

# How Far Have We Come?

Foundation CEOs on Progress and Impact



# About the Center for Effective Philanthropy

## Mission

To provide data and create insight so philanthropic funders can better define, assess, and improve their effectiveness—and, as a result, their intended impact.

## Vision

We seek a world in which pressing social needs are more effectively addressed. We believe improved performance of philanthropic funders can have a profoundly positive impact on nonprofit organizations and the people and communities they serve.

CEP seeks to contribute to the achievement of this vision through the data—primarily comparative data—we develop and draw on in our research, assessment tools, and programming and communications. This data helps funders understand how they can improve their performance and provides insight on key elements of foundation effectiveness.

We recognize that many other institutions and organizations dedicated to improved funder effectiveness must also play a role for the vision we seek to become a reality—and we seek partnerships with these organizations when they will help us to better achieve our shared goals.

Although our work is about measuring results, providing useful data, and improving performance, our ultimate goal is improving lives. We believe this can only be achieved through a powerful combination of dispassionate analysis and passionate commitment to creating a better society.

For more information on CEP, please visit [www.effectivephilanthropy.org](http://www.effectivephilanthropy.org).

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# Introduction

The performance of major U.S. foundations is much discussed and debated. It is also very difficult to gauge.

The past decade or so has seen increased interest and effort related to the question of how foundations are doing, and how they might do better. These questions are not new. The earliest major American philanthropists were interested in answering them. But recent years have seen an uptick in at least the discussion of these issues. Indeed, our organization, the Center for Effective Philanthropy (CEP) has focused much energy on this issue, and we have noted how uniquely challenging assessing foundation performance can be. Among the challenges are the difficulty of drawing a causal link between what a foundation funds and change on the ground, the extended time horizons associated with making progress on the difficult issues foundations often address, and the fact that information from different program areas cannot be easily aggregated using some common measure.<sup>1</sup> There is no universal measure—no easy analog to return on investment—for foundations.

Foundation CEOs recognize the difficulty of assessment but also its importance. In a 2011 survey of foundation CEOs, we found that almost three-quarters ranked assessing their foundations' effectiveness among their highest priorities, and 68 percent said they believe foundations have made great progress on assessment in the past decade.<sup>2</sup> In that same study, we found that foundations are using more indicators than they were a decade ago.<sup>3</sup> We also found that most foundations engage in evaluation work to try to understand what their grant dollars have achieved.<sup>4</sup> As Paul Brest, former president of the William and Flora Hewlett Foundation, notes, "Outcome-oriented philanthropy is at least a century old, but the past 10 or so years have seen an upsurge in both its intensity and its extent."<sup>5</sup>

So what conclusion do foundation leaders draw about their success? Brest and others suggest that, “philanthropy remains an underperformer in achieving social outcomes.”<sup>6</sup> Do foundation CEOs agree? How much progress do they believe foundations have made?

To get a sense directly from foundation CEOs, we explored the following questions through a survey:

1. How much progress do CEOs believe has been made toward their foundations’ key goal by all the various organizations working toward that goal?
2. How much do CEOs believe their own foundations have contributed to the progress toward that goal?
3. What are foundations’ greatest barriers to making progress?
4. What practices do CEOs believe hold promise for increasing foundation impact?

In January 2013, we sent surveys to 472 full-time CEOs leading U.S.-based foundations that give at least \$5 million annually in grants; 211 CEOs completed the survey for a 45 percent response rate. The survey was designed to collect data on CEOs’ understanding of progress and their attitudes and practices in relation to foundation impact. This research was not meant to serve as an objective evaluation of how much progress foundations have made through their work.

## Key Findings

Few foundation CEOs believe that a lot of progress has been made overall toward the goal to which their foundation is devoting the greatest proportion of its resources—but many also believe their assessment of that progress is not as well informed as it could be.

Foundation CEOs are more positive when it comes to gauging their own foundation’s contributions to progress, with the majority believing that their foundation has contributed a lot to the overall progress that has been made.

Foundation CEOs believe the greatest barriers to their foundations’ ability to make more progress are issues external to foundations—particularly the current government policy environment and economic climate.

Most foundation CEOs say their foundation is already engaging in the practices they believe have the most potential to increase a foundation’s impact—but they do see opportunities for changes in practice among foundations in general.

<sup>1</sup> Phil Buchanan, “Toward A Common Language: Listening to Foundation CEOs and Other Experts Talk About Performance Measurement in Philanthropy,” *Center for Effective Philanthropy* (February 2002), [http://www.effectivephilanthropy.org/assets/pdfs/CEP\\_TowardsACommonLanguage.pdf](http://www.effectivephilanthropy.org/assets/pdfs/CEP_TowardsACommonLanguage.pdf).

<sup>2</sup> Ellie Buteau and Phil Buchanan, “The State of Foundation Performance Assessment: A Survey of Foundation CEOs,” *Center for Effective Philanthropy* (September 2011): 5, <http://www.effectivephilanthropy.org/assets/pdfs/Foundation%20Performance%20Assessment.pdf>.

<sup>3</sup> *Ibid.*, 7.

<sup>4</sup> *Ibid.*, 8; J. McCray, “Is Grantmaking Getting Smarter?” *Grantmakers for Effective Organizations* (2011), [http://docs.geofunders.org/?filename=2011\\_geo\\_field\\_study\\_final.pdf](http://docs.geofunders.org/?filename=2011_geo_field_study_final.pdf).

<sup>5</sup> Paul Brest, “A Decade of Outcome-Oriented Philanthropy,” *Stanford Social Innovation Review* 10, no. 2 (Spring 2012): 47, [http://www.ssireview.org/pdf/Spring\\_2012\\_A\\_Decade\\_of\\_Outcome-Oriented\\_Philanthropy.pdf](http://www.ssireview.org/pdf/Spring_2012_A_Decade_of_Outcome-Oriented_Philanthropy.pdf).

<sup>6</sup> *Ibid.*; Thomas J. Tierney and Joel L. Fleishman, *Give Smart: Philanthropy that Gets Results* (New York: Public Affairs, 2011), 2; Cynthia W. Massarsky, “The James Irvine Foundation’s Jim Canales on Rethinking Philanthropy’s Approach to Make Real Progress,” *Social Impact Exchange*, July 11, 2013, <http://www.socialimpactexchange.org/exchange-blog/james-irvine-foundations-jim-canales-rethinking-philanthropy%E2%80%99s-approach-make-real-prog>.

# Who Were the Respondents to This Survey?

**FIGURE 1:** Demographic Characteristics of Respondents and Their Foundations

## Respondent demographics



**42%**

have been the CEO of their current foundation for 10 or more years



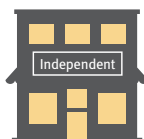
**31%**

had been working at a foundation directly prior to becoming CEO at their current foundation

## Types of foundations in sample

**63%**

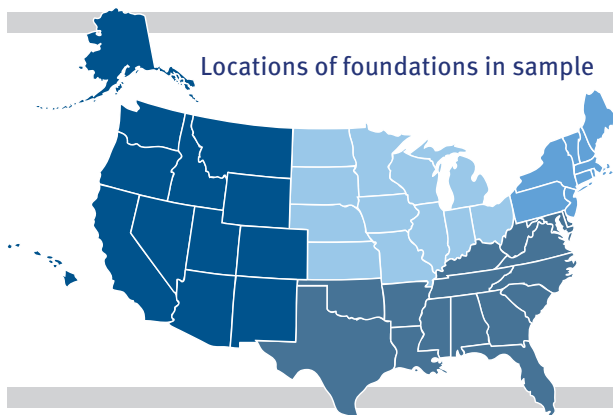
independent foundations



**30%**

community foundations

## Locations of foundations in sample



**24%** Northeast

**24%** Midwest

**26%** West

**26%** South

## Sizes of foundations in sample

**\$249** million

median asset size



**\$14.4** million

median annual giving level



The foundations represented by responding CEOs did not differ in asset size or giving level from the population surveyed. However, CEOs who responded were slightly more likely to be leading a foundation that has used a CEP assessment tool in the past than those who did not respond.<sup>7</sup> Of respondents, 55 percent led a foundation that has used a CEP assessment tool compared to 31 percent of nonrespondents.

CEOs of community foundations were slightly more likely to have responded than CEOs of other foundations.<sup>8</sup>

<sup>7</sup> A chi-square analysis was conducted between whether or not a foundation CEO responded to our survey and whether or not their foundation has used a CEP tool; a statistical difference of a small effect size was found, indicating that foundations that have used a CEP tool were only slightly more likely to have responded to this survey.

<sup>8</sup> A chi-square analysis was conducted between whether or not a foundation CEO responded to our survey and whether or not their foundation was an independent or community foundation; a statistical difference of a small effect size was found, indicating that community foundations were slightly more likely to have responded to this survey.



## Limitations of This Research

As with any research, there are important limitations to keep in mind when interpreting the data we share in this report.

### CEOs' Perceptions

The most obvious limitation is the perceptual nature of the data. What we are sharing here are *perceptions* of progress, not actual outcomes. We were not able to pair CEOs' perceptions of progress with objective measures of their foundations' impact.

A similar potential limitation is the variation that inevitably occurs in how respondents choose to assess themselves. The standards used to rate their foundations' progress may have differed greatly from one CEO to the next. In addition, CEOs may not have used the same standards to rate other foundations' progress as they used to rate their own foundations' progress.

### Interpretation of Survey Items

We do not know what comparison group each respondent had in mind when they responded to items asking them to consider the progress that foundations other than their own have made. Some may have been thinking of foundations working in their regions or fields. Others may have relied on a perception of foundations generally.

### Tell Us What You Really Think

In responding to some of the attitudinal items, an unusually high proportion (in our experience) of CEOs took a neutral position. It is possible that these CEOs actually had an opinion on the matter but did not want to share it in the survey because they felt that the issues were particularly sensitive ones. Additionally, social desirability bias may be a factor: Some CEOs may have felt like there was a "politically correct" perspective on some of the issues and used that perspective to guide their ratings as opposed to their actual beliefs on the issues. There is no way for us to know whether this occurred.



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## Finding One

Few foundation CEOs believe that a lot of progress has been made overall toward the goal to which their foundation is devoting the greatest proportion of its resources—but many also believe their assessment of that progress is not as well informed as it could be.



