



VOICES THAT MATTER

**How Nonprofits and
Foundations Engage With the
Communities They Support**



THE CENTER FOR
EFFECTIVE PHILANTHROPY

VOICES THAT MATTER:

How Nonprofits and Foundations Engage With the Communities They Support

AUTHORS

Seara Grundhoefer, Ellie Buteau, Ph.D., and Elisha Smith Arrillaga, Ph.D.

PROJECT TEAM

Elisha Smith Arrillaga, Ph.D.; Ellie Buteau, Ph.D.; Caroline Gasparini; Seara Grundhoefer; and Emily Yang

FOR MORE INFORMATION, CONTACT

Seara Grundhoefer

Analyst, Research

(415) 541-0291 | searag@cep.org

ABOUT THE CENTER FOR EFFECTIVE PHILANTHROPY

CEP provides data, feedback, programs, and insights to help individual and institutional donors improve their effectiveness. We do this work because we believe effective donors, working collaboratively and thoughtfully, can profoundly contribute to creating a better and more just world.

ACKNOWLEDGMENTS

Support for this research was provided in part by Fund for Shared Insight. Nonprofit leader perspectives were gathered through our Nonprofit Voice Project, which is funded in part by the Rita Allen Foundation and the McKnight Foundation.



MCKNIGHT FOUNDATION

The authors are grateful to CEP's Phil Buchanan, Kevin Bolduc, Grace Chiang Nicolette, and CEP's Programming and External Relations team for their contributions, and to CEP's art director, Jay Kustka, for his design of this report.

We also want to thank the numerous nonprofit and foundation leaders who gave their time to complete surveys, and to the foundation leaders who were interviewed.

This report is based on CEP's independent data analyses. CEP is solely responsible for its content, which does not necessarily reflect the individual views of the funders, advisers, or others named in this report.

For more information on CEP, please visit www.cep.org.

This work is licensed under the Creative Commons BY-NC-ND license.

© 2025 by the Center for Effective Philanthropy Inc. All rights reserved.

CONTENTS

4 INTRODUCTION

6 KEY FINDINGS

- 7 Finding 1: Using Information About Needs
- 14 Finding 2: Challenges in Feedback Collection
- 19 Finding 3: Importance of Understanding Needs

25 CONCLUSION

- 26 Appendix A: Methodology
- 32 Appendix B: Nonprofit Survey Respondent Demographics
- 34 Appendix C: Foundation Survey Respondent Demographics
- 36 Appendix D: Foundation Interviewee Demographics

INTRODUCTION

In order to better understand the experiences of the communities they aim to support, foundations and nonprofits often try to get close to them, build trust and rapport, and learn from their perspectives. As Bryan Stevenson, founder of the Equal Justice Initiative, says, “There is power in proximity.”¹ Listening to the communities at the heart of foundations’ and nonprofit organizations’ work — and incorporating their voices into programmatic and grantmaking strategies — is a long-standing, though not universally adopted, practice in philanthropy, and one that has received much attention over the past decade.²

More than 10 years ago, the Center for Effective Philanthropy (CEP) found that nonprofits regularly collect and integrate feedback into their work, despite the resource constraints tied to rigorous feedback collection.³ This information plays a large role in improving nonprofits’ programs and services, leading to a better understanding of — and hopefully, better outcomes for — the people and communities they serve. Relatedly, foundation leaders see learning from the communities they seek to benefit as a promising strategy for enhancing the impact of institutional foundations in the coming decades.⁴ Research conducted in 2017 by CEP, with support from Fund for Shared Insight, also found that foundations with above-average understanding of the needs of those they serve (as perceived by their grantees) consistently take the time to listen to and learn from nonprofit partners and members of the communities they seek to benefit.⁵

The question of how to listen — and listen well — to the people and communities shaping nonprofit and foundation work continues to generate significant interest.⁶ Through this research, CEP hopes to deepen understanding of the current state of learning and feedback collection efforts, reflect on if and how these practices have evolved, and explore the challenges and opportunities that are currently facing nonprofits and foundations when it comes to hearing and learning from those they seek to serve.

¹ “A blueprint for how to change the world,” Johns Hopkins University Hub, May 24, 2018, <https://hub.jhu.edu/2018/05/24/commencement-2018-stevenson/>.

² Carla Ganiel, “How foundations listen to the people they seek to serve: A field scan,” William and Flora Hewlett Foundation, October 21, 2019, <https://hewlett.org/how-foundations-listen-to-the-people-they-seek-to-serve-a-field-scan/>; Rick Moyers, “We need many champions to shift foundation listening practices,” Feedback Labs, May 11, 2022, <https://feedbacklabs.org/blog/2022/05/11/we-need-many-champions-to-shift-foundation-listening-practices/>; Natanja Craig Oquendo, “The power of small grants and deep listening to fund the ‘unfundable,’” *Candid*, December 2, 2024, <https://blog.candid.org/post/small-grants-critical-role-nonprofits-lacking-funding/>.

³ Ellie Buteau, Ramya Gopal, and Phil Buchanan, *Hearing from Those We Seek to Help: Nonprofit Practices and Perspectives in Beneficiary Feedback* (Cambridge, MA: Center for Effective Philanthropy, 2014), <https://cep.org/wp-content/uploads/2014/10/CEP-Hearing-from-Those-We-Seek-to-Help.pdf>.

⁴ Ellie Buteau, Naomi Orensten, and Charis Loh, *The Future of Foundation Philanthropy: The CEO Perspective* (Cambridge, MA: Center for Effective Philanthropy, 2016), <https://cep.org/wp-content/uploads/2016/12/CEPs-The-Future-of-Foundation-Philanthropy-December-2016-1.pdf>.

⁵ Jennifer Glickman, Matthew Leiwant, and Ellie Buteau, *Staying Connected: How Five Foundations Understand Those They Seek to Help* (Cambridge, MA: Center for Effective Philanthropy, 2017), https://cep.org/wp-content/uploads/2017/12/CEP_Staying-Connected_2017-2.pdf.

⁶ Britt Lake and Clara Bennett, “Ten years of funder listening: Taking stock and looking forward,” *Alliance*, January 7, 2025, <https://www.alliancemagazine.org/analysis/ten-years-of-funder-listening-taking-stock-and-looking-forward/>.

This research was designed to answer the following questions:

- ▶ How are nonprofits and funders seeking and incorporating the perspectives of the people they hope to positively affect through their work?
- ▶ How are nonprofits and funders responding to what they hear through any methods to gather perspectives?
- ▶ In addition to the people and communities they ultimately hope to benefit, are foundations also seeking and incorporating the perspectives of their nonprofit partners into their work?

The findings in this report are based on:

- ▶ Responses from 241 nonprofit organizations to our survey fielded from August to September 2024 (see Table 1), resulting in a 55 percent response rate. (See Appendix A for survey methodology and Appendix B for demographic information about survey respondents.)
- ▶ Responses from 243 foundations to our survey fielded from September to October 2024 (see Table 1), resulting in a 31 percent response rate. (See Appendix A for survey methodology and Appendix C for demographic information about survey respondents.)
- ▶ Interviews with 19 foundation leaders in January and February 2025 who completed our funder survey. (See Appendix A for interview methodology and Appendix D for demographic information about interviewees.)

Table 1. Survey and Interview Data Collection

Data Source	Timing	Number of Organizations
Survey of nonprofits	August – September 2024	241
Survey of foundations	September – October 2024	243
Interviews with foundation leaders	January – February 2025	19

KEY FINDINGS

1

Almost all nonprofits and foundations report using information provided by the communities they serve to guide their work.

2

The most common challenge to feedback collection cited by nonprofits is limited capacity. However, most nonprofits report receiving no foundation support for these efforts.

3

While most foundation leaders believe their work already reflects a deep understanding of community needs, nonprofits report that their funders would be better able to support their organization if they developed a deeper understanding of the communities they seek to benefit.



KEY FINDING 1

1

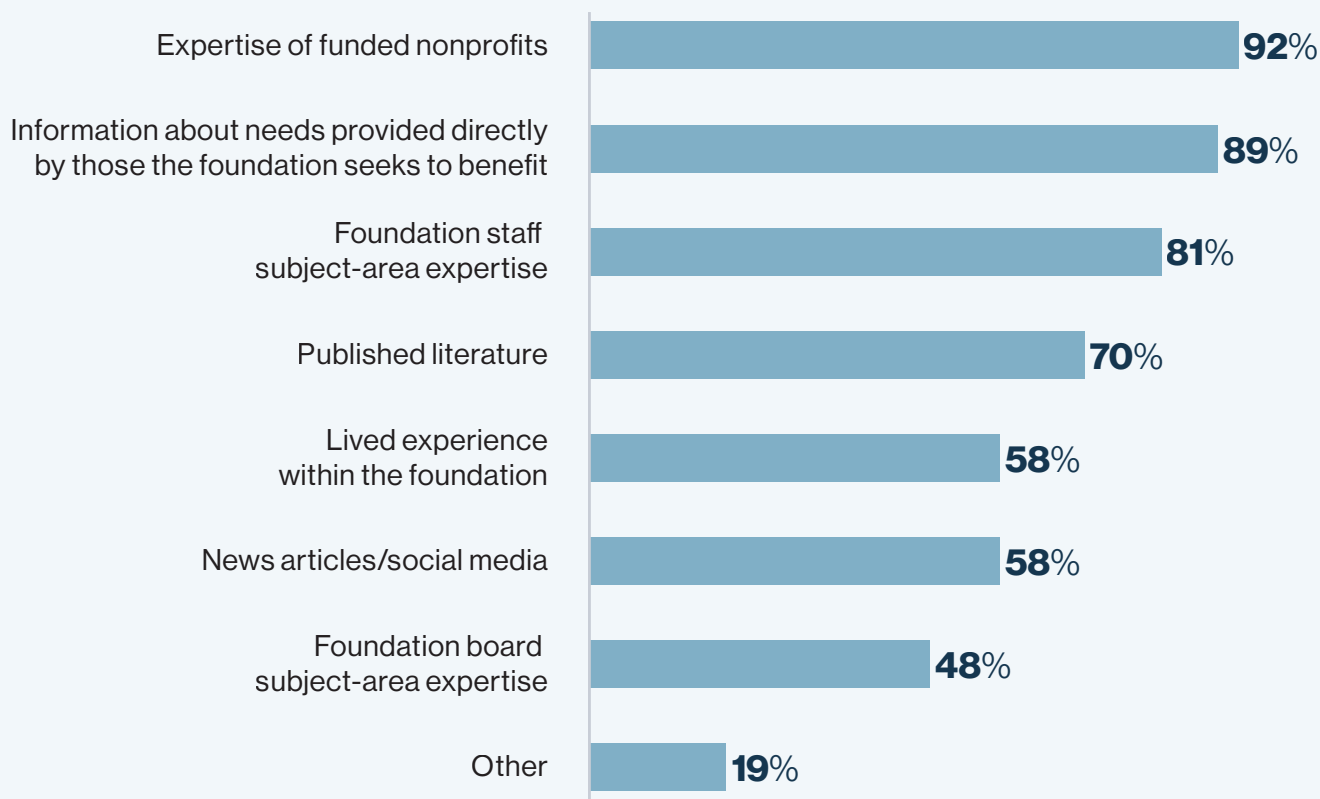
Almost all nonprofits and foundations report using information provided by the communities they serve to guide their work.

