

# ANNUAL REPORT 2016



THE CENTER  
FOR EFFECTIVE  
PHILANTHROPY

Improving Foundation Performance Through Data + Insight.

## 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, assessments, and programming and communications. This data helps funders understand how they can improve their performance and provides insight on key elements of foundation effectiveness.

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.

## MORE INFORMATION

Third-party assessments that CEP commissions, along with additional financial information, can be found on our website: [www.effectivephilanthropy.org](http://www.effectivephilanthropy.org).

## TABLE OF CONTENTS

Introduction Letter	3
Research	4
Assessments and Advisory Services	6
YouthTruth	7
Programming and External Relations	8
Financial Information	9
2016 CEP Funders	10
2016 Assessment and Advisory Services Subscribers	11
Board of Directors	12

# INTRODUCTION LETTER

June 9, 2017

Dear Colleague,

2016 was a year of dramatic change. As foundations ask more questions and think deeply about their work and role given this new context, foundation effectiveness matters critically.

At the Center for Effective Philanthropy (CEP), we work to provide resources to foundations to help them improve their effectiveness. Through our research, assessments, advisory services, programming, and other initiatives, CEP is dedicated to supporting funders with the data and insights they need to learn and improve.

In 2016, we pursued this in a number of ways — from the three major research reports we published, to our 88 different assessment and advisory services engagements, to numerous speaking engagements and blog posts delving into the different facets of foundation effectiveness. It was a busy year, and we invite you to read more about our activities in this annual report.

Sincerely,



Grant Oliphant  
*Chair, Board of Directors*  
*President, The Heinz Endowments*

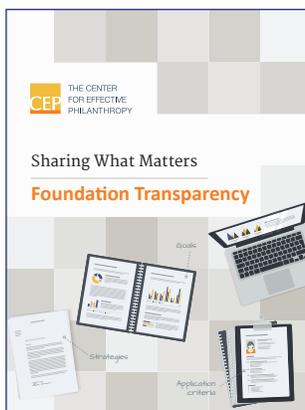


Phil Buchanan  
*President*  
[philb@effectivephilanthropy.org](mailto:philb@effectivephilanthropy.org)

# RESEARCH

CEP's research seeks to help foundations be as effective as possible by contributing data and insight to inform practice. In 2016, we published **three new research publications**: one looked at the meaning and state of practice of transparency among foundations; another, completed in partnership with the Center for Evaluation Innovation (CEI), provided comprehensive benchmarking data on foundation evaluation practices; and a third examined foundation CEOs' perspectives on the future of foundation philanthropy. We presented research findings from these reports at various convenings, including the 2016 meeting of CEI's Evaluation Roundtable, Grantmakers for Effective Organizations' 2016 National Conference, and the William and Flora Hewlett Foundation's 50th anniversary symposium.

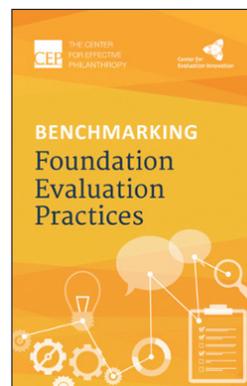
CEP's research team also made strides in 2016 on several other research initiatives, including studies on approaches to limited life philanthropy, the roles and experiences of program officers, and foundations' understanding of beneficiaries' needs. Reports resulting from these projects will be released in 2017.



Transparency is a much-discussed topic across sectors — philanthropy included. But for foundations, it's not always clear what is meant exactly by the word, who foundations' primary audiences for their transparency efforts are, or what might be the most important matters for funders to be transparent about.

To better understand transparency in philanthropy — both its meaning and the current state of practice among foundations — CEP analyzed survey data from 145 foundation CEOs and more than 15,000 grantees and systematically reviewed more than 70 foundation websites. Released in February 2016, [\*Sharing What Matters: Foundation Transparency\*](#) shows that funders see grantees as the primary audiences for their transparency efforts, and both foundations and grantees believe transparency about the substance of foundation work, rather than about financial disclosures or governance, matters most to effectiveness. The report also finds that foundations are doing well in certain areas when it comes to transparency, such as sharing information on their grantmaking processes and goals and strategies.

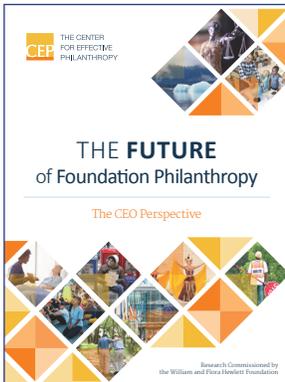
But when it comes to being transparent about how they assess their own performance and lessons learned from what has worked and what has not, foundations are less transparent. This comes despite a shared belief that it would be beneficial to do so — so both funders and grantees may learn and improve.



For foundations, there are many questions to reflect on when thinking about which evaluation practices best align with their strategy, culture, and mission. How much should foundations invest in evaluation? What can they do to ensure that the information they receive from evaluation is useful to them? With whom should they share what they have learned?

Developed in partnership with the Center for Evaluation Innovation (CEI) and released in September 2016, [\*Benchmarking Foundation Evaluation Practices\*](#) is the most comprehensive data collection effort to date on evaluation practices at foundations. The report shares data on crucial topics related to evaluation at foundations, such as evaluation staffing and structures, investment in evaluation work, and the usefulness of evaluation information.

## RESEARCH, CONTINUED...



Based on the perspectives of more than 200 foundation CEOs collected through in-depth interviews and a survey, [\*The Future of Foundation Philanthropy: The CEO Perspective\*](#) captures foundation leaders' views on challenges