We asked CEOs to specify the programmatic goal toward which their foundation currently devotes the greatest proportion of its resources. Forty-two percent listed a goal focused on education. Health was the focus of 18 percent of goals. All other topic areas were the focus of less than 10 percent of goals, including the environment; arts, culture, and humanities; and capacity building. (See Figure 2.)

Most of the goals had a regional or local focus. Only about one quarter of CEOs said that the goal toward which they devote most of their resources is focused more broadly than the regional level (17 percent national, nine percent global).

**FIGURE 2:** Self-reported Program Area Focus of Foundations' Primary Programmatic Goals



*Note: The percentages shown in this chart do not add up to 100% because some respondents' goals fell into multiple program areas.*

Examples of goals listed by respondents include the following:

*“Building a system of quality early childhood care and education in [a particular state]”*

*“By 2025, native wildlife thrive throughout networks of connected lands and waters in Western North America”*

*“Building the strength and capacity of local nonprofit organizations to serve the needs of our communities”*

*“Support exceptional leaders and innovative organizations that tackle important social issues and deliver scalable and sustainable impact”*

*“Harness advances in science and technology to save lives in poor countries”*

Foundations rarely work alone to address these major social and environmental issues. Nonprofit organizations, government entities, and even for-profit organizations may be working toward the same goals as foundations. So how much progress have all of these organizations, together, made? Only a minority of respondents—25 percent—believe that overall “a lot of progress” has been made to date on the goal to which their foundation is devoting most of its resources. (See Figure 3.)

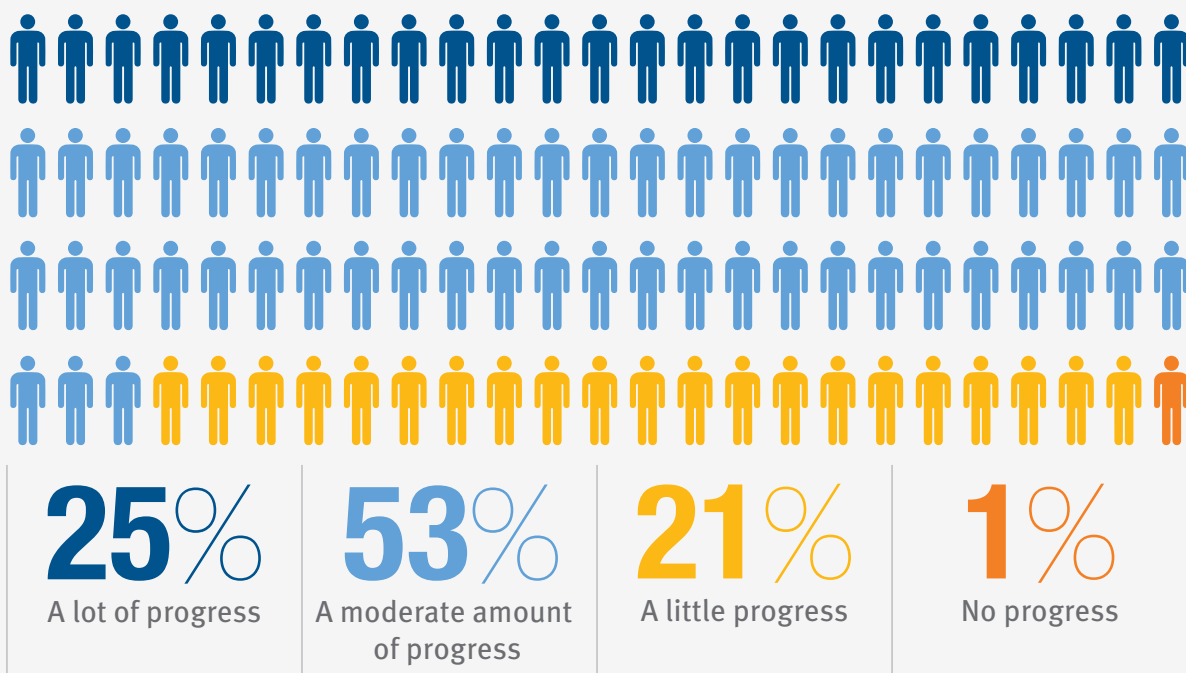
Almost as many CEOs (21 percent) believe that just “a little progress” has been made.

But respondents’ levels of confidence in their assessment of overall progress are mixed. More than half of CEOs are only somewhat, or less, confident in their assessment of overall progress. (See Figure 4.)

CEOs believe that more could be done to improve their ability to gauge progress. (See Figure 5.)

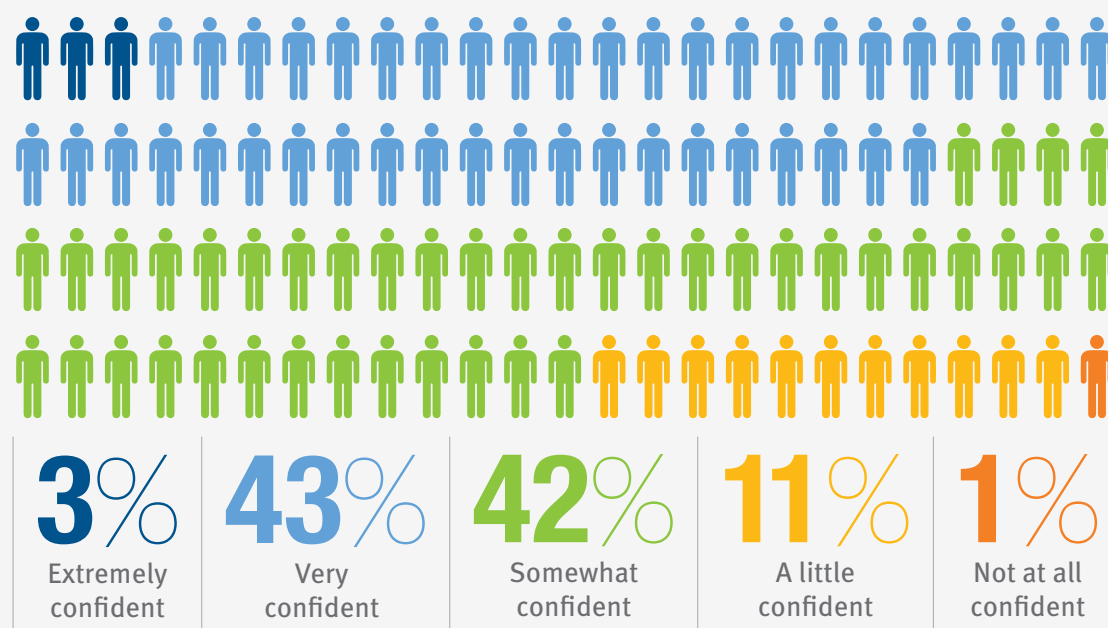
## FIGURE 3: Foundation CEOs’ Perceptions of the Overall Progress that Has Been Made

Percentage of foundation CEOs



## FIGURE 4: Foundation CEOs' Confidence in Their Assessment of the Overall Progress that Has Been Made

Percentage of foundation CEOs



They are seeking improved communication across organizations about what is being learned and more evidence-based information about what does and does not work. Greater consistency in the metrics/indicators used to measure progress is also widely desired. (In 2011, 26 percent of respondents to a survey we conducted reported using coordinated measurement systems with other funders, and 23

percent were considering using such systems.<sup>9</sup>) A greater understanding of the context in which their goals are being pursued would also be helpful, respondents say.

Of CEOs surveyed, 63 percent reported that *all four* of these changes in Figure 5 would improve their ability to assess the progress that has been made.

<sup>9</sup> Buteau, "The State of Foundation Performance Assessment: A Survey of Foundation CEOs," 10, <http://www.effectivephilanthropy.org/assets/pdfs/Foundation%20Performance%20Assessment.pdf>.

## FIGURE 5: Factors that Could Improve Foundation CEOs' Assessment of the Progress that Has Been Made

Percentage of foundation CEOs



Note: These percentages reflect respondents who said that these could "Somewhat improve," "Significantly improve," or "Extremely improve" their ability to assess the progress that has been made.



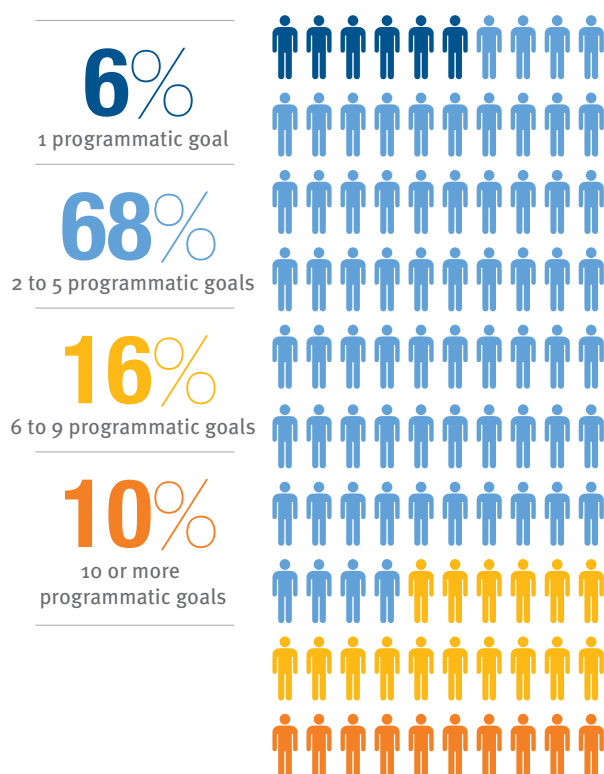
## What Are Foundations Working to Accomplish?

Foundation CEOs and boards frequently debate how narrowly to focus their efforts. Very few, just six percent, report that their foundation is focused on only one goal. Most indicate their foundation is working toward between two and five programmatic goals. (See Figure 6.)

Few CEOs believe their foundation's programmatic goals are completely clear (10 percent). Most think they are very clear (55 percent) or somewhat clear (30 percent). Goal clarity is correlated with greater confidence on the part of CEOs when it comes to assessment.