Seeking the perspectives of the communities they serve and integrating these perspectives into their work is a common practice at both foundations and nonprofit organizations. Almost all foundation leaders who responded to CEP’s survey — regardless of their size, location, or key focus area — report that their foundation actively works to understand the needs of the people and communities they support. Similarly, almost all nonprofit organizations collect feedback from those they serve, and they do so at various stages of their work: as they design programs, while people are engaged with their programs, and after people have used their programs.

HOW FOUNDATIONS USE INFORMATION FROM THOSE THEY SEEK TO BENEFIT

Almost all foundations say they incorporate what they have learned from those they seek to benefit to shape their work, and leaders say they use firsthand information about needs in a variety of ways, from modifications to the way their programs are designed to larger, more profound changes to their overall grantmaking strategy.

FIGURE 1. Sources of Information Foundations Find Most Useful for Shaping Their Work (N=238)



Note: Percentages add up to more than 100 because respondents could select all that apply.

“We conducted interviews with transition-age foster youth about how best to award scholarships. They told us a monthly stipend was the best way to receive the funds, so we implemented that when we designed and launched a transitional-age-youth-focused scholarship program,” says one funder.

For another foundation, information shared directly by the community it serves highlighted a new funding opportunity for an often-overlooked accessibility issue. “While the advent of assistive technology has been extraordinarily valuable to blind and visually impaired people, we have learned from the community that the training on [these] devices is not adequate.” The funder describes how their foundation has shifted its grantmaking to take this insight into consideration. “We are addressing this problem at a fundamental level by supporting train-the-trainer programs. It’s not enough to just provide the technology; people need to know how to use it and how to keep up with developments.”

Listening to Community Directly

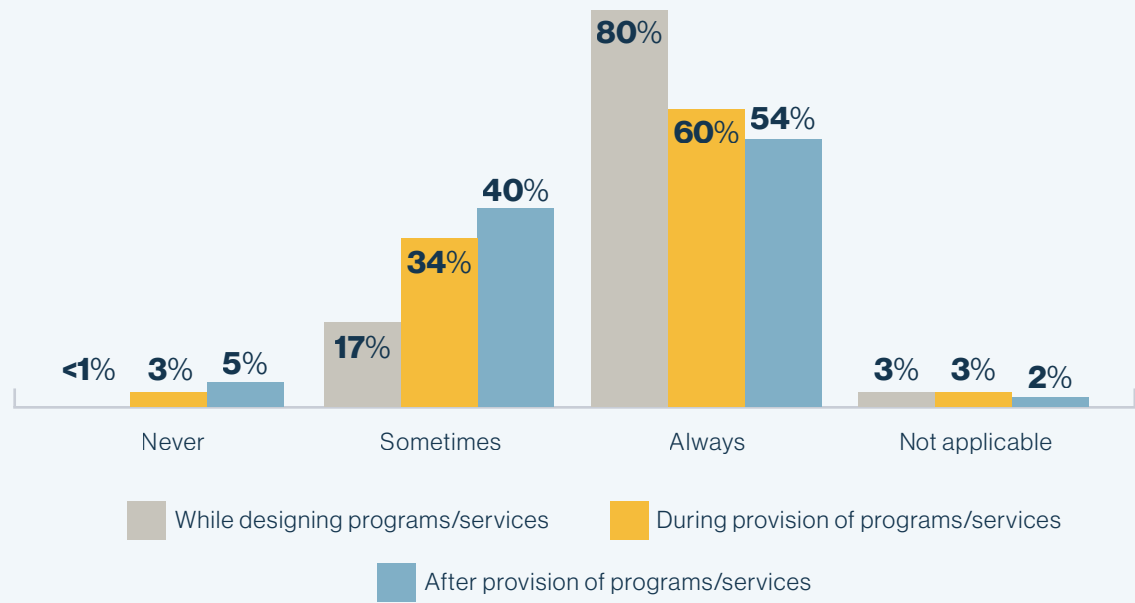
Foundations offer mixed perspectives on whether they believe it is the role of institutional funders to seek the perspective of and learn from those they hope to benefit directly — by using practices such as systematic feedback loops, participatory processes, and other direct methods — rather than through information that is collected and shared with them by their nonprofit partners. The following quotations represent the diversity of opinions on the subject shared during interviews with foundation leaders.

- ▶ “I know philanthropy is all over the place on this, but you have to get into the community. [My foundation] has now instituted an annual site visit, where the board and staff go into the community and hear directly from [people] on the ground. That turned out to be great.”
- ▶ “It’s imperative that we stop and listen to what communities need and want, rather than us telling them what they need and want. I don’t think that’s a typical practice in the foundation world at the moment, and we can all do a better job of talking to neighbors and finding out what they think solutions are, how they think we can improve community, and what that looks like.”
- ▶ “I think it’s important to be realistic in terms of what foundations can actually do in terms of getting over some of the inherent power dynamics [when trying to listen to community]. But my foundation is developing a plan right now to listen more broadly — more so at the community-leader level.”
- ▶ “Listening to both nonprofits and community members directly is important. Hearing from nonprofits, because they have those deep, trusted relationships with [communities] that are more durable than what the foundation is reasonably going to have. And I also think there’s value from the foundation being in the community and finding other ways of accessing data.”
- ▶ “I think when we say foundations need to do [the work of listening to community] ourselves — why? If we’ve got good nonprofit partners, they’re going to be far more likely to get good responses than we are. I think we have to recognize our role in all this work and provide resources to great programs and support them trying to serve the community. I don’t know that it’s as critical for the foundation to do it.”

HOW NONPROFITS COLLECT AND USE FEEDBACK

Just as foundations seek to understand the perspectives of those they hope to benefit, the overwhelming majority of nonprofits report collecting feedback from the people and communities their organization serves at different stages of program provision — before, during, or after a program or service has been delivered. To understand the experiences of those they serve, nonprofits most frequently report relying on stories they hear directly from program users and surveys their organization administers to those groups.

FIGURE 2. Percentage of Nonprofits That Collect Feedback at Different Stages
(N=233-238)



Note: Percentages add up to more than 100 due to rounding.

Almost two thirds of nonprofits report using feedback to “a great extent” to improve their services or programs. Most often, these changes include adjusting their organization’s program offerings or providing new services and programs. In addition, about half of leaders note that feedback has led their organization to change how it communicates with those it serves or to modify some aspect of its internal practices, policies, or procedures.

FIGURE 3. Changes Nonprofits Make in Response to Feedback from Those They Serve (N=233)



Adjustments to existing program offerings (80%)



Provision of new services or programs (59%)



Changes in how staff interact and communicate with those the nonprofit serves (52%)



Changes to internal policies and practices (52%)

The changes spurred by feedback are diverse and range from small tweaks to existing programming to larger, further-reaching modifications to nonprofits' work. For example, one nonprofit leader whose organization focuses on health and human services describes how, based on feedback from community members, the organization "started purchasing culturally specific foods for the four or five most desired items by folks in the community."

In addition, most nonprofits express confidence that they are hearing from voices that are part of historically marginalized communities. For nonprofits, these perspectives provide helpful guidance for their work. "As a land conservation organization, we have slowed down plans to open some areas to public access after hearing from marginalized groups that they appreciated the fact that we controlled access," notes one leader.

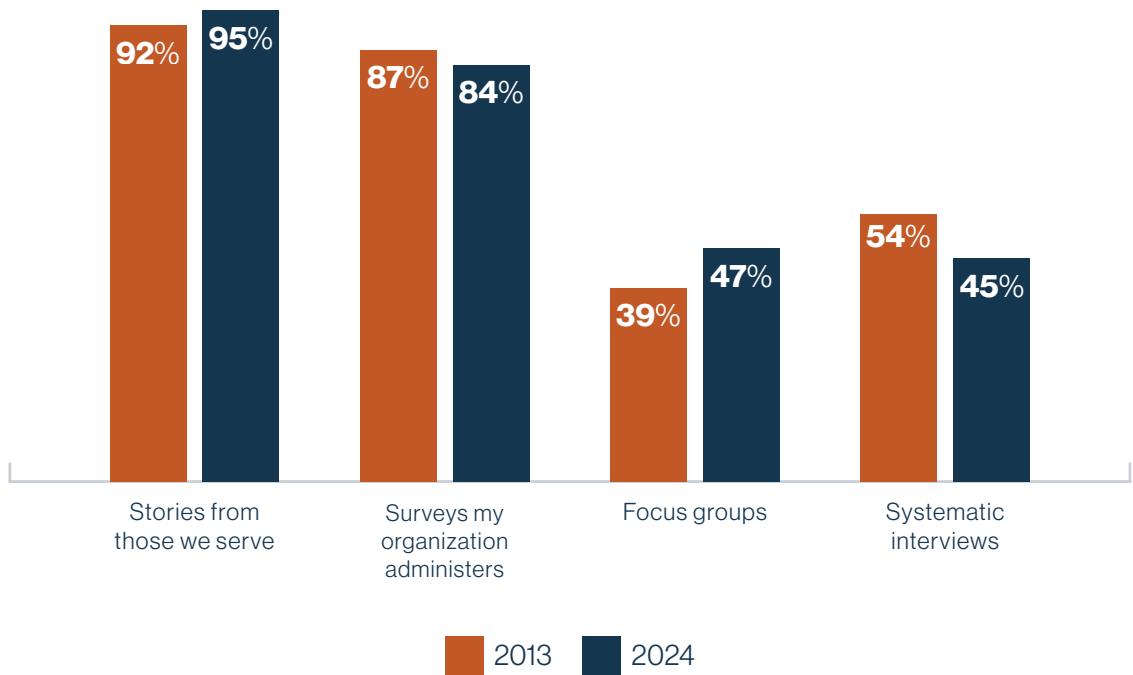


The changes spurred by feedback are diverse and range from small tweaks to existing programming to larger, further-reaching modifications to nonprofits' work.

Nonprofit Feedback Collection Practices Have Not Changed Over The Past Decade

Nonprofit practices related to feedback collection have remained largely consistent with CEP data on a comparable sample of nonprofits from more than a decade ago.⁷ Approximately the same number of leaders report collecting feedback across all stages of program provision in 2024 as did in 2013. Moreover, the methods that nonprofits use to collect feedback in 2024 have remained remarkably similar to those in 2013, with the most common practices including conducting surveys with and gathering stories from program participants.

