foundation

Hilary Pennington

Executive Vice President for Program

Ford Foundation

Christy Pichel

Former President

Stuart Foundation

Anthony Richardson

Executive Director

Nord Family Foundation

Vince Stehle

Executive Director

Media Impact Funders

Kelvin Taketa

Former President and CEO

Hawai'i Community Foundation

Fay Twersky

President and Director

The Arthur M. Blank Family Foundation

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