**FIGURE 6:**  
Number of Programmatic Goals  
Foundations Are Focused On

*Percentage of foundation CEOs*



Respondents who report that their foundation's programmatic goals are "very clear" or "completely clear":

- Tend to be more confident in their assessment of the overall progress that has been made toward their primary goal.
- Are more likely to strongly agree that their foundation has made progress in being able to understand its impact in the past decade.

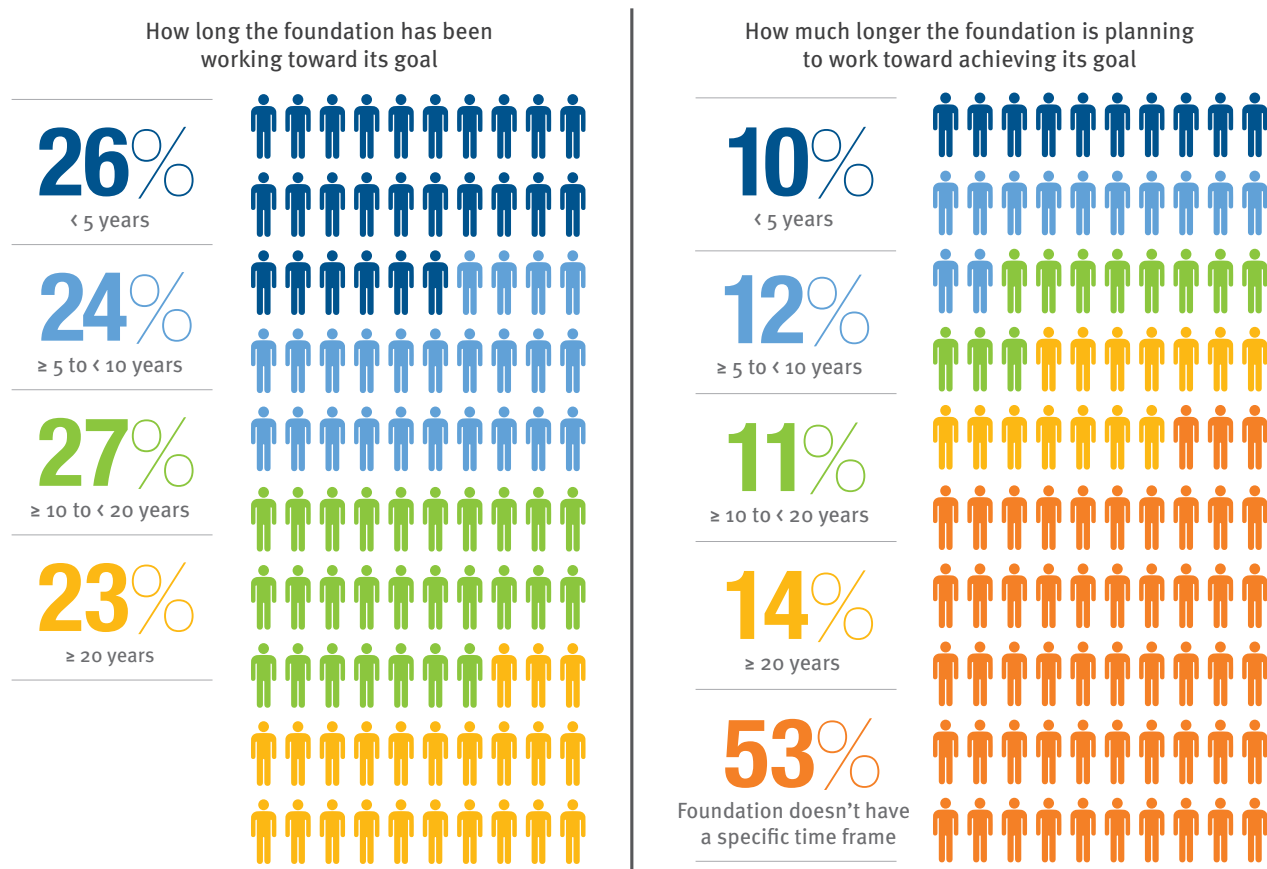


## Are We There Yet?

Foundation CEOs report a range of time horizons for the goals to which they are devoting the greatest proportion of their resources. Of CEOs surveyed, 74 percent report their foundation has been working toward the goal they specified for at least five years, and 23 percent report at least 20 years. A slight majority, 53 percent, report that their foundation does not have a specific time frame for continuing to work toward its goal.

**FIGURE 7:** Foundations' Timelines for Their Primary Goal

*Percentage of foundation CEOs*





## Do Our Findings Differ by Foundation Characteristics?

While conducting our analyses for this research, we examined whether or not findings in this study hold true for foundations of different types, asset sizes, and giving levels; foundations located in different regions throughout the country; the number of goals foundations are working toward and for how much longer they plan to pursue those goals; and the geographical scope of the primary goal a foundation is pursuing. There are very few findings that differed by *any* of these foundation characteristics at a meaningful statistical level. Throughout the paper we have noted the few places where meaningful statistical differences among foundation characteristics do arise.



## Implications: Questions to Discuss with Your Colleagues

Our survey findings suggest that important opportunities for getting a better sense of the state of progress could result from improved communication across organizations—foundations and others—about what they are learning through their work, more evidence-based information about what does and does not work, more consistent metrics and indicators, and a greater understanding of the context in which foundations are working. What can foundation staff do to make these changes happen? Here are some questions to consider:

How does your foundation communicate with other organizations about what it is learning through its work?

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- What is the last lesson or finding that your foundation communicated about publicly?

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➤ What determines whether your foundation does or does not communicate more broadly about what it is learning?

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What do you and your colleagues do to stay abreast of what other, similar organizations are learning? How do you stay aware of new evidence about what does and doesn't work?

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Does any organization in your field or region convene staff from the various organizations working toward the same goals to discuss what is being learned, and what evidence exists about what does and does not work?

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How are other organizations working toward similar goals measuring their progress? What shared measures could your foundation and other organizations use to help all involved better assess progress?

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## Finding Two

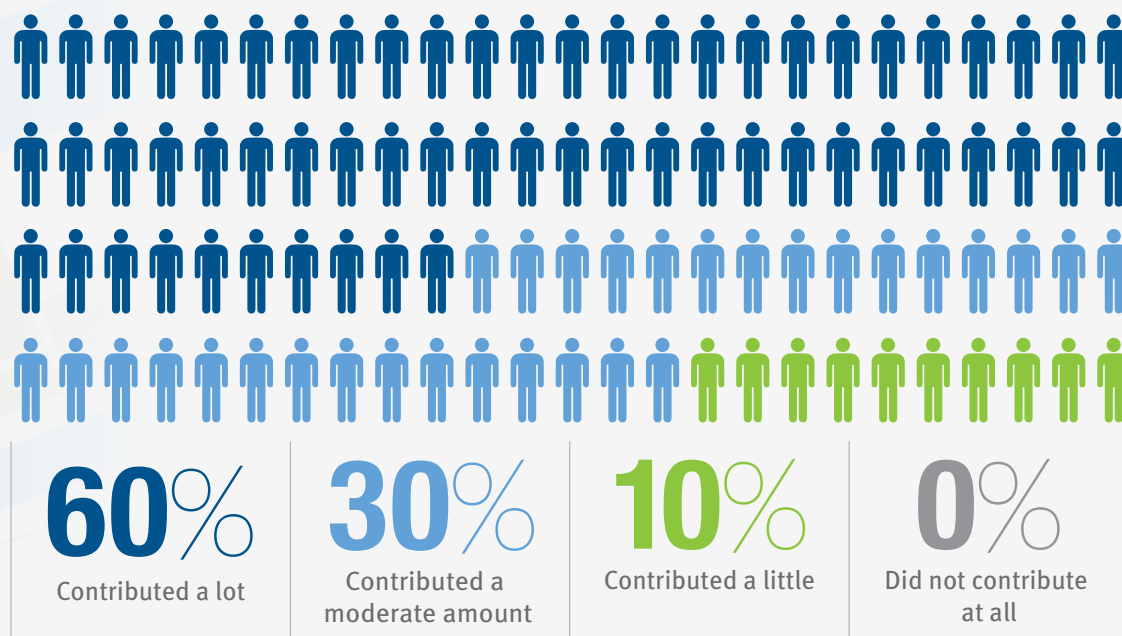
Foundation CEOs are more positive when it comes to gauging their own foundation's contributions to progress, with the majority believing that their foundation has contributed a lot to the overall progress that has been made.

CEOs are more confident about their foundations' progress in understanding impact than they are about progress among foundations in general.

Although only 25 percent of respondents believe that overall a lot of progress has been made on the goals to which they are devoting most of their resources, the majority of CEOs believe their foundation has contributed a lot to the overall progress that has been made.<sup>10</sup> (See Figure 8.)