FIGURE 4. Most Common Methods Used by Nonprofits To Collect Feedback About Programs and Services, 2013 versus 2024 (N=231-234)



Note: Percentages add up to more than 100 because respondents could select all that apply.

⁷ This is not a comparison of the perspectives of the same group of nonprofit leaders over time, but rather two comparable groups of nonprofits from CEP's Nonprofit Voice Project — one of which was surveyed in 2013 and the other in 2024. For more information, find the original report and sample composition here: <https://cep.org/wp-content/uploads/2014/10/CEP-Hearing-from-Those-We-Seek-to-Help.pdf>.

Closing The Loop

In addition to collecting the perspectives of those they seek to serve, most nonprofits and foundations also report that they “close the loop” by communicating again with the communities they work with after they have decided to incorporate what they’ve learned into their programs, services, or wider organizational strategy — albeit to varying degrees. Research suggests that closing the loop — telling the people who participated in information sharing what was learned from them and any plans to respond to that information — is an important part of high-quality feedback collection. This practice not only increases the likelihood that respondents will respond again in the future but also leads to better outcomes for programs and services.⁸

About 19 percent of nonprofit leaders report that their organization “always” closes the loop with those it collects feedback from, and almost 70 percent say that they “sometimes” engage in this practice.

Likewise, about 90 percent of foundation leaders report that their foundation communicates with the people and communities it seeks to benefit about changes made or new initiatives started as a result of them having shared their needs. However, less than 30 percent indicate that their foundation “always” closes the loop with community members. “I think one of the mistakes foundations have made in the past is just going in and asking questions [to community members] with no thought to closing the loop or to the responsibility that we have to those who are so generous in sharing their experience with us,” says one foundation leader.

Another leader echoes this sentiment, noting that foundations should understand that learning from the communities they seek to benefit is a continual process. “There is an obligation to share back out to the community and [tell them] what you heard, saw, and learned,” the leader emphasizes. “Be willing to listen when people say — ‘You missed a nuance here, or you misinterpreted [what we told you], or you’re right on [the mark].’ It’s a feedback loop, not a one-way thing.”

⁸ Valerie Threlfall and Megan Campbell, “How to gather high-quality nonprofit client feedback,” *Candid*, February 27, 2024, <https://blog.candid.org/post/how-to-gather-high-quality-nonprofit-client-feedback/>.



KEY FINDING 2

2

The most common challenge to feedback collection cited by nonprofits is limited capacity. However, most nonprofits report receiving no foundation support for these efforts.

Despite the extent to which nonprofits collect and use feedback to improve their work, nonprofit leaders report facing several ongoing challenges when it comes to collecting feedback from those they serve. The most common challenge cited by nonprofit leaders is limited organizational capacity. However, while most foundations benefit from the information that their nonprofit partners collect, few provide targeted support to the majority of their funded nonprofits for feedback collection.

CHALLENGES TO FEEDBACK COLLECTION FOR NONPROFITS

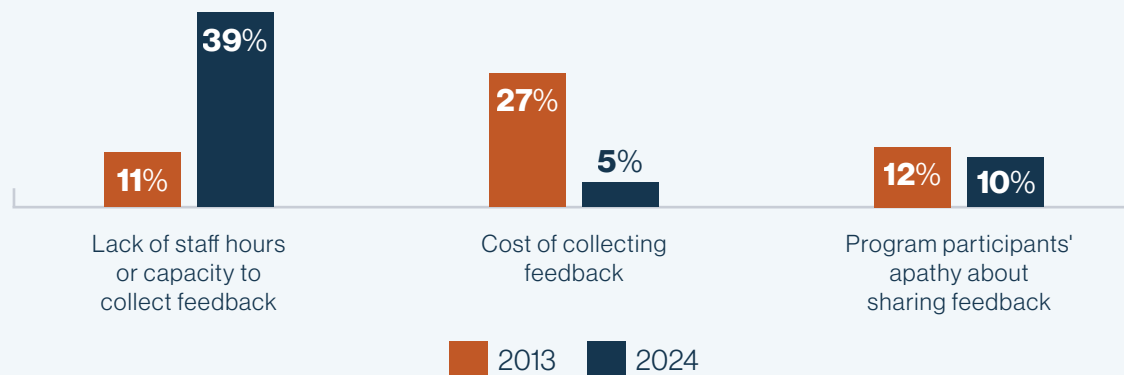
Nonprofits report encountering several challenges when trying to understand the needs of those they serve. A lack of internal capacity to collect feedback is by far the greatest barrier to feedback collection currently facing nonprofits. A less frequently encountered challenge includes program participants lacking the inclination to provide feedback about their experiences engaging with the nonprofit organization.



A lack of internal capacity to collect feedback is by far the greatest barrier to feedback collection currently facing nonprofits.

The greatest challenge faced by nonprofits in collecting feedback from those they serve has shifted from the cost of collecting feedback, which was the most frequently cited challenge in 2013, to a lack of capacity to collect feedback, which is now the most frequently cited challenge (see Figure 5).⁹ Both of these resource-related challenges highlight the perennial struggle facing nonprofits — balancing the pursuit of organizational mission with persistent capacity and staffing constraints.

FIGURE 5. Greatest Challenges to Nonprofit Feedback Collection, 2013 versus 2024 (N=227-236)



Note: Percentages do not add up to 100 because these were the top three challenges selected.

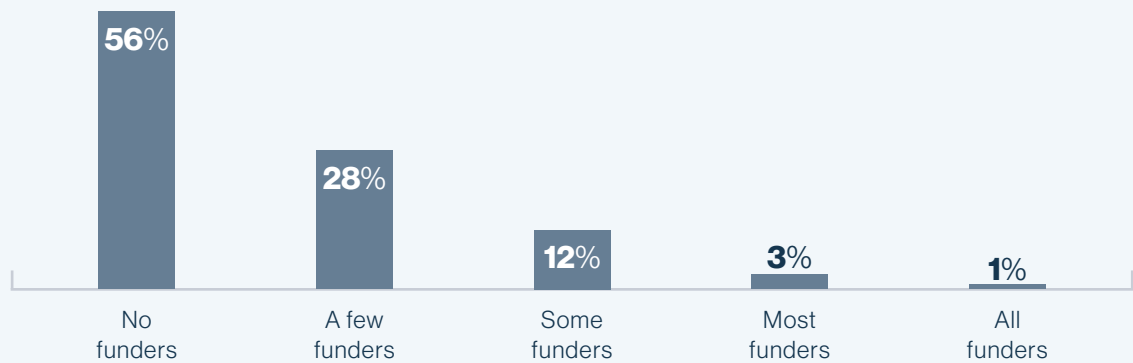
⁹ As noted earlier, this is not a comparison of the perspectives of the same group of nonprofit leaders over time, but rather two comparable groups of nonprofits from CEP's Nonprofit Voice Project, surveyed in 2013 and 2024.

LACK OF SUPPORT FOR FEEDBACK COLLECTION DESPITE BENEFIT TO FOUNDATIONS' WORK

The expertise and knowledge of nonprofits provide significant value to foundations — more specifically, to their ability to target their grantmaking in ways that will be most helpful to those they ultimately seek to benefit. Almost all of the foundation leaders who responded to CEP’s survey — 92 percent — indicate that they find the expertise of their funded nonprofits most useful for shaping their organization’s work. The expertise of nonprofit partners is cited as most useful for shaping foundations’ work even more frequently than the expertise of foundations’ staff. In addition, 96 percent of foundation leaders note that their foundation relies on feedback collected by their nonprofit partners in order to develop their own understanding of the needs of those they seek to benefit. In interviews, foundation leaders underscore this point, emphasizing that their nonprofit partners are, as one says, “our most consistent sources of information and represent the breadth of our community, providing a regular source of information about both opportunities and challenges” and that their interactions with nonprofits are “the most consistent way we learn about community needs.” Another leader says their nonprofit partners are “everything” and that, because they lead a smaller foundation whose staff members don’t have as much time or capacity to be deeply embedded in their communities of interest, they “rely upon a network of peers to give us feedback, relying on their judgment as much as we do our own.”

Despite foundation leaders citing considerable benefits from feedback collected by the nonprofits they fund to their foundation’s day-to-day work, few foundations provide targeted support to the majority of their nonprofit partners for this purpose. More than half of nonprofits report that none of their funders provide any financial or nonmonetary assistance to their organization to collect feedback. Similarly, 40 percent of foundations say they do not provide assistance to any of their funded nonprofits for the specific purpose of collecting feedback.

FIGURE 6. Percentage of Nonprofits Reporting Funders That Provide Assistance for Feedback Collection (N=228)



Foundations have differing perspectives on whether specific support to their funded nonprofits for feedback collection makes sense. “We do not [provide support],” says one foundation leader. “We see the relevance and importance of it, but with our budget being as small as it is, it’s just an area we don’t feel we have the luxury to invest in. We’re happy that some of our partners share the feedback they acquire with us — it’s helpful and informs what we do. But we do not provide funding for that ourselves.”

Another leader says their foundation also does not provide financial assistance for feedback collection. “We don’t fund feedback collection specifically, but we have started to ask ourselves what we provide to our nonprofit partners beyond the grant dollar. For example, we have convenings, and we connect them to other resources based on needs they might have — including survey and evaluation work.” However, the leader notes that their foundation recently “created a grant funding pool meant to provide nonprofit partners opportunities for more training and technical assistance” in several areas, including program evaluation, because they recognized a need for greater support in that area for their “up-and-coming” nonprofit partners.



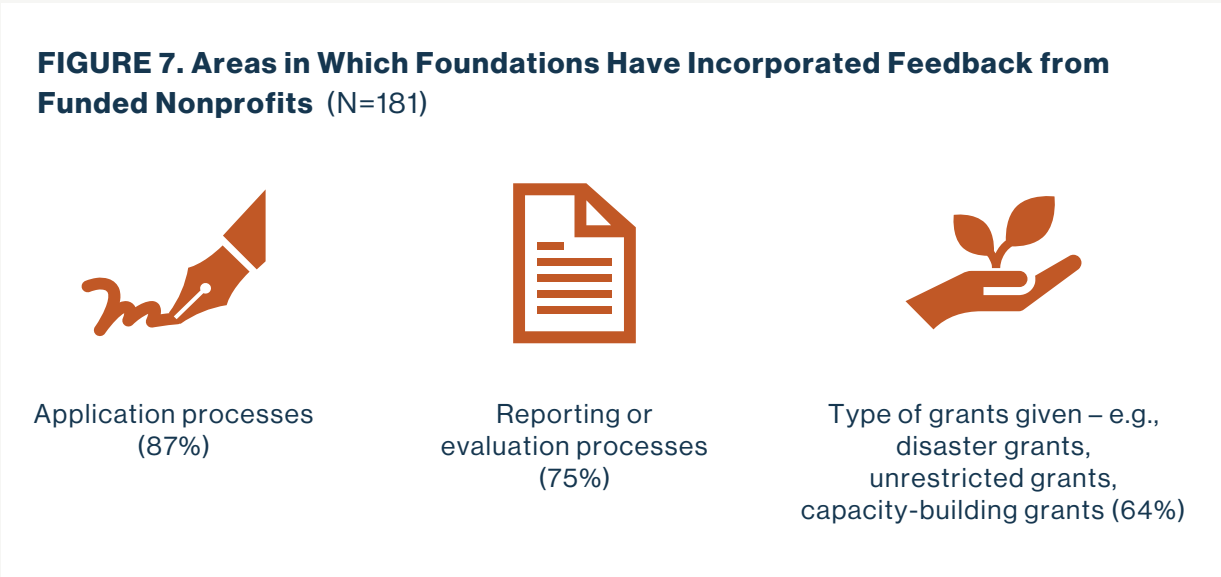
We don’t fund feedback collection specifically, but we have started to ask ourselves what we provide to our nonprofit partners beyond the grant dollar. For example, we have convenings, and we connect them to other resources based on needs they might have — including survey and evaluation work.