## FIGURE 8: Foundation CEOs' Perceptions of Their Foundation's Contribution to the Overall Progress that Has Been Made

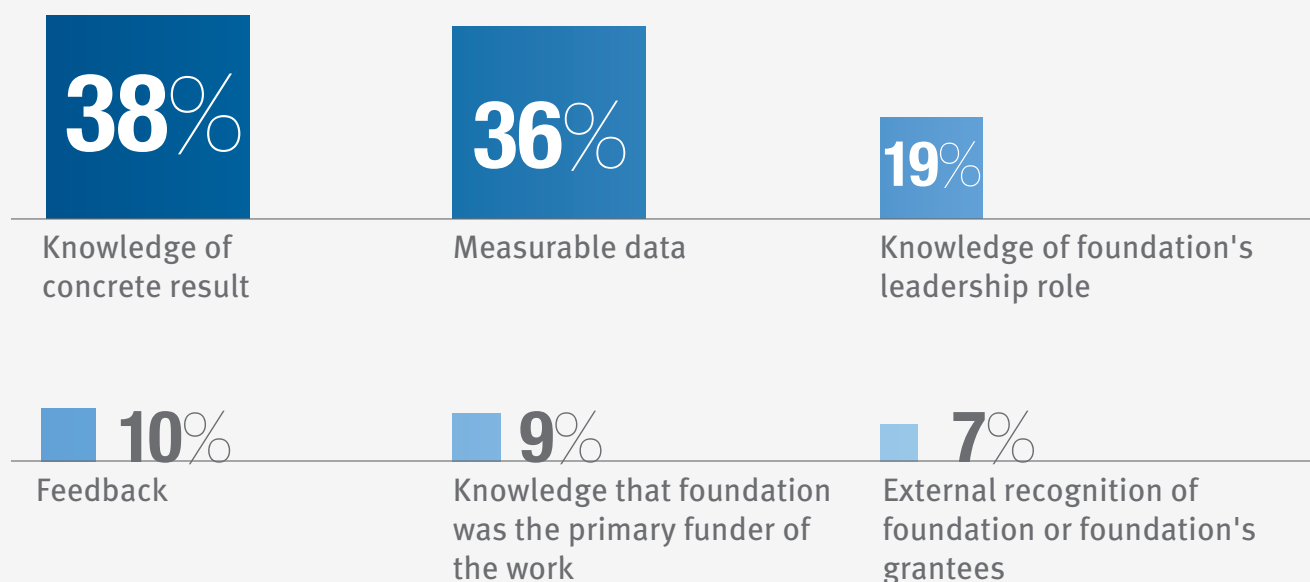
Percentage of foundation CEOs



<sup>10</sup> In previous research focused on strategy and assessment, we have also seen CEOs positively rate their foundation's ability to contribute to impact. In a 2008 survey, for example, we found that more than three-quarters of foundation CEOs believe their foundation is effective in creating impact, though only five percent rated their foundation as "extremely effective" in creating impact. Ellie Buteau et al., "Essentials of Foundation Strategy," *Center for Effective Philanthropy* (December 2009): 13, [http://www.effectivephilanthropy.org/assets/pdfs/CEP\\_EssentialsOfFoundationStrategy.pdf](http://www.effectivephilanthropy.org/assets/pdfs/CEP_EssentialsOfFoundationStrategy.pdf).

## FIGURE 9: Information CEOs Used to Understand Their Foundation's Contribution to the Progress

Percentage of foundation CEOs



On what is this sense of contribution based? We asked CEOs to share the best example of a contribution their foundation has made to the progress achieved toward its goal. We then asked them to describe, as specifically as they could, what information supports their sense that the foundation has made that contribution to the progress. We systematically coded their responses to understand how they came to this understanding about their contributions.

When describing their best examples of contributions, 35 percent of CEOs mention the type of role that their foundation played in its efforts to achieve its goal. The most frequent roles mentioned are funder (68 percent), convener (24 percent), and leader (18 percent). One CEO says, "We have provided the impetus, leadership, and resources necessary to achieve what has been produced to date." Another says, "We are providing almost 100 percent of the funding for [this project]."

Of respondents surveyed, 15 percent either use action verbs such as "launch," "establish," "institute," or "create" to describe the foundation's efforts in working toward its goal or describe the foundation as being the first or a pioneer organization in its funding. As one CEO says, "We were the first such program in the country and have consulted with more than two dozen other [organizations] in designing similar programs [since establishing ours]."

CEOs mention a variety of types of information that led them to understand their foundation's best contribution to progress. The two most commonly mentioned types of information are:

- knowledge of a concrete result that they believe was made possible by their foundation's contribution to the work;
- measurable data that indicated progress had been made on the goal toward which their foundation was contributing.

Less frequently mentioned types of information include knowledge of the foundation's leadership role in contributing to progress, general feedback from grantees or beneficiaries, knowledge that the foundation was the primary funder of an initiative, and external recognition of the foundation or its grantees.

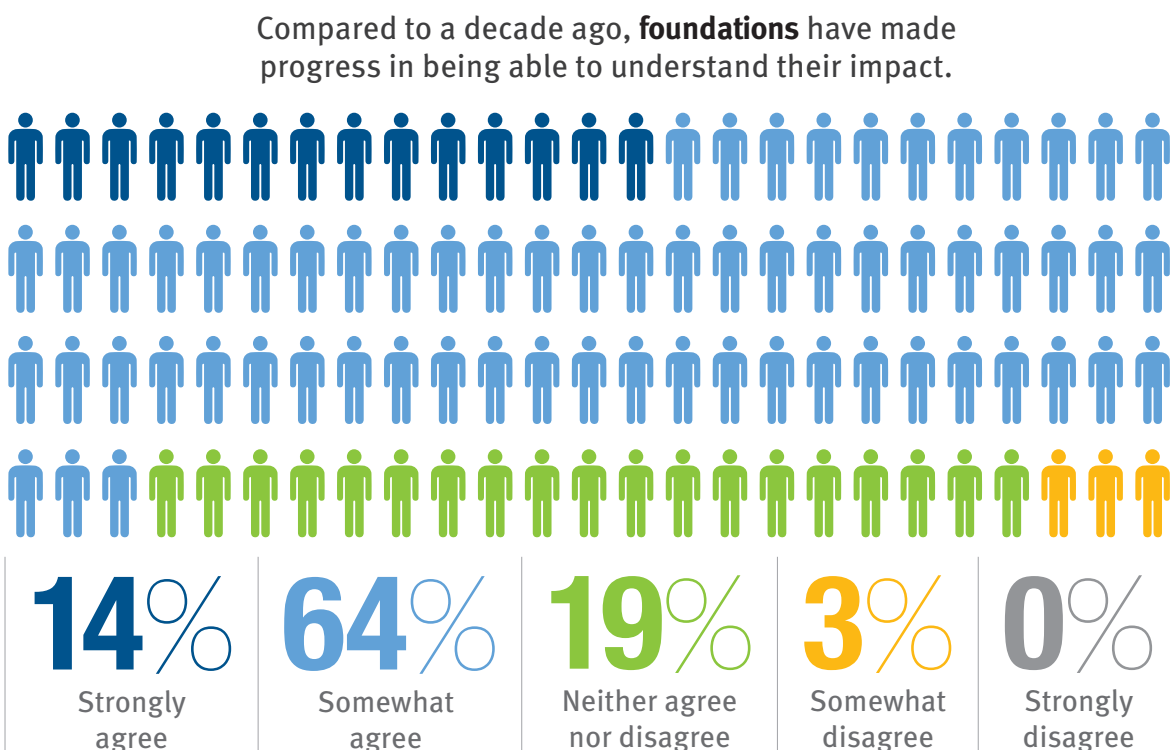
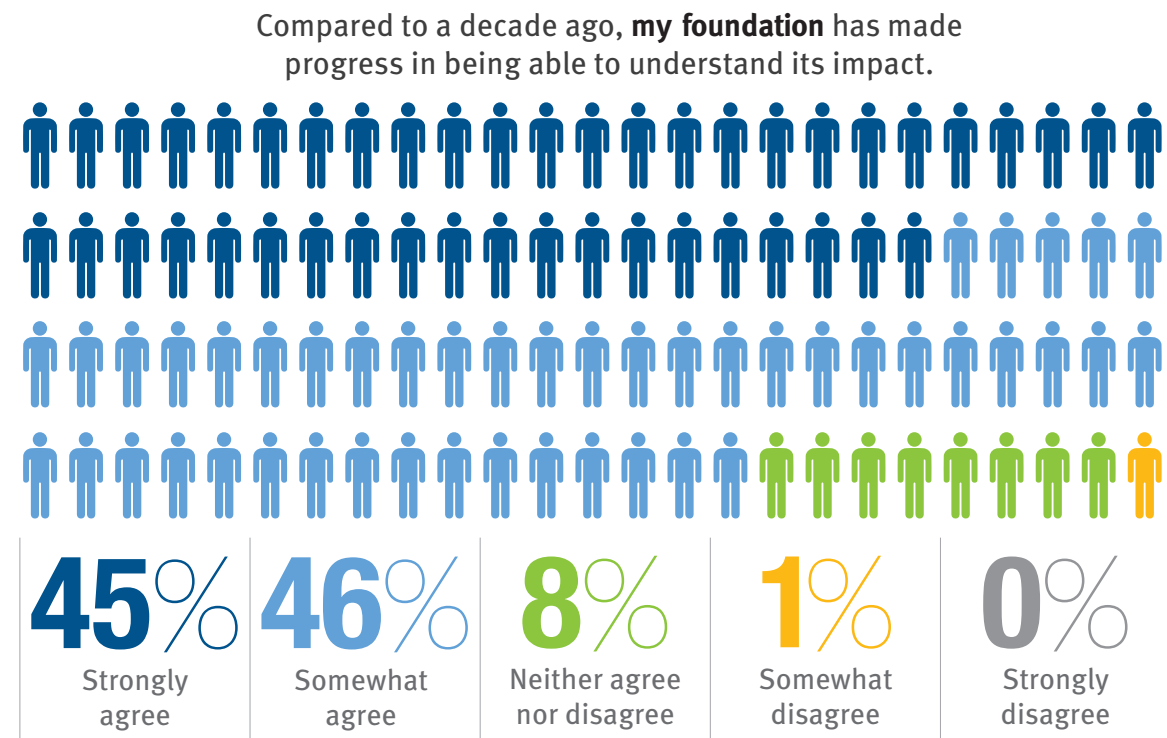
Examples of concrete results that respondents cite include the passage of legislation related to an issue on which their foundation worked, improved interaction between groups that the foundation has convened, and changes in the culture of the communities in which the foundation works. One CEO whose foundation has participated in a funding collaborative to support state-level organizations working on same-sex marriage equality reports that "since beginning this work, nine states have adopted

# Making Progress in Understanding Impact

Many CEOs see their foundations as having made strides in being able to assess impact. They are more confident about their foundations' progress in understanding impact than they are about progress among foundations in general.

**FIGURE 10:** Foundations' Progress in Understanding Their Impact

*Percentage of foundation CEOs*



civil marriage for same sex couples.”<sup>11</sup> Another CEO says “through investments in individual schools and charter management organizations, our support has helped schools reach scale in [our city] and has helped add seats for K–12 students such that they and their families have a greater degree of choice about where to obtain their schooling.”

The types of measureable data that CEOs mention varies widely. Examples include: student graduation rates, percentage of target group participating in a program, number of housing units constructed, and data collected through surveys. One foundation that provided support for its grantees to develop internal evaluation systems conducted an analysis that “showed that our investment in grantee evaluation capacity was correlated with greater outcome achievement on the part of grantees.” Another CEO

whose foundation supported new education models writes, “We are seeing improvements in attendance and even slight increases in high school graduation rates in these new schools.”

<sup>11</sup> As of publication of this report, the current number of states that have adopted civil marriage for same sex marriage has increased to 16.



## Exercise: Reflecting on Progress at Your Own Foundation

Here are some questions to consider with your colleagues:

How much do you believe your foundation has contributed toward the overall progress that has been made to date on your foundation’s key goal?

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What is the best example of a contribution your foundation has made to the progress achieved?

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- Do your colleagues agree? Or do they have different examples?

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As specifically as you can, describe the information that leads you to believe your foundation has made that contribution.

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- What types of information are each of you using to gauge contributions to progress?

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- How confident are you in the reliability of the various information sources you use to gauge progress?

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Have you shared information about your progress with other organizations working toward the same, or similar, goals? If not, which organizations would benefit from knowing about the work your foundation has done?

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## Finding Three

Foundation CEOs believe the greatest barriers to their foundations' ability to make more progress are issues external to foundations—particularly the current government policy environment and economic climate.

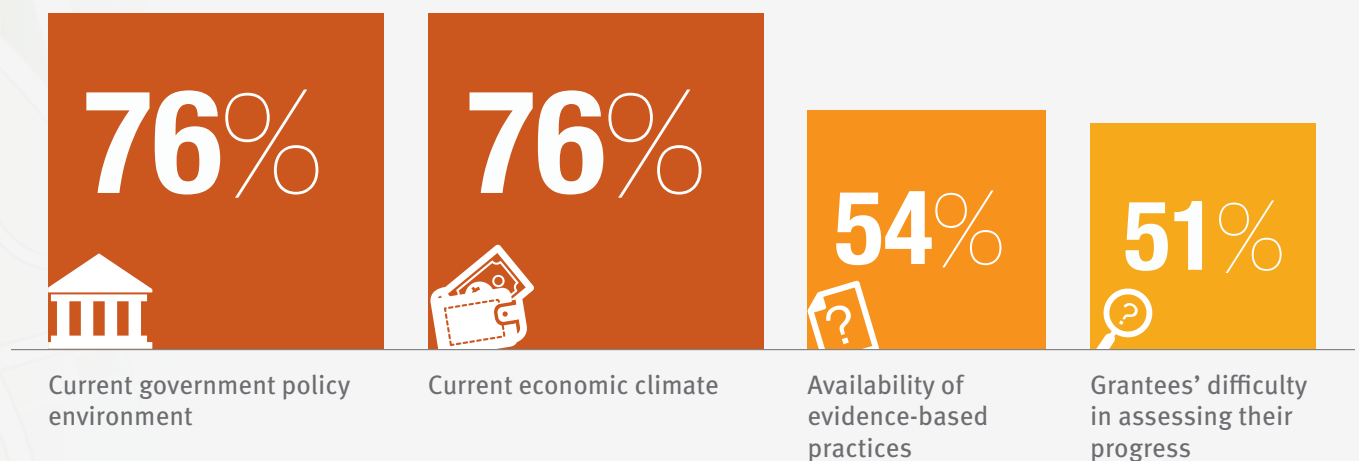


“While we concentrate on tax deductions, federal and state legislation is debilitating the human services programs that are critical to our communities; even with our best efforts, philanthropy cannot fill the gap alone.”

CEOs do not see many major barriers to their foundations’ ability to make progress. Respondents only identified two “significant” or “extreme” barriers, on average, from a list of 14 provided.<sup>12</sup> The greatest barriers respondents cite tend to be outside the foundation walls—specifically, the current government policy environment and economic climate.<sup>13</sup> (See Figure 11.)

## FIGURE 11: Greatest Barriers to Foundations’ Ability to Make Progress

Percentage of foundation CEOs



Note: These percentages reflect respondents who said that these were “Somewhat of a barrier,” “A significant barrier,” or “An extreme barrier.”

<sup>12</sup> Respondents were asked to classify barriers as being “Not at all a barrier,” “A slight barrier,” “Somewhat of a barrier,” “A significant barrier,” or “An extreme barrier.” Community foundation CEOs were asked to rate one additional barrier: “Difficulty engaging my community foundation’s donors in supporting this goal.”

<sup>13</sup> Whether or not the current government policy environment or the current economic climate is a barrier is not related to a foundation’s asset size or giving level.

## CURRENT GOVERNMENT POLICY ENVIRONMENT

The current government policy environment is a source of major frustration for foundation leaders—and it's worth remembering that this survey was fielded months before the government shutdown of fall 2013. Of the 76 percent of respondents who cite the current government policy environment as being a barrier to their foundations' ability to make progress, most say it is a significant or an extreme barrier. These respondents shared their frustrations with—and concerns about—changing government policies and levels of support. One says, "While we concentrate on tax deductions, federal and state legislation is debilitating the human services programs that are critical to our communities; even with our best efforts, philanthropy cannot fill the gap alone." Another explains, "As government retreats from important historical financial support, foundations will be challenged to achieve the same results or make important progress." Another says, "Cuts in the public sector increase demand on the philanthropic sector, not only to find more efficient ways to improve lives but also to provide the services that the public sector used to (and should) provide."

## CURRENT ECONOMIC CLIMATE

The current economic climate has also created barriers to foundations' progress, CEOs say. More than three-quarters cite the current economic climate as being at least somewhat of a barrier to their foundations' ability to make progress. One CEO explains that the "poor national economy is putting greater and greater demands on the financial and human resources of foundations. Financial resources have been negatively impacted by the economy: greater demand/less resources to address." A community foundation CEO shares concerns about "economic growth and the desire of charitably inclined individuals and families to provide for philanthropy in the future. I am seeing donors either unwilling to set up long-term charitable endowments or spend down the ones they have."

While the current government policy environment and the economic climate are seen as the biggest barriers, two other barriers are also cited by slightly over half of CEOs.

## EVIDENCE AND ASSESSMENT

A little more than half of CEOs, 54 percent, report that the lack of availability of evidence-based

practices related to the foundation's goal is at least somewhat of a barrier to progress. As discussed earlier, 91 percent of CEOs also believe that more evidence-based information about what does and does not work would improve their ability to assess the overall progress being made on their key goals. CEOs believe foundations can do something about this, though: 57 percent believe that foundations are in a position to provide more funding to increase the availability of evidence about what works.

Grantees' difficulty in assessing their own progress is cited as at least somewhat of a barrier by 51 percent of respondents. Data we collected almost five years ago reflects a similar concern, with program staff citing "a lack of skill, time, or knowledge" on the part of their grantees to collect the data the foundation needed to assess its performance.<sup>14</sup> When it comes to helping nonprofits develop these capacities, we have seen a disconnect between foundation and grantee perspectives. Although 75 percent of the foundation CEOs responding to this survey say their foundation supports nonprofits' efforts to collect data about their performance, the bulk of grantees say they're not getting this kind of help. In a survey we conducted in 2012, 71 percent of grantees report that they are not receiving any foundation support—financial or nonmonetary—to help them assess their progress.<sup>15</sup>

## WHAT'S NOT AS MUCH OF A BARRIER?

A minority of foundation CEOs identify the barriers in Figure 12 as getting in the way of their foundations' ability to make progress.



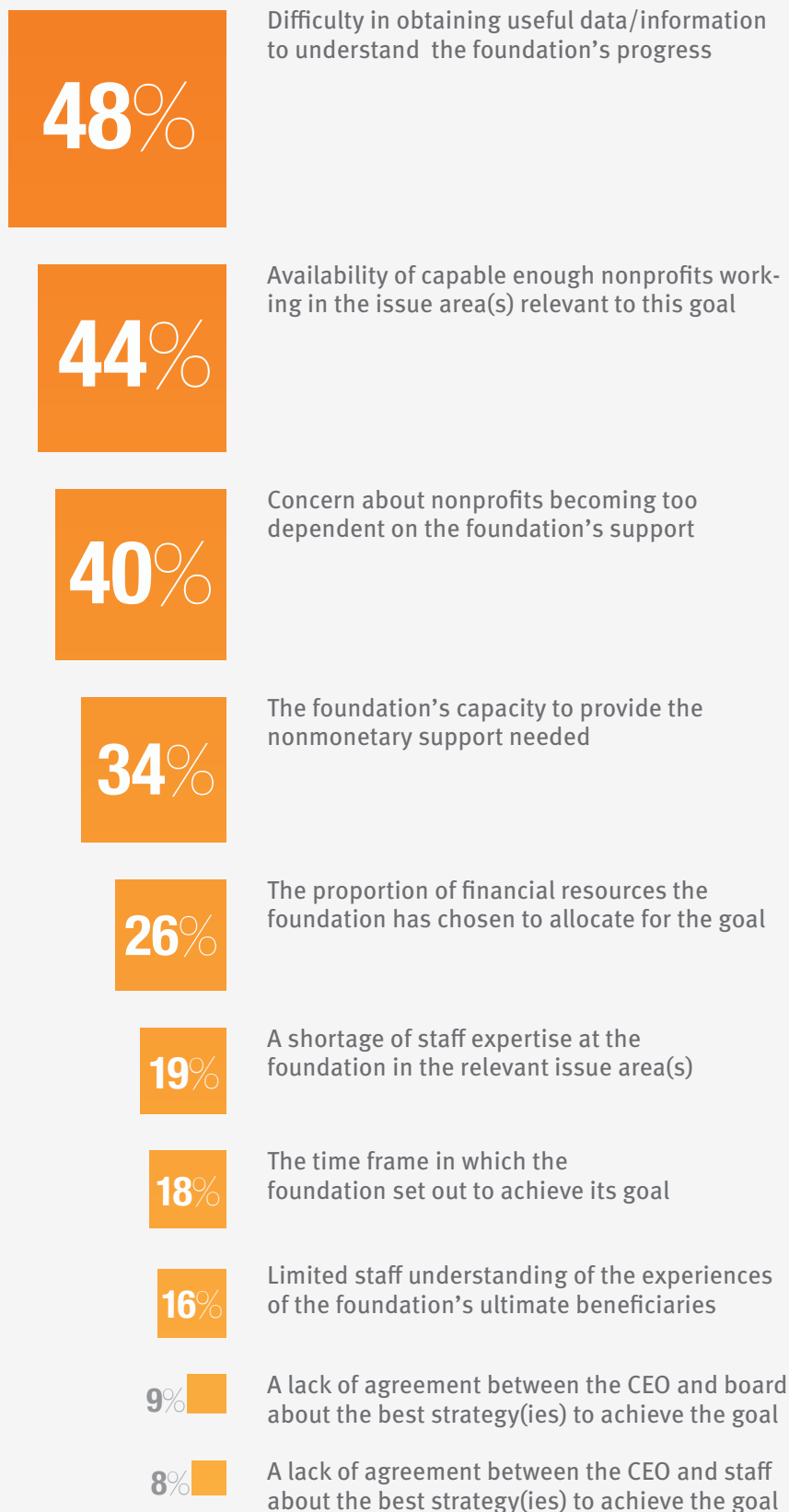
Fifty-seven percent of CEOs believe that foundations are in a position to provide more funding to increase the availability of evidence about what works.