Foundation Leader

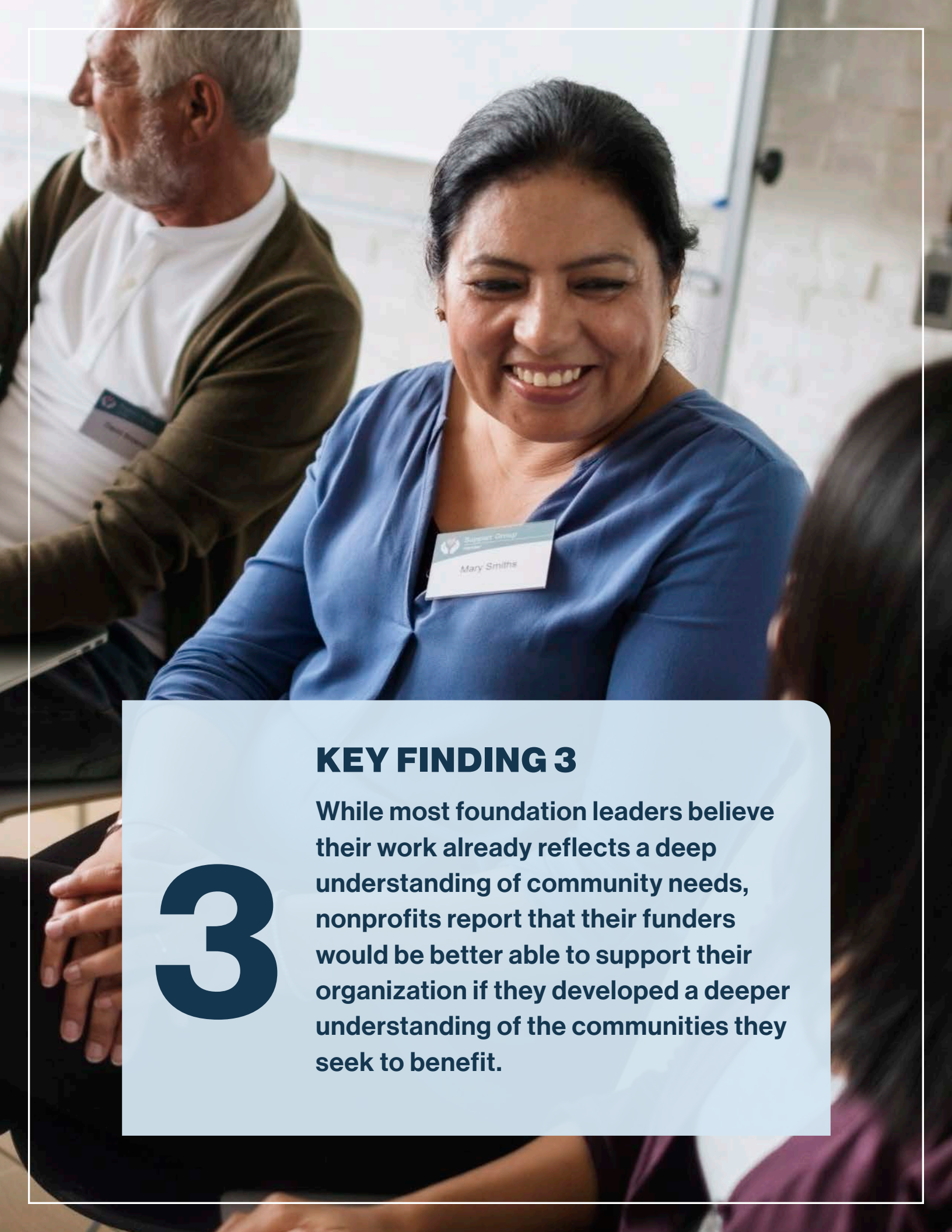
Feedback From Nonprofits

In addition to seeking the perspectives of the communities they hope to benefit and incorporating these insights into their work, more than three quarters of foundations also collect and use feedback from the nonprofits they fund about their experience working with the foundation. Of these foundations, about 30 percent report that they began collecting feedback from their nonprofit partners within the past five years.

“We heard that grantees wanted foundation staff to attend their events more, so we made a concerted effort to do so,” says one leader. Another funder offers an example of a larger change their foundation made in response to feedback. “Our grantees wanted access to other funders. We responded by building an entirely new department — Equitable Giving — to cater to this request.”



While more than 75 percent of foundations report collecting and using feedback from their nonprofit partners, the demographics of a foundation's board affect the likelihood that a foundation engages in this practice. Leaders of foundations with boards that have at least one board member who identifies as a person of color or as a member of the LGBTQ+ community are more likely to report that their foundation collects feedback from the nonprofits it funds about their experience working with the foundation.



KEY FINDING 3

3

While most foundation leaders believe their work already reflects a deep understanding of community needs, nonprofits report that their funders would be better able to support their organization if they developed a deeper understanding of the communities they seek to benefit.

Most nonprofits say that relatively few of their funders have a strong understanding of the needs of the people and communities they seek to benefit, a contrast to foundations’ perceptions of the strength of their own understanding. Nonprofit respondents believe that it would be a significant benefit to their work if their funders developed a deeper understanding of the communities they serve.

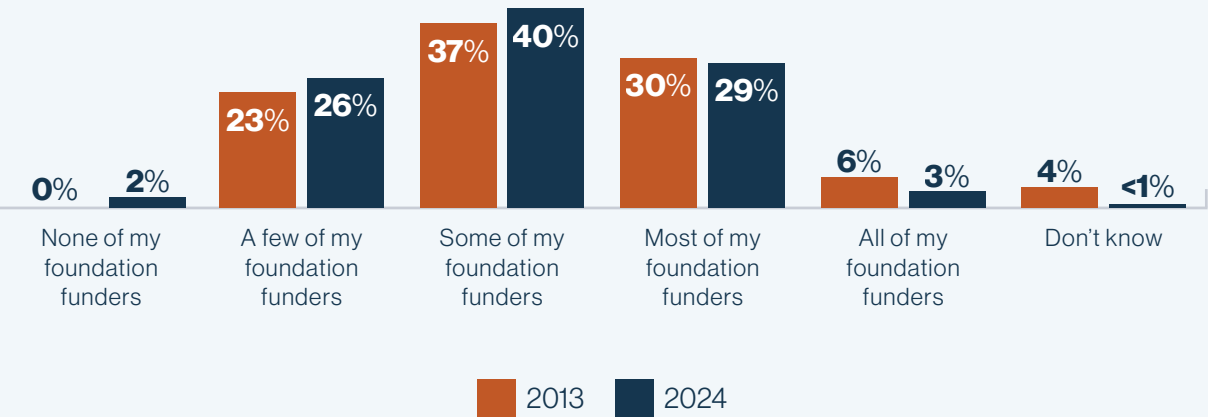
PERCEPTIONS OF FUNDERS’ UNDERSTANDING OF COMMUNITY NEEDS

Few nonprofit leaders report that the majority of their foundation funders have a deep understanding of the needs of those they seek to benefit (see Figure 8). Even fewer believe that most or all of their funders have funding priorities that reflect a deep understanding of needs (see Figure 9). Compared to CEP’s data on a comparable set of nonprofits from more than a decade ago, there has been very little change over time in the number of funders that nonprofits believe have a deep understanding of community needs (see Figure 8).¹⁰



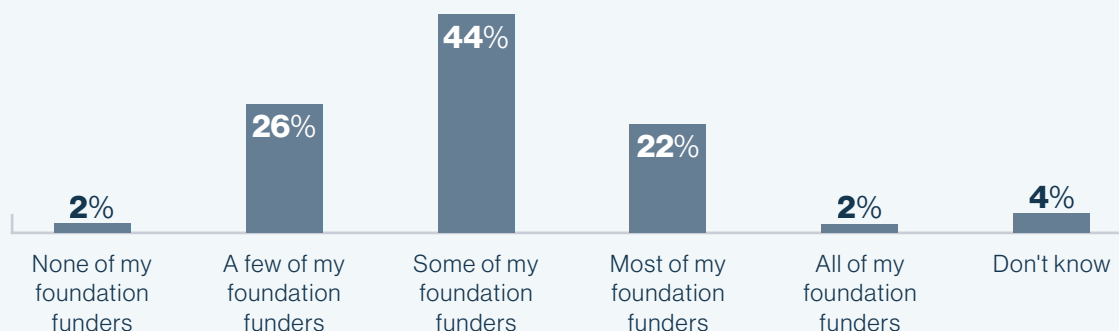
Compared to CEP’s data on a comparable set of nonprofits from more than a decade ago, there has been very little change over time in the number of funders that nonprofits believe have a deep understanding of community needs.

FIGURE 8. Percentage of Funders with a Deep Understanding of Community Needs According to Nonprofits, 2013 versus 2024 (N=233-235)



¹⁰ As noted earlier, this is not a comparison of the perspectives of the same group of nonprofit leaders over time, but rather two comparable groups of nonprofits from CEP’s Nonprofit Voice Project, surveyed in 2013 and 2024, respectively.