<sup>14</sup> Buteau, "Essentials of Foundation Strategy," 15, <http://www.effectivephilanthropy.org/assets/pdfs/Foundation%20Performance%20Assessment.pdf>.

<sup>15</sup> Andrea Brock, Ellie Buteau, and An-Li Herring, "Room for Improvement: Foundations' Support of Nonprofit Performance Assessment," *Center for Effective Philanthropy* (September 2012): 6, <http://www.effectivephilanthropy.org/assets/pdfs/Room%20for%20Improvement.pdf>.

## FIGURE 12: Less Frequently Cited Barriers to Progress

Percentage of foundation CEOs



Note: These percentages reflect respondents who said that these were "Somewhat of a barrier," "A significant barrier," or "An extreme barrier."

### Barriers for Community Foundations



Community foundations face the additional barrier of engaging their donors in supporting their key goals. Almost half, 44 percent, of community foundation respondents say that this is at least somewhat of a barrier to their foundations' ability to make progress.

Additionally, 46 percent of community foundation CEOs say, "The proportion of its financial resources my foundation has chosen to allocate for this goal" is a barrier to their foundations' ability to make progress. This is a significantly greater percentage than that of independent foundation CEOs citing this as a barrier.



## Implications: Questions to Discuss with Your Colleagues

What are your foundation's greatest barriers to making progress on its key goals?

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- To what extent are these barriers internal as opposed to external to your foundation?

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- How does your foundation address these barriers?

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In what ways does government policy, or the current economic climate, make it more difficult for your foundation to make progress toward its goals?

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- What approaches has your foundation tried to work around these barriers?

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To what extent does your foundation already draw upon knowledge about what works in setting its strategies or making programmatic decisions?

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- Where does your foundation seek out evidence-based information?

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- Is there evidence available that's aligned with your foundation's grantmaking focus?

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- If there isn't, is there related evidence that you could apply to your foundation's work?

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In what ways can your foundation support the creation or dissemination of evidence about what works?

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What does your foundation do to support its grantees' efforts to assess their own progress?

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- How can your foundation better support its grantees' efforts in this work?

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- What lessons from your foundation's experience in assessing progress can you share with grantees?

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ONE

TWO

THREE

FOUR



## Finding Four

Most foundation CEOs say their foundation is already engaging in the practices they believe have the most potential to increase a foundation's impact—but they do see opportunities for changes in practice among foundations in general.



**FIGURE 13:** Practices that Can Increase a Foundation's Impact

Percentage of foundation CEOs



*Note: The percentages in the first column reflect respondents who said these practices have the potential to "Significantly" or "Extremely" increase a foundation's impact.*

Foundation CEOs share a common view of what it takes to increase impact. We asked whether a series of practices, many of which have been widely discussed in recent years, might lead to greater impact. (See Figure 13.) High proportions of CEOs say working with organizations across sectors toward shared goals, working with other foundations, supporting nonprofit efforts to collect performance data, and scaling successful programs or organizations would significantly or extremely increase a foundation's impact. But the majority also say that their foundation is already engaging in these practices.

The one place where self-reported foundation practice hasn't quite caught up to beliefs is seeking feedback from the ultimate beneficiaries of a foundation's work.

Almost three-quarters—73 percent—believe that foundations could have greater impact if they seek feedback from their ultimate beneficiaries, but just 59 percent report their foundation does so.



However, in previous research, we have seen still lower percentages of CEOs who report getting beneficiary feedback through surveys, focus groups, or convenings, suggesting that much of what is done today may be informal and anecdotal.<sup>16</sup> Compared to CEOs of foundations that are not yet seeking beneficiary feedback, CEOs of foundations that do are more likely to:

- Report that their foundation's strategy for achieving its primary goal is very or extremely effective<sup>17</sup>
- Strongly believe that their foundation has made progress in understanding its impact this past decade<sup>18</sup>

## PERCEPTIONS OF FOUNDATIONS BROADLY

When we turned the questioning to foundations more broadly, we see that CEOs have a number of critiques. We asked respondents to share their opinions on some issues that have been the focus of recent debate, conversation, or research.

### Sharing What Doesn't Work

Only 23 percent of CEOs believe foundations currently do a good job sharing information about what doesn't work. This assessment comes despite the fact that quite a bit of attention has been paid to this issue in recent years by the popular press, in sector media, and at conferences.<sup>19</sup> CEOs' tough appraisal of how foundations do in this area is echoed by grantees: In other research we conducted, we found that most grantees would like foundations to be more transparent about what they have tried but did not work in their grantmaking.<sup>20</sup>

**FIGURE 14:** Areas in Which Foundations Could Improve

Percentage of foundation CEOs



<sup>16</sup> Buteau, "The State of Foundation Performance Assessment: A Survey of Foundation CEOs," 8, <http://www.effectivephilanthropy.org/assets/pdfs/Foundation%20Performance%20Assessment.pdf>.

<sup>17</sup> There is a statistically significant relationship of a medium effect size between whether or not a foundation seeks beneficiary feedback and a CEO's perception of the effectiveness of the foundation's strategy.

<sup>18</sup> There is a statistically significant relationship of a medium effect size between whether or not a foundation seeks beneficiary feedback and a CEO's perception of how much progress the foundation has made in understanding its impact. In our previous research, we have seen that CEOs whose foundations collected beneficiary feedback believe they have a better understanding of their progress and impact: Buteau, "The State of Foundation Performance Assessment: A Survey of Foundation CEOs," 8, <http://www.effectivephilanthropy.org/assets/pdfs/Foundation%20Performance%20Assessment.pdf>.

<sup>19</sup> Stephanie Strom, "Foundations Find Benefits in Facing Up to Failures," *New York Times*, July 26, 2007, <http://www.nytimes.com/2007/07/26/us/26foundation.html>; Grantmakers for Effective Organizations' "Fail Fest" <http://www.geofunders.org/conferences/learning-conference-2013/program/sessions>; Judith Rodin, "Philanthropy Is the Go-To Partner for Risk," *The Blog, The Huffington Post*, April 18, 2013, [http://www.huffingtonpost.com/judith-rodin/philanthropy-is-the-go-to\\_b\\_3109714.html](http://www.huffingtonpost.com/judith-rodin/philanthropy-is-the-go-to_b_3109714.html).

<sup>20</sup> Andrea Brock, Ellie Buteau, and Ramya Gopal, "Foundation Transparency: What Nonprofits Want," *Center for Effective Philanthropy* (May 2013): 8, <http://www.effectivephilanthropy.org/assets/pdfs/transparency.pdf>.

## Learning More about What Does Work

Foundation CEOs also believe foundations could be doing more to support the creation of information about what *is* working. As mentioned before, more than half—57 percent—believe foundations should increase funding for availability of evidence about what works. In various issue areas—such as medicine, education and criminal justice—there has been a heightened focus on understanding successful practices. (See sidebar: Locating Evidence about What Works.) In *The Huffington Post*, Bridgespan CEO Jeff Bradach argues, “In a growing number of areas—whether it’s reducing teen pregnancy or helping those at risk of type 2 diabetes keep from getting the disease or finding ways for chronically homeless individuals to finally get off the streets into a home of their own—we increasingly know what works.”<sup>21</sup>

## Risk

Few CEOs believe foundations are taking enough risk. Only 18 percent disagree with the proposition that foundations are too risk averse, and more than half agree. Some foundations may experience a tension between the pull to embrace risk and the desire for evidence. Our past research has shown that the majority of CEOs believe there is an inherent tension between foundations focusing more on assessment and the freedom to take risks on innovative ideas.<sup>22</sup> (See sidebar: Foundation CEOs’ Greatest Concerns for Foundations.)

## Racial Diversity of Foundation Leadership



Diversity—in particular, racial diversity—has become an increasingly discussed issue in the context of foundation effectiveness.<sup>23</sup> Much of the data fueling these discussions has been about the demographics of foundation staff, leaders, and boards and the policies that foundations have regarding diversity.<sup>24</sup> But how do foundation CEOs perceive the connection between racial diversity and foundations’ ability to have an impact?

Nearly half of CEOs believe that foundations would be able to create more impact if their leadership teams were more racially diverse. Few disagree, but a sizeable percentage says they neither agree nor disagree with this sentiment. Nearly half also believe that foundations would be able to create more impact if their boards were more racially diverse.<sup>25</sup> Here again, a sizeable percentage say they neither agree nor disagree with this sentiment.

One CEO shared that he is concerned for the future of foundations because of the “disparities in power and authority given the disparities in resources and the relative lack of diversity in the make-up of people exercising decisions over those resources.”

Only 14 percent of CEOs responding to our survey self-identified as people of color, which is not surprising given the lack of racial diversity among the leadership of large foundations.<sup>26</sup>

<sup>21</sup> Jeff Bradach, “What If We Already Knew How to Tackle Some of America’s Thorniest Problems?” *The Blog, The Huffington Post*, June 19, 2013, [http://www.huffingtonpost.com/jeff-bradach/what-if-we-already-knew\\_b\\_3467351.html](http://www.huffingtonpost.com/jeff-bradach/what-if-we-already-knew_b_3467351.html).

<sup>22</sup> Buteau, “The State of Foundation Performance Assessment: A Survey of Foundation CEOs,” 6, <http://www.effectivephilanthropy.org/assets/pdfs/Foundation%20Performance%20Assessment.pdf>.