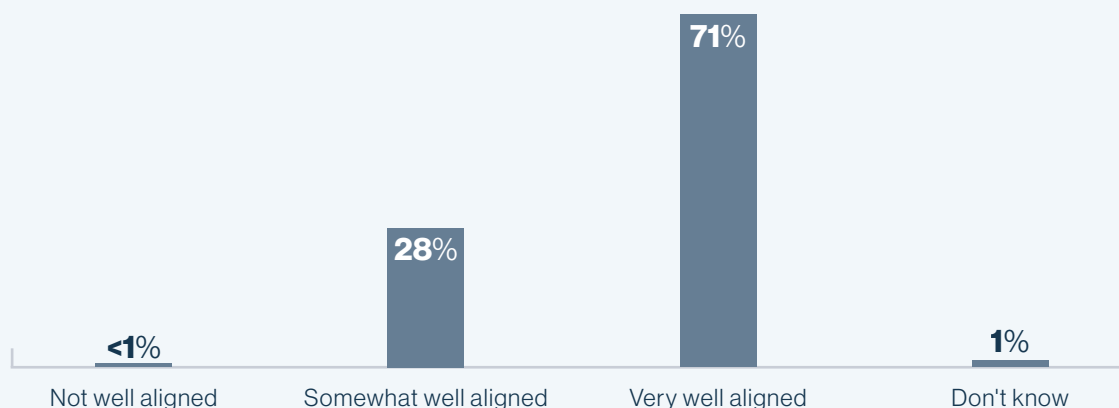
FIGURE 9. Percentage of Funders with Funding Priorities That Reflect a Deep Understanding of Community Needs According to Nonprofits (N=230)



FUNDERS' SELF-REPORTED UNDERSTANDING DIFFERS FROM NONPROFIT PERCEPTIONS

In contrast to perceptions held by nonprofits, most foundation leaders believe that their foundation's funding priorities are "very well aligned" with the needs of the people and communities they seek to benefit.

FIGURE 10. Percentage of Foundation Leaders Who Believe Funding Priorities Align with Community Needs (N=240)



Despite expressing confidence in their funding priorities, some foundation leaders also report that they encounter challenges when it comes to developing a strong understanding of those they seek to benefit. Foundations report that building an awareness of their work and developing trusting and open relationships with the communities they serve is challenging. "Many folks in the community don't know that foundations like us exist or that the world of philanthropy is an option," says one foundation leader. Another leader says their foundation had these existing relationships, but a lack of trust proved to be a barrier to true communication and learning. "One of the things we realized when we determined that we want to do better and be better at [listening to the people and communities we serve] is that, even though that was our aspiration, it didn't mean we necessarily had the relationships with everyday community folks that

gave them the willingness to speak with us frankly about the challenges that they faced. That was really enlightening for us, and we would not have expected that. We assumed that we had [good] relationships, particularly with the nonprofits that we work with, but that doesn't necessarily translate to the folks that they serve. It was really humbling for us to realize that we had to do some real trust building."

Other leaders simply note that they struggle with the amount of time and capacity it takes to develop a strong understanding of community needs. "We have a small staff and serve 10 million people. There's a lot of ways to engage with them, but to make it authentic, that takes time. And our collected available staff time is just not there," says one leader. Another echoes this sentiment: "The geography [that we serve] is vast — we can't be everywhere, and we have limited staff."

IMPACT OF IMPROVED FUNDER UNDERSTANDING ON NONPROFITS' WORK

Most nonprofits say that it would greatly benefit their work if foundations gained a deeper understanding of the people and communities they serve. Most often, these nonprofits suggest that a better understanding would help their funders be more attuned to the unique challenges, complexities, and barriers faced by the nonprofits they fund and the communities they seek to serve. Nonprofit leaders also suggest that a deeper understanding may lead their funders to alter how their funding is structured and delivered — for example, by giving larger and more flexible grants (see Figure 11).

"Funders who were better educated and informed about the community members we serve would, without question, have a better understanding of the challenges we face in serving those community members, as well as a deeper understanding of the need for our work overall," says one nonprofit leader. "It would likely lead to more multiyear and more flexible grantmaking models." The leader explains that this would allow their organization to be more responsive to urgent and unexpected needs.

Another leader emphasizes that their work has "great implications for the people of the community" and that the "small dribs and drabs of funding received don't even scratch the surface of the need." They also suggest that "if funders understood what was really needed, they would give more and for more sustained time frames."

FIGURE 11. Benefits of Deeper Funder Understanding of Community Needs Indicated by Nonprofits (N=196)



Better appreciation for challenges
faced by nonprofits (38%)



Change in the way funding is
delivered to nonprofits (35%)

ADVICE ON HOW TO BETTER UNDERSTAND COMMUNITY NEEDS: FOR FOUNDATIONS, FROM FOUNDATIONS

In interviews, foundation leaders were asked if they had any advice for foundations that want to become better at understanding the needs of the people and communities they seek to benefit.

These leaders encourage their fellow funders to continually reassess their perspectives on the communities they seek to benefit and stay attuned to evolving needs by creating intentional spaces to learn and reflect.

“Challenge your assumptions. Communities are very dynamic — even if you think you know a community, go back out. Because things are changing — sometimes for the better, sometimes for the worse. But you have to get out and experience on the ground what your constituents are dealing with in this given moment.

“I would encourage funders to get a little bit outside of their comfort zone, to recognize that just opening yourself up to a general question and getting open-ended responses is a gift that foundations have. Because people respond to us when we ask questions.

“For foundations, what’s critical is being able to accept challenging feedback. And I don’t know that foundations often put themselves in positions to hear challenging feedback. I think oftentimes we get feedback when we don’t really know how to process it. So I would ask foundations to really think about, one, are they set up to get feedback? And two, what are they willing to change once they get it?

Other foundation leaders offer a different perspective, suggesting that developing a stronger understanding of the communities they seek to benefit just comes with time and a genuine, long-lasting commitment.

“It takes time [to build an understanding]. You can’t rush things like this. You can’t just show up to one gathering and [expect] people to be really receptive and open, and that that’s all you need to do to understand a particular community or topic. It’s all about relationships, and building relationships takes time. Being present — literally getting out of your office, attending a work day that a nonprofit puts on, and just being there as a community member — is an incredible way to talk with others and learn about what’s happening in the community. It doesn’t have to be so formal.



There's a real desire [among foundations] to fast pace your work, to get the strategic plan done. If you want to do impactful work, and you're going to listen to people and they're going to really tell you their story, [and] you're going to really sit and identify the problems and think through how they would be solved, it's going to take a long time. The problems that are happening in the world right now do not get solved in six weeks.

Lastly, some leaders advocate for a broader overhaul of grantmaking and hiring practices in order for institutional foundations to become better at understanding community needs.



[Foundations need to] hire people that come from community. You can't hire people from every community that you're trying to serve, but if you're a foundation that claims that some of your end beneficiaries are, like for many foundations, low-income communities of color, then hire people that come from and have those experiences and can actually bring that lens into the work.



For smaller foundations, if you don't have the capacity to do full-on listening tours, especially if you're at a place-based foundation where it can be difficult to reach across different geographies, there are other things you can do. An open application process is one way to give you a better sense of what's out there, what's happening in communities, even if you can't support or respond to everyone. You can't underestimate the importance of [getting] that information from the community.



Hire people who are representative of the communities you're trying to reach and support. We won't be able to meet our own missions if we're not more consistent at having people at the table that have lived and professional experience in the areas that we're trying to address. That's the first step toward engaging communities.

CONCLUSION

When foundation and nonprofit leaders get more proximate to the communities they support, they have the opportunity to gain invaluable insights into the daily realities of those they seek to serve.

In the words of one foundation leader: “When we have community at the table, not only is our work better informed, but our strategy is stronger, and the work is just so much more fun.” Both nonprofits and foundations report gathering and applying feedback from the communities they serve to shape their ongoing work and broader organizational strategies. However, nonprofit leaders still see room for foundations to do more to ensure that feedback is collected and used

as effectively as possible. Nonprofits continue to face significant capacity and staffing challenges in the pursuit of feedback collection, with no or limited support from their institutional funders. Moreover, nonprofits assert that if their foundation funders had a deeper understanding of the communities in which they seek to make an impact, they would be in a stronger position to address ongoing and emergent needs.



Nonprofits assert that if their foundation funders had a deeper understanding of the communities in which they seek to make an impact, they would be in a stronger position to address ongoing and emergent needs.

Listening to the people and communities at the heart of philanthropic work, often and well, is perhaps of even greater importance in this current moment. Nonprofits are facing unprecedented challenges to their work, and information provided directly by the communities these organizations serve is critical to understanding the barriers and opportunities they face. While nonprofits continue to prioritize feedback collection despite capacity challenges, it may be wise for foundations to take stock of their current understanding of the needs of those they seek to benefit, as well as their assistance to their nonprofit partners, and evaluate if there are opportunities to better support their nonprofit partners to collect timely, relevant, and accurate feedback — for example, by investing in the general capacity of the organizations they support or asking their nonprofit partners how their funding priorities can better align with the actual needs of those they support.

However, listening on its own is not enough. As one foundation leader aptly states:

This sector needs to do a lot more to figure out how to actually connect and build relationships with a broad array of communities that haven't felt like they've been included, or like their voice has been heard, or that they've had a seat at the table. It's hard to change anything in any organization, but it can be done. And, quite frankly, now is the time. I don't know what anybody would wait for. If there's ever been a time to try something new, this has got to be it.

The findings presented in this report are based on data collected, analyzed, and interpreted by the Center for Effective Philanthropy (CEP). CEP fielded two surveys and received responses from leaders of 243 foundations and 241 nonprofit organizations, respectively.¹¹ In addition, interviews were conducted with the leaders of 19 foundations. Information detailing the process for collecting and analyzing the data is below.

NONPROFIT SURVEY METHODOLOGY

Nonprofit Sample Characteristics

In August 2024, CEP invited 444 nonprofit leaders from the Nonprofit Voice Project (NVP) — a panel of U.S. nonprofits that is representative of the national landscape of nonprofits that receive at least some foundation funding — to participate in this survey.¹² More information on the criteria for inclusion and the original NVP sample creation process can be found on our website [here](#).¹³

Nonprofit Survey Instrument

This research was part of a larger study that included other topics. The section of the survey relevant to this report contained 32 items. A copy of the survey instrument can be found on our website [here](#).¹³

Nonprofit Survey Administration

The survey was fielded online for a three-week period in 2024 — August 26 to September 13. Nonprofit leaders were sent an email a few weeks before the launch of the survey to reintroduce them to CEP and inform them about this research study. On the survey launch date, participants were sent an email that included a description of the study, a statement of confidentiality, and an individual link to the survey to prevent respondents from completing the survey more than once.¹⁴ The survey was distributed in English and was administered through Qualtrics. Participants were sent up to six reminder emails. In appreciation for their time, each survey respondent was provided with a \$40 gift card to a retailer of their choice.

Nonprofit Response Rate and Response Bias

Completed surveys, defined as having at least 80 percent of the core questions answered, were received from 233 nonprofit leaders. Eight partially completed surveys, defined as having at least 50 percent of the core questions answered, were received. (See Table 2.)

Table 2. Nonprofit Survey Response Rates

Survey period	Number of eligible respondents	Number of completed/ partial responses	Survey response rate
August 26, 2024 – September 13, 2024	439	241	55%

¹¹ We did not use a probability methodology to construct these samples.

¹² While the survey was being fielded, five leaders were removed from the list of eligible respondents because of their departure from the organization or because they were on extended leave/sabbatical for the entirety of the survey period. Also, replacements for leaders who had agreed to be in the original NVP sample but had left the organization since the previous fielding of the survey were made only if their successors reached out and explicitly asked to take the survey in their stead. There was one replacement made.

¹³ The first time a survey was administered to this group, the number of eligible respondents in the NVP sample was 500 leaders ([State of Nonprofits 2023](#)). At the time of last survey administration, in February 2024, the number of eligible respondents in the NVP sample was 463 leaders ([State of Nonprofits 2024](#)).

¹⁴ Participants were also informed that a screen reader option was available if needed.

We analyzed survey responses to determine whether participants were more likely to answer the survey based on staff size, annual expenses, annual revenue, the geographic region where their organization is located, the gender of the nonprofit leader, or whether the nonprofit leader identified as a person of color.¹⁵ The only statistically significant difference identified between survey respondents and nonrespondents was that nonprofits located in the West U.S. census region were slightly more likely to respond to the survey compared with organizations in other geographic regions.¹⁶

Nonprofit Respondent Characteristics

Close to half of the responding organizations have a local geographic scope, and 80 percent have a direct service component. Leaders represented organizations that averaged 32 staff members but ranged from one to 460 staff members. The area with the highest number of organizations represented (34 percent of the responding organizations) was the West U.S. census region.

Leaders were invited to check all that apply for their organization's key focus areas. The top three focus areas were:

- ▶ Human services (41 percent)
- ▶ Education (40 percent)
- ▶ Social justice (30 percent)

In the survey, respondents were asked questions about their demographic characteristics (see Appendix B).

Quantitative Analysis of Nonprofit Survey Data

The unweighted quantitative survey data from nonprofit leaders were examined using descriptive statistics and chi-square tests. An alpha level of 0.05 was used to determine statistical significance for all testing conducted for this research. Effect sizes were examined for all analyses.

Qualitative Analysis of Nonprofit Survey Data

Thematic and content analyses were conducted on the responses to the open-ended items in the survey. A codebook was developed for each open-ended item with more than 70 responses by using Claude, a large language model developed by Anthropic, to create a preliminary list of themes based on response text. Those themes were then checked for accuracy and edited, if needed, by a member of CEP's Research team. All final decisions about codebook themes were made by a member of CEP's team. Each coder used the codebook when categorizing responses, to ensure consistency and reliability. Using MAXQDA, a software program for qualitative and mixed-methods data analysis, one coder coded all responses to a survey question, and a second coder coded 15 percent of those responses. An average interrater reliability (IRR) level of at least 80 percent was achieved for each codebook. Our IRR across items ranged from 87 to 89 percent.

Quotations from the open-ended survey responses are included in this report. These quotations have been selected to be representative of themes in the data.

¹⁵ Chi-square tests were used to compare respondents and nonrespondents.

¹⁶ This statistical relationship is of a small effect size. U.S. Census Bureau, "Census Bureau Regions and Divisions of the United States," https://www2.census.gov/geo/pdfs/maps-data/maps/reference/us_regdiv.pdf.

Appendix A: Methodology

Year-Over-Year Data Analysis

Where relevant, independent sample t-test analyses were conducted to understand the experiences across time of two groups of comparable nonprofit leaders — respondents to this 2024 CEP Nonprofit Voice Project survey and respondents to a CEP Nonprofit Voice Project survey conducted in 2013. Ten survey items from the 2013 CEP survey were deliberately repeated in the 2024 survey in order to compare the experiences of nonprofit leaders over the span of more than a decade.

More information on the 2013 NVP survey can be found in [this report](#).

FOUNDATION SURVEY METHODOLOGY

Foundation Sample Characteristics

In September 2024, CEP invited 779 foundation leaders to participate in a survey.¹⁷ Foundation leaders were eligible for inclusion in this research study if the foundation they worked at:

- ▶ Was based in the United States
- ▶ Was categorized by Candid's online Foundation Directory or CEP's internal contact management software as an independent, health conversion, or community foundation
- ▶ Provided \$5 million or more in annual giving, according to the most recent available year of financial information in Candid's online Foundation Directory or CEP's internal contact management software

Furthermore, to be eligible for inclusion, leaders of eligible foundations must have had:

- ▶ A title of president, CEO, executive director, or equivalent, as identified through the foundation's website, Form 990, or internal CEP staff knowledge
- ▶ An email address that could be accessed online, such as on the foundation's website or through internal CEP records

Foundation Survey Instrument

This research was part of a larger study that included other topics. The section of the survey relevant to this report contained 30 items. A copy of the survey instrument can be found on our website [here](#).

Foundation Survey Administration

The survey was fielded online during a four-week period in 2024 — September 3 to October 1. Foundation leaders were sent an email a few weeks before the launch of the survey to introduce them to CEP and this research study.¹⁸ On the survey launch date, participants were sent a brief email that included a description of the study, a statement of confidentiality, and an individualized link to the survey to prevent respondents from completing the survey more than once.¹⁹ The survey was distributed in English and administered through Qualtrics. Participants were sent up to eight reminder emails. We did not provide any incentives, financial or otherwise, to foundations in exchange for the completion of the survey.

¹⁷ Two foundations were removed from this initial sample because we were unable to reach the foundations' executive directors during the survey period.

¹⁸ While foundation CEOs and executive directors were the target audience for this survey, there were cases in which a leader sent the survey to another member of their organization to fill out as their representative.

¹⁹ Participants were also informed that a screen reader option was available if needed.

Foundation Response Rate and Response Bias

Completed surveys, defined as having at least 80 percent of the core questions answered, were received from 237 foundation leaders. Six partially completed surveys, defined as having at least 50 percent of the core questions answered, were received. (See Table 3.)

Table 3. Foundation Survey Response Rate

Survey Period	Number of Eligible Respondents	Number of Completed/ Partial Responses	Survey Response Rate
September 3, 2024 – October 1, 2024	777	243	31%

We analyzed survey responses to determine whether participants were more likely to answer the survey based on certain foundation characteristics. There were no statistically significant differences found based on a foundation's asset size, annual giving amount, or its geographic location within the United States. However, leaders of foundations that have used CEP's assessments were slightly more likely to respond to the survey than those from foundations that have not used a CEP assessment. Independent foundations were also slightly less likely to respond to the survey than other foundations.²⁰

Foundation Respondent Characteristics

Survey respondents represented foundations that varied in type, assets, giving, and geographic region. (See Table 4).

Table 4. Characteristics of Responding Foundations

Foundation Characteristics	Survey Sample
Type of foundation	N=243
Independent foundation	59%
Community foundation	35%
Other type of foundation	7%
Assets	N=241
Range	~\$5.5M to ~\$8B ²¹
Median value	~\$194M
Giving	N=243
Range	~\$5M to ~\$1.5B
Median value	~\$11M
Geographic region	N=243
Northeast	26%
Midwest	23%
South	28%
West	24%

Note: Percentages add up to more than 100 due to rounding.

²⁰ These statistical relationships are of a small effect size.
²¹ One outlier was removed from the responding foundations' asset range as it was potentially identifying.

Leaders were invited to check all that apply for program areas they fund. The top three program areas were:

- ▶ Education (73 percent)
- ▶ Health (72 percent)
- ▶ Human services (66 percent)

Respondents were also asked questions about their demographic characteristics (see Appendix C).

Quantitative Analysis of Foundation Survey Data

The unweighted quantitative survey data from foundation leaders were examined using descriptive statistics and chi-square tests. An alpha level of 0.05 was used to determine statistical significance for all testing conducted for this research. Effect sizes were examined for all analyses. Unless otherwise noted, only analyses with medium or large effect sizes are reported.

Qualitative Analysis of Foundation Survey Data

Responses to open-ended survey items were not systematically coded. Quotations that are representative of the themes of the report are included throughout.

FOUNDATION INTERVIEW METHODOLOGY

Interview Population

The foundation survey included a question asking if the respondent would be willing to participate in a confidential interview with CEP. Of the 82 leaders who volunteered to be interviewed, 30 were randomly selected based on a few criteria. Only leaders who said their foundation actively works to understand the needs of the people and communities it seeks to benefit to inform the foundation's decision-making were considered for an interview. Among those leaders, half were randomly selected from foundations with annual giving above the median (of all survey respondents) and half from foundations with annual giving size below the median. Within the giving size subgroups, half of the leaders selected in each group identify as people of color.

Of the 30 leaders who were randomly selected, 19 agreed to be interviewed.

Interviewee Foundation Characteristics

The foundation characteristics of interview respondents are represented in Table 5. See Appendix D for respondent demographics.

Table 5. Characteristics of Interviewed Foundations

Foundation Characteristics	Interview Sample
Type of foundation	N=19
Independent foundation	63%
Community foundation	32%
Other type of foundation	5%
Assets	N=19
Range	~\$6M to ~\$2B
Median value	~\$237M
Giving	N=19
Range	~\$5M to ~\$140M
Median value	~\$17M
Geographic region	N=19
West	37%
Midwest	26%
South	26%
Northeast	11%

Interview Protocol

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

A copy of the interview protocol can be found [here](#).

Interview Administration and Analysis

All interviews were completed in January and February 2025 via Zoom. The 19 foundation interviews were conducted by two CEP staff members. Interviewers discussed the interview process with each other and worked together to establish consistency in style. The interviews were recorded and transcribed. All interviews lasted up to 30 minutes.

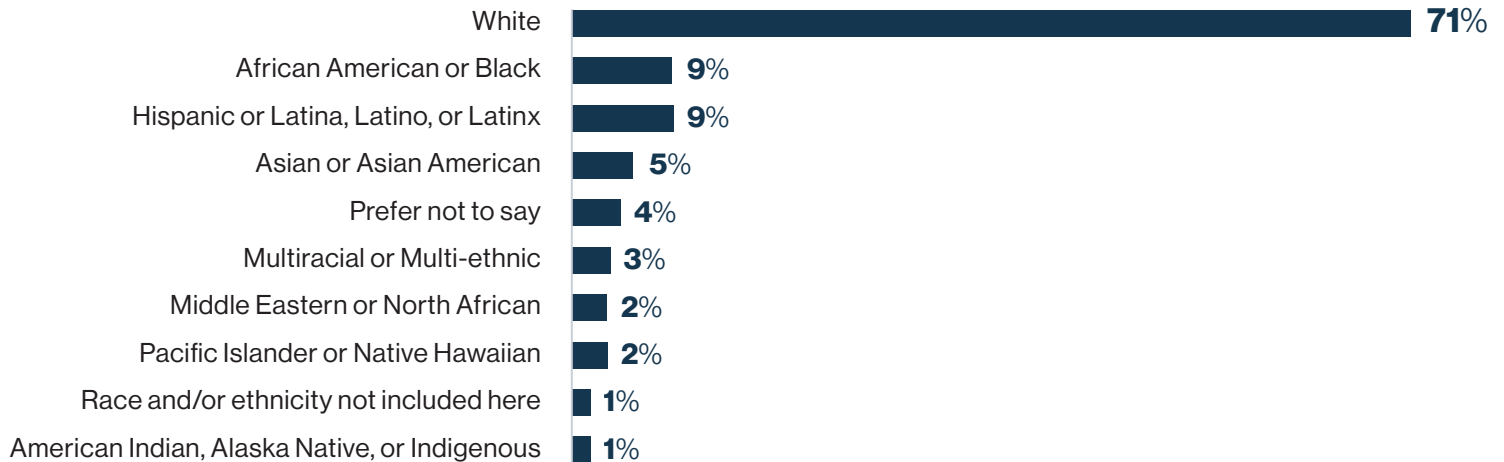
Interviews were not systematically coded. Quotations that are representative of the themes of the report are included throughout.

RESEARCH LIMITATIONS

As is true of survey research in general, it is not possible to draw causal conclusions from this data. Additionally, we are not able to know whether the leaders who chose to respond to these surveys represent organizations that have spent more time thinking about collecting information from the people and communities they seek to serve and incorporating these perspectives into their work. This should be kept in mind when generalizing these findings.

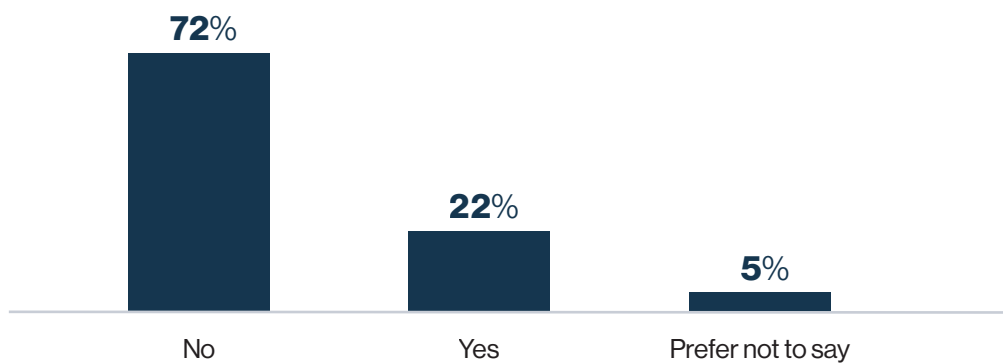
Appendix B: Nonprofit Survey Respondent Demographics

What is your race or ethnicity? (N=232)



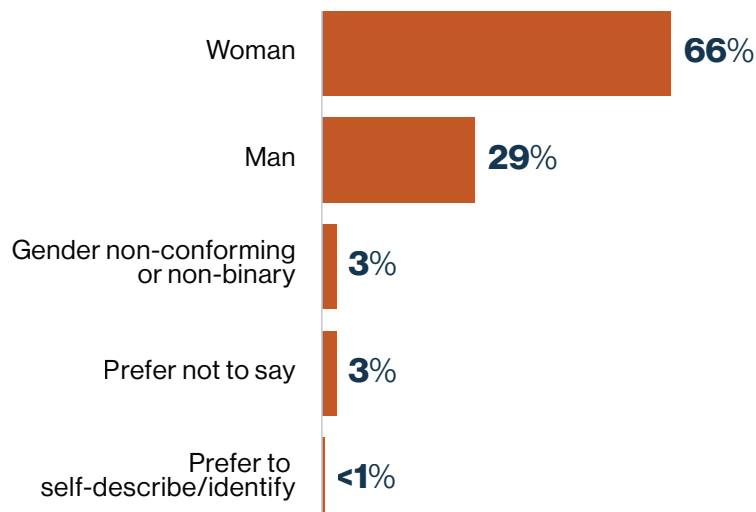
Note: Percentages add up to more than 100 because respondents could select all that apply.

Do you identify as a person of color? (N=232)



Note: Percentages do not add up to 100 due to rounding.

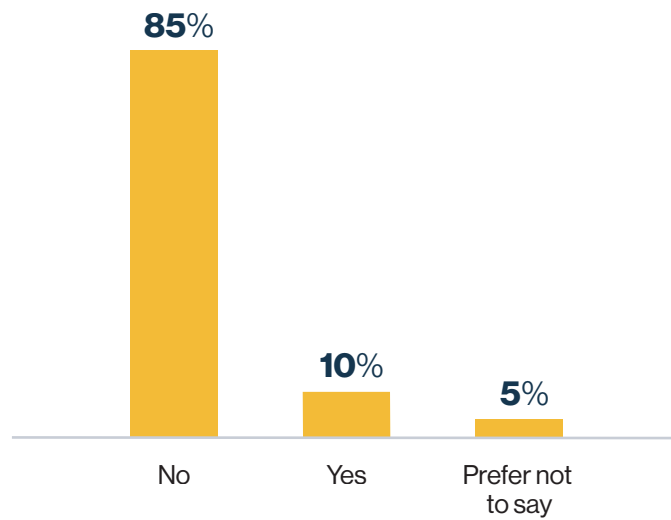
How do you describe yourself? (N=232)



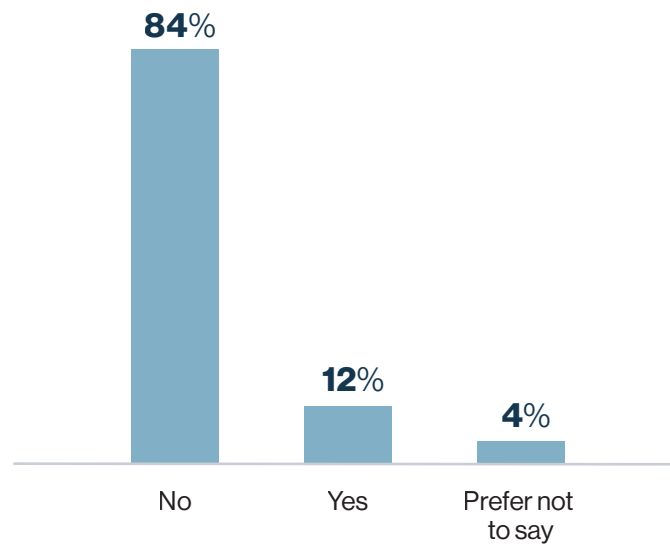
Note: Percentages add up to more than 100 because respondents could select all that apply.

Appendix B: Nonprofit Survey Respondent Demographics

Do you identify as a member of the LGBTQ+ community? (N=231)

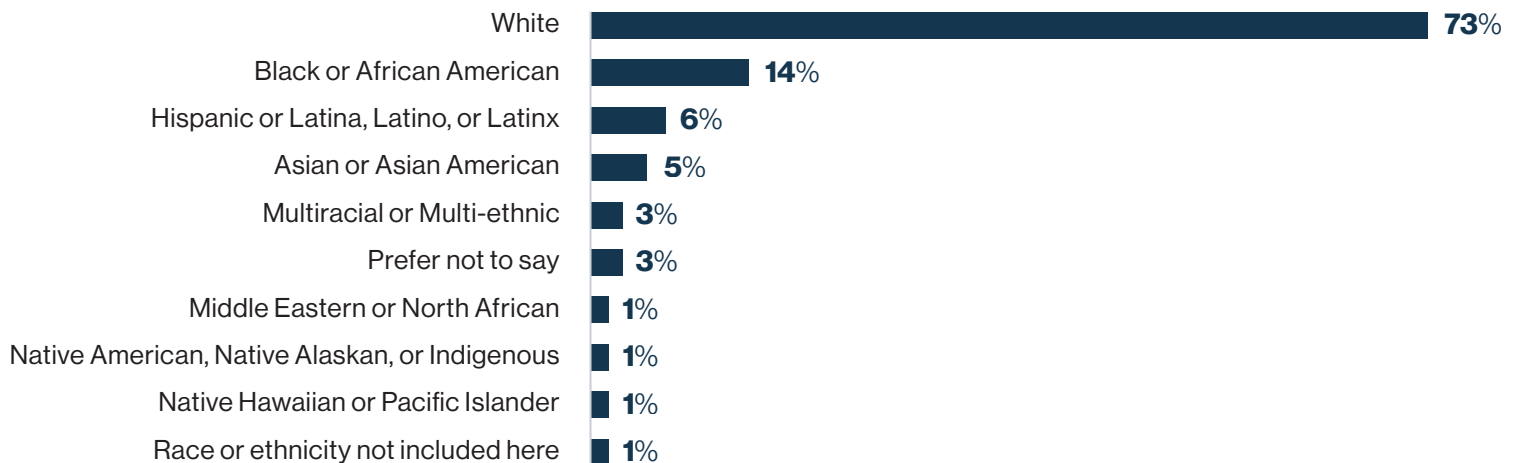


Do you have a disability? (N=232)



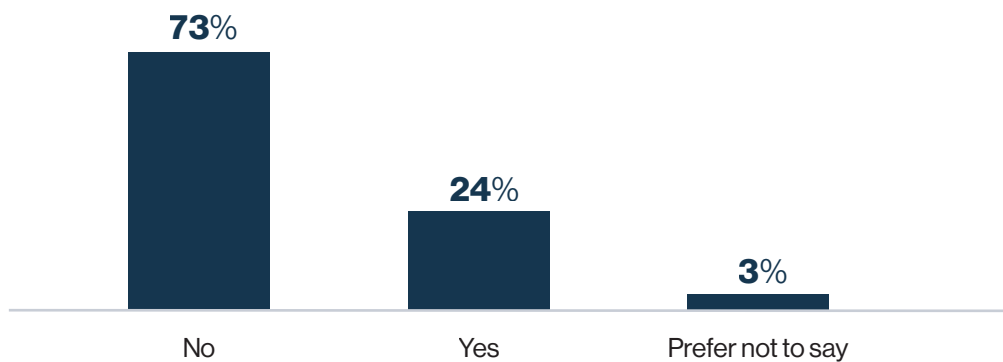
Appendix C: Foundation Survey Respondent Demographics

What is your race or ethnicity? (N=233)

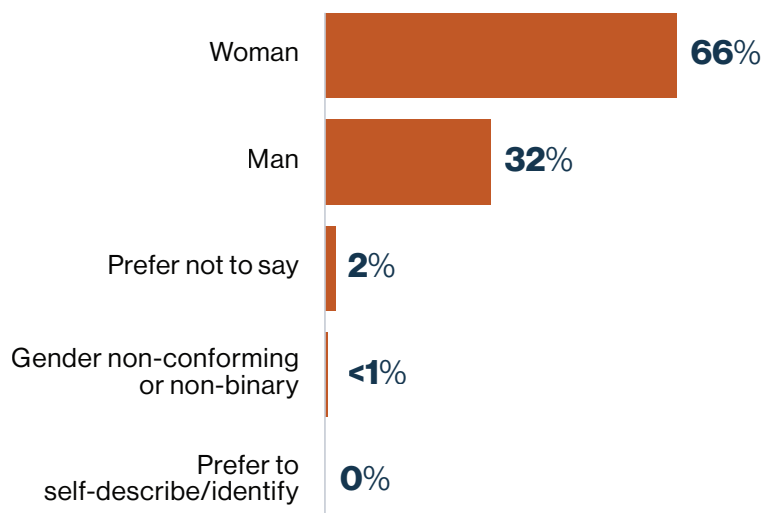


Note: Percentages add up to more than 100 because respondents could select all that apply.

Do you identify as a person of color? (N=243)



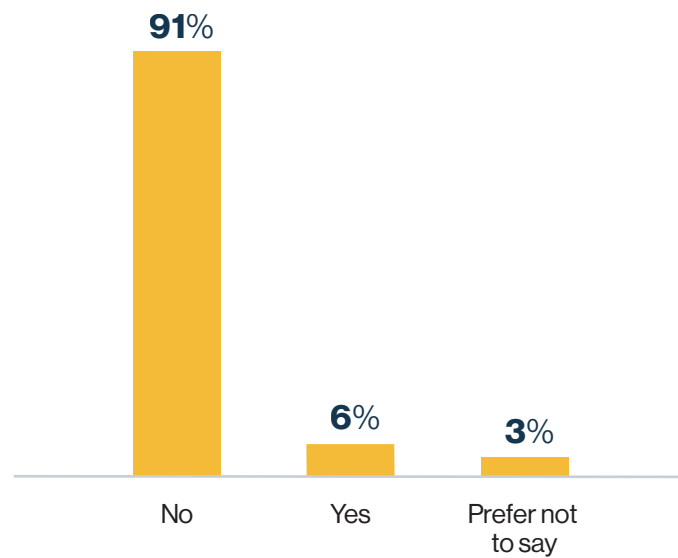
How do you describe yourself? (N=233)



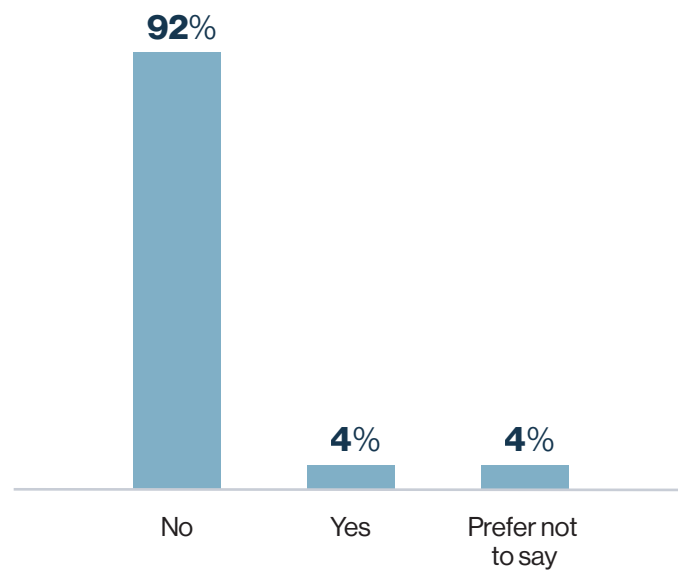
Note: Percentages add up to more than 100 because respondents could select all that apply.

Appendix C: Foundation Survey Respondent Demographics

Do you identify as a member of the LGBTQ+ community? (N=233)

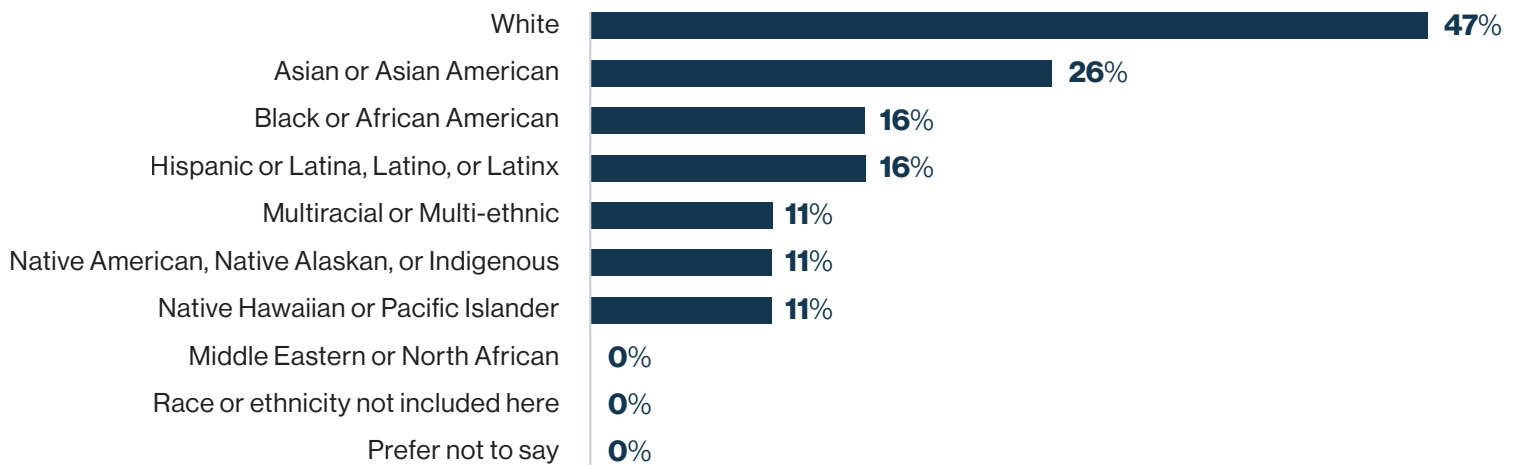


Do you have a disability? (N=233)



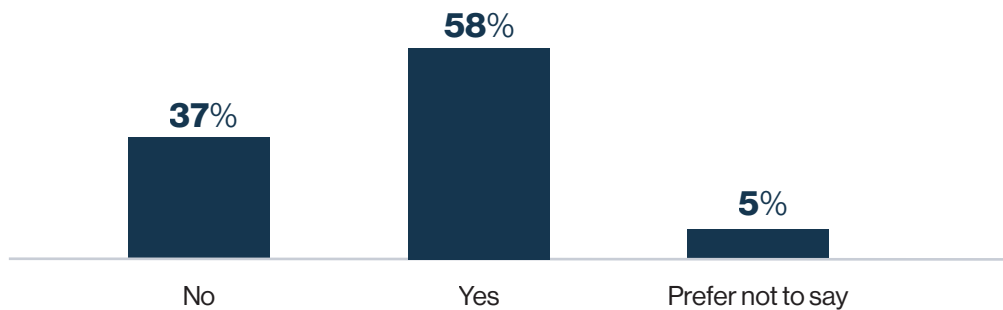
Appendix D: Foundation Interviewee Demographics

What is your race or ethnicity? (N=19)



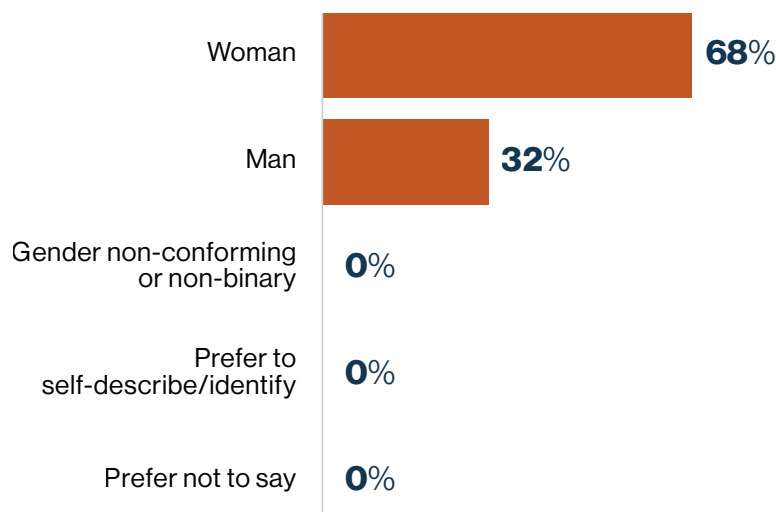
Note: Percentages add up to more than 100 because respondents could select all that apply.

Do you identify as a person of color? (N=19)



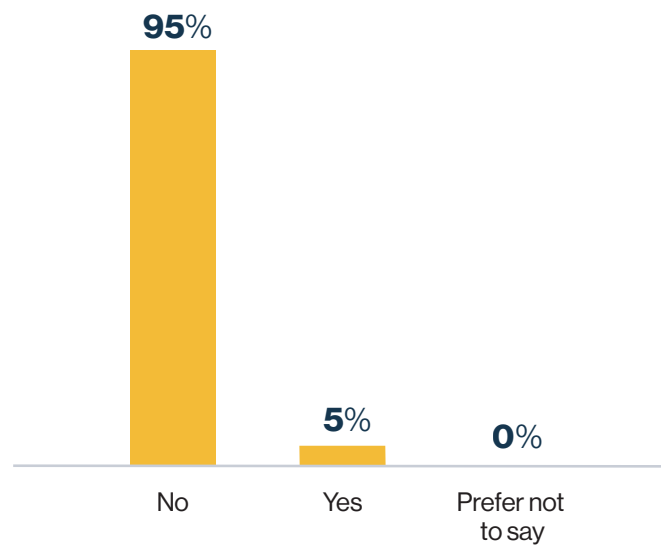
Note: Percentages do not add up to 100 due to rounding

How do you describe yourself? (N=19)

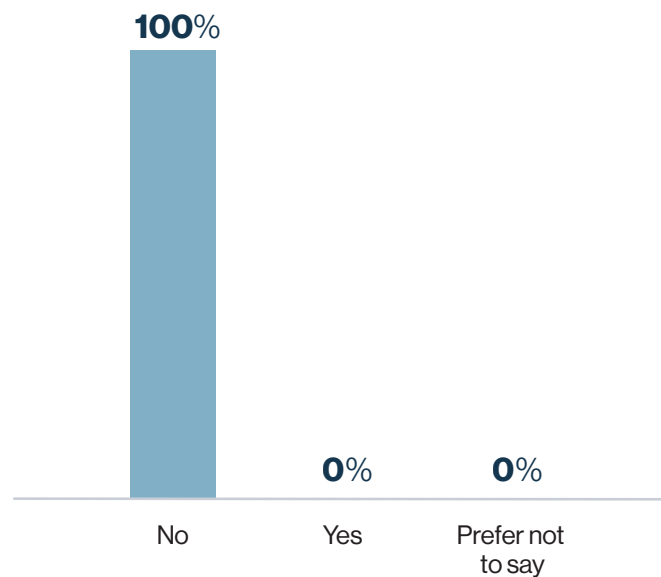


Appendix D: Foundation Interviewee Demographics

Do you identify as a member of the LGBTQ+ community? (N=19)



Do you have a disability? (N=19)





THE CENTER FOR
EFFECTIVE PHILANTHROPY

cep.org