<sup>23</sup> Christian González-Rivera et al., “Funding the New Majority: Philanthropic Investment in Minority-Led Nonprofits,” *The Greenlining Institute* (February 2013): 3, <http://greenlining.org/wp-content/uploads/2013/02/FundingtheNewMajority.pdf>; Lawrence T. McGill, Brielle Bryan, and Eugene D. Miller, “Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits,” *Philanthropy New York and Foundation Center* (2009): 6, [http://www.philanthropynewyork.org/s\\_nyrag/bin.asp?CID=13586&DID=30307&DOC=FILE.PDF](http://www.philanthropynewyork.org/s_nyrag/bin.asp?CID=13586&DID=30307&DOC=FILE.PDF); Ellie Buteau and Kevin Bolduc, “CEP’s Work to Date on the Topic of Racial Diversity in Philanthropy,” *The CEP Blog, Center for Effective Philanthropy*, April 5, 2012, <http://www.effectivephilanthropy.org/blog/2012/04/cep%E2%80%99s-work-to-date-on-the-topic-of-racial-diversity-in-philanthropy-2/>; Ellie Buteau, “Are Funders and Their Grantees Discussing Racial Diversity?” *The CEP Blog, Center for Effective Philanthropy*, April 10, 2012, <http://www.effectivephilanthropy.org/blog/2012/04/are-funders-and-their-grantees-discussing-racial-diversity/>.

<sup>24</sup> “State of the Work,” D5, (2013): 7, [http://www.d5coalition.org/wp-content/uploads/2013/05/D5\\_State\\_of\\_the\\_Work\\_2013.pdf](http://www.d5coalition.org/wp-content/uploads/2013/05/D5_State_of_the_Work_2013.pdf).

<sup>25</sup> CEP’s earlier research indicates that getting full participation from board members of color is more likely to happen under certain circumstances. We found that when boards have three or more members of color, board members of color more strongly believe that they have an equal opportunity to have influence on the board. Phil Buchanan et al., “Beyond Compliance: The Trustee Viewpoint on Effective Foundation Governance,” *Center for Effective Philanthropy*, (November 2005): 19, [http://www.effectivephilanthropy.org/assets/pdfs/CEP\\_BeyondCompliance.pdf](http://www.effectivephilanthropy.org/assets/pdfs/CEP_BeyondCompliance.pdf).

<sup>26</sup> “State of the Work,” D5, 7, [http://www.d5coalition.org/wp-content/uploads/2013/05/D5\\_State\\_of\\_the\\_Work\\_2013.pdf](http://www.d5coalition.org/wp-content/uploads/2013/05/D5_State_of_the_Work_2013.pdf). A similar 2011 report reveals that that 82% of CEOs among the biggest foundations are white: “2010 Grantmakers Salary and Benefits Report,” *Council on Foundations*, (2011): 4, [http://foundationcenter.org/gainknowledge/research/pdf/cof\\_salary\\_2011.pdf](http://foundationcenter.org/gainknowledge/research/pdf/cof_salary_2011.pdf).



## Locating Evidence about What Works: Some Examples

There is a growing body of scientific evidence about what works—in education, health care, children, youth and family, and criminal justice, for example. Below is information about a few examples of national and international clearinghouses and registries that provide resources for evidence about what works across a variety of issue areas. These are meant to be examples, not a complete list. There are other sources for information on evidence-based practices including The Campbell Collaboration, Promising Practices Network, and Results for America.<sup>27</sup> Some of these efforts have received significant foundation funding. Most of these resources assess the quality of the research available and highlight interventions or research studies that pass muster.

### Institute of Education Sciences What Works Clearinghouse

**Issue area:** Education

**What it is:** An initiative of the Institute of Education Sciences at the Department of Education that reviews and assesses existing research in education.

**Resources available:** The What Works Clearinghouse (WWC) assesses research on the effectiveness of education interventions. The WWC conducts a comprehensive assessment of all research on a given intervention and then summarizes the findings of those studies that meet the WWC's standards.

**Assessment:** The WWC uses standards to assess the research design of individual studies. Studies that meet these standards have strong "internal validity," meaning the study findings reflect the impact of the intervention and not other factors in classrooms, schools or districts, for example. The WWC assesses research based on a study's research design. Studies are given one of three ratings: "Meets evidence standards without reservations," "Meets evidence standards with reservations," or "Does not meet evidence standards."

**How to use it:** Use the WWC database, tools and reports to see what the strongest research says about what works in education. You can also review the WWC's standards and guidelines for designing research studies.

**Where to find it:** <http://ies.ed.gov/ncee/wwc/>



## What Works Clearinghouse



<sup>27</sup> The Campbell Collaboration, <http://www.campbellcollaboration.org/>; Promising Practices Network, <http://www.promisingpractices.net/newsletters/news1204.asp>; Results for America, America Achieves, <http://www.americaachieves.org/tools-policy>.

## The Cochrane Collaboration: The Cochrane Library

**Issue area:** Health care

**What it is:** An international nonprofit that reviews and assesses research on interventions in health care.

**Resources available:** The Cochrane Database of Systematic Reviews provides reviews of health interventions based on research conducted primarily through randomized controlled trials.

**Assessment:** The reviews are based on assessments of study design and data resulting from studies about interventions.

**How to use it:** The Cochrane Collaboration does not provide any guidelines for how to use their resources, but their searchable library can be a useful tool to keep up-to-date on the latest research in health care.

**Where to find it:** <http://www.cochrane.org/>



## CrimeSolutions.Gov

**Issue areas:** Human services; criminal justice; children, youth and family

**What it is:** An initiative of the Office of Justice Programs that reviews the effectiveness of programs and practices related to criminal justice, juvenile justice, and crime-victim services.

**Resources available:** CrimeSolutions provides detailed information about the effectiveness of different interventions based on a rigorous assessment of evaluations done on those interventions.

**Assessment:** CrimeSolutions researchers only review programs and practices that have been evaluated with at least one randomized field experiment and whose findings have been published in a peer-reviewed publication. CrimeSolutions researchers then assess a program based on the degree to which it's grounded in existing research and assess the quality of the evaluation of the program based on the research design, the outcome evidence, and the program's fidelity. Those assessments are integrated, and each program or practice reviewed is given an evidence rating of "Effective," "Promising" or "No Effects."

**How to use it:** CrimeSolutions recommends using their resource to assist in decision making and inform the implementation of evidence-based programs or practices.

**Where to find it:** <http://www.crimesolutions.gov/>



## The National Registry of Evidence-based Programs and Practices

**Issue areas:** Mental health and substance abuse

**What it is:** The National Registry of Evidence-based Programs and Practices (NREPP) is an initiative of the Substance Abuse and Mental Health Services Administration and is an online searchable database of interventions that support mental health promotion, substance abuse prevention, and mental health and substance abuse treatment.

**Resources available:** Summaries for more than 310 interventions that have been assessed by NREPP's peer reviewers for the quality of the research supporting intervention outcomes and the quality and availability of training and implementation materials. The summary for each intervention includes the results of these reviews, as well as other relevant information.

**Assessment:** Quality of research (QOR) is rated with six criteria. Readiness for dissemination (RFD) is rated with three criteria: availability of implementation materials, availability of training and support resources, and availability of quality assurance procedures. All criteria for QOR and RFD are rated by independent, peer reviewers who use anchored scales ranging from 0 to 4. Overall ratings for QOR and RFD are calculated from an average of the ratings for the individual criteria.

**How to use it:** NREPP is a decision-support system and recommends using its resources as the first step to learn whether any of the interventions it assesses meets the user's needs. The registry recommends connecting with the developers of the intervention and other contacts before making any decisions regarding the selection or the implementation of an intervention.

**Where to find it:** <http://www.nrepp.samhsa.gov/>





## Foundation CEOs' Greatest Concerns for Foundations

Foundation CEOs voice a variety of concerns about the future of foundations, ranging from a sense that foundations are not collaborating enough to concerns about foundations' use of data. There was no one concern that a majority of foundation CEOs shared.

In response to an open-ended question about their concerns for the future of foundations, CEOs most frequently mentioned three: foundations' risk aversion and inability to adapt, government action regarding foundations, and economic or financial challenges facing foundations.

Of CEOs surveyed, 16 percent expressed concerns about foundations' lack of flexibility—their perceived unwillingness to make risky bets or to adapt and change with the times. One CEO is concerned about “the trend toward less risky investments and that too little funding will go toward policy change and advocacy, in favor of programs that can be more easily measured.” Another says his concern is “institutions becoming bogged down in process, analysis paralysis, and bureaucracy to the detriment of calculated risks and a willingness to try ideas and modify their work as needed.” Similarly, others expressed concern that foundations are not willing to adapt their priorities to respond to the changing needs of the times. One CEO worries about “[foundations'] ability to adapt their programs and grant procedures to the demands of the day...[and] their reluctance to take risks and to be willing to speak out/lead on issues facing our society.”

Another 16 percent of CEOs are concerned that the government is going to interfere with foundations' work by changing regulations in ways that result in less autonomy for foundations. One CEO shares his concern about “the bad practices of a few [foundations] creating an environment in which foundations become a target of political activism by either Congress or AGs [attorneys generals] that leads to increased regulation.” Another is concerned about “regulatory and tax policies that restrict philanthropic freedom or prevent the creation of wealth that endows foundations.”

Finally, 15 percent of CEOs are worried about the effect of the economy on foundations, particularly foundations' ability to maintain their endowments coupled with the increased demand for foundations' services that has been augmented by cuts in government services. One CEO worries “that [foundations'] available resources fall farther and farther behind relative to community need and political expectations.” One CEO believes that “the unique role of (endowed) foundations... is being squeezed by pressures to reduce governmental support for basic human needs (food, housing, health, education) and by business practices that focus too much on profit rather than broader societal responsibilities. This reinforces public expectations that foundations can fill gaps via charity and limits foundation experimentation and their role in catalyzing societal improvements.”





## Implications: Questions to Discuss with Your Colleagues

What information does your foundation publicly share about what has and has not worked in its experience?

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➤ Who at your foundation is responsible for determining which information about what does and does not work should be communicated externally?

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Where does your foundation go to locate evidence about what works on the issues your foundation supports? If there is not enough evidence, would you consider supporting the development of it?

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What does it mean at your foundation to take risks?

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➤ How comfortable is your foundation when it comes to taking risks?

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➤ What is holding your foundation back from feeling more comfortable taking risks?

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➤ What is the biggest risk that your foundation has recently taken? Why was it such a big risk? What was the consequence of having taken that risk?

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## Conclusion

The responses we received from CEOs of large foundations suggest a disconnect between their sober view of progress overall and the rosier assessment of the contributions made by their own foundations. Furthermore, most foundation CEOs see themselves as already doing most of what they believe is essential for creating impact and tend to point to barriers to their progress that are outside their foundations' walls. Finally, although they have plenty of critiques of foundations in general, most tend to have a positive perception of their own foundation.

There are a number of possible interpretations of these findings, some more generous and some less so. We highlight three here, and we believe that there are likely others, too.

1. **One possibility is that foundation leaders systematically overestimate their own successes.** This would hardly make them unusual: Research in other fields has documented what psychologists call “positive illusions” (the tendency of humans to see themselves as better than typical). This has been documented in a wide range of situations, including peoples’ views of their job performance, parenting abilities, and driving skills.<sup>28</sup> Perhaps foundation CEOs are especially susceptible to this phenomenon, given the lack of naturally occurring performance signals and the tendency of those around them—who are often grantees or those who aspire to be grantees—to provide affirming feedback.
2. **Another possible explanation is that foundations are achieving much more than we realize; that there is more good work happening than is appreciated because it is not communicated, even among foundations.** Foundation leaders are aware of their own foundation’s good work, but they do not have much, if any, information to understand how things are going at other foundations. For example, we see that the majority of foundations report collaborating with other foundations and other organizations, yet almost all CEOs simultaneously believe that communication across organizations working toward the same goals needs to be improved. So, perhaps the real problem is communication. Furthermore, it is possible that leaders of effective foundations are hesitant to communicate about their achievements because they know that their work requires many organizations to collaborate—and therefore worry about drawing undue attention to the foundation.
3. **A third interpretation is that the challenges foundations are working to address are so massive that while progress toward these big goals is modest, foundations can still rightly claim credit for significant contributions.** A foundation may see its contributions to alleviating poverty, for example, as significant even while acknowledging little progress toward the larger goal of ending poverty.

It’s possible that all three explanations play a role in what we see in the data. Regardless, our findings suggest that foundation leaders should take a hard look at themselves and their assessment of their progress. If, indeed, their contributions are significant, or they have come to realize what really works—or doesn’t—to make progress on an issue, then there is an opportunity to communicate that information more clearly so that others can learn from them. If anything is clear in our data, it is that foundations share an appetite for more information: for more evidence of what works, what doesn’t, and in what contexts. While this communication needs, of course, to be sensitive to the many organizations and actors working toward a particular goal, it’s clear that communication is crucial.

We hope these survey results, along with the reflection questions and resources, help motivate foundation leaders to confront some of their most vexing challenges more deeply when it comes to performance and impact.

<sup>28</sup> K. Patricia Cross, “Not can, but will college teaching be improved?” *New Directions for Higher Education* 1977, no. 17 (1977): 1–15; Andrew Wenger and Blaine J. Fowers, “Positive Illusions in Parenting: Every Child Is Above Average,” *Journal of Applied Social Psychology* 38, no. 3 (2008): 611–634; Ola Svenson, “Are We All Less Risky And More Skillful Than Our Fellow Drivers?” *Acta Psychologica* 47, (1981): 143–148.



## Questions for Reflection

How would you explain the discrepancy in findings across this paper? Do you agree with any of the interpretations above? Do you have a different interpretation?

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How often do you talk with your board of directors about your foundation's assessment of its progress?

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- How often does your board ask for an assessment of the foundation's progress?

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- How well do you believe your board members understand the foundation's progress and the barriers that are getting in the way of more progress?

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What are the biggest challenges your foundation is facing when it comes to:

- Understanding its performance?

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- Addressing its overall performance?

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## APPENDIX: METHODOLOGY

### SAMPLE

Two sets of criteria were used to determine eligibility for this research study. Foundations were considered for inclusion in this sample if they:

- were based in the United States;
- were an independent, community, health-conversion foundation or another type of foundation operating similarly to an independent foundation according to information from Foundation Directory Online and internal CEP staff knowledge;
- provided \$5 million or more in annual giving, according to the most up-to-date information available from Foundation Directory Online at the time this survey was fielded.

Individuals leading eligible foundations were included in the sample if they met the following criteria:

- had a title of president, CEO, executive director, or equivalent, as identified through the foundation's website, 990 form, or internal CEP staff knowledge;
- worked full-time in their role, defined as working 35 hours or more per week, according to information gathered from the foundation's 990 form, a phone call to the foundation if information was unavailable from the 990 form, and internal CEP staff knowledge;
- had an e-mail address that could be accessed through the foundation's website, a phone call to the foundation, or internal CEP staff knowledge.

A variety of sources were used to accurately determine eligibility against the criteria, including Foundation Center's Foundation Directory Online, foundations' websites, foundations' 990 forms, phone calls made to foundations, and knowledge internal to CEP about foundation staff.

In January 2013, 477 CEOs were sent an invitation to complete the survey. Later, five foundation CEOs were removed from the sample because the foundation had closed or because there was no CEO or someone in an equivalent position at the time the survey was fielded. Completed surveys were received from 211 CEOs for a response rate of 45 percent.

### METHOD

The survey was fielded online during a three-and-a-half week period from the middle of January to the beginning of February 2013. CEOs were sent a brief e-mail including a description of the purpose of the survey, a statement of confidentiality, and a link to the survey. CEOs who had not yet responded to the survey before its close were sent four e-mail reminders and were also reminded over the phone.

The survey consisted of 25 items, some of which contained several sub-items. The survey included items about 1) background information about the CEO and his or her foundation; 2) perceptions about the foundation's goals; 3) perceptions of the foundation's progress toward the goal to which it devotes the most resources; and 4) attitudes about a host of issues related to foundation impact. CEOs were asked to describe the goal to which their foundation devotes the most resources, the best example of a contribution their foundation made to the progress achieved toward that goal, the information that led them to believe that their foundation made that contribution, and what they are most concerned about regarding the future of foundations. CEOs were also asked to indicate if CEP could contact them for a brief discussion of the findings that resulted from the survey.

### RESPONSE BIAS

Foundations with CEOs who responded to this survey did not differ from nonrespondent organizations by asset size, giving, or location. CEOs of foundations that had used any of CEP's assessment tools were slightly more likely to have responded to the survey than CEOs of foundations that had not used any

tools.<sup>29</sup> CEOs of community and health-conversion foundations were slightly more likely to have responded to the survey than CEOs of independent foundations.<sup>30</sup>

## SAMPLE DEMOGRAPHICS

Of the foundations represented in the sample, 63 percent were independent foundations, while 30 percent were community foundations and the remaining 7 percent were health-conversion and other types of foundations. The median asset size for foundations in the sample was \$249 million and the median annual giving level was \$14.4 million.

## QUANTITATIVE ANALYSES

To analyze the quantitative survey data from foundation leaders, descriptive statistics were examined and a combination of correlations, independent samples t-tests, paired 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 statistical testing conducted for this research. Effect sizes were examined for all analyses. Unless otherwise noted, only findings reaching at least a medium effect size were discussed in this publication.<sup>31</sup>

## QUALITATIVE ANALYSIS

Thematic and content analysis was conducted on responses to the following four open-ended survey items:

- What is the programmatic goal toward which your foundation currently devotes the most resources? If your foundation devotes an equal amount of resources to two or more goals, please select **one** of the goals to share here.
- Please share the best example of a contribution your foundation has made to the progress achieved toward this goal.
- Please describe, as specifically as you can, the information that leads you to believe your foundation has made that contribution.

- What are you most concerned about regarding the future of foundations?

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. In coding responses to the first open-ended question, the codes were categorized only by program area.

A codebook was 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 question, and a second coder coded 15 percent of those responses. At least an 80 percent level of inter-rater agreement was achieved for each code for the open-ended items.

Selected quotations were included in this publication. These quotations were selected to be representative of the themes seen in the data.

<sup>29</sup> A chi-square analysis was conducted between whether or not foundation CEOs responded to our survey and whether or not those foundations has used a CEP tool, and a statistical difference of a small effect size was found.

<sup>30</sup> A chi-square analysis was conducted between whether or not foundation CEOs responded to our survey and whether those foundations were independent, community or health-conversion foundations. A statistical difference of a small effect size was found.

<sup>31</sup> Jacob Cohen, "A Power Primer," *Psychology Bulletin* 112, no. 1 (1992): 155-159.



## CEP FUNDERS

CEP's foundation funders are crucial to our success, supporting research initiatives and the development of new assessment tools. Foundation funders (listed by level of annual support) and individual contributors include the following:

### \$500,000 OR MORE

Robert Wood Johnson Foundation  
The William and Flora Hewlett Foundation

### \$200,000 TO \$499,999

Ford Foundation  
The Rockefeller Foundation  
W.K. Kellogg Foundation

### \$100,000 TO \$199,999

The Bill and Melinda Gates Foundation  
The David and Lucile Packard Foundation  
The James Irvine Foundation  
Lumina Foundation for Education  
The Wallace Foundation

### \$50,000 TO \$99,999

Gordon and Betty Moore Foundation  
The Kresge Foundation  
Stuart Foundation

### \$20,000 TO \$49,999

The Duke Endowment  
MacArthur Foundation  
Oak Foundation  
Realdania  
Rita Allen Foundation  
Rockefeller Brothers Fund  
Surdna Foundation

### UP TO \$19,999

Assisi Foundation of Memphis  
The Blandin Foundation  
California HealthCare Foundation  
The Colorado Health Foundation  
The Commonwealth Fund  
Conrad N. Hilton Foundation  
Doris Duke Charitable Foundation  
Evelyn and Walter Haas, Jr. Fund  
Houston Endowment  
The Jacob & Valeria Langeloth Foundation  
The John A. Hartford Foundation  
Lawson Foundation  
McKnight Foundation  
New Hampshire Charitable Foundation  
The Patterson Foundation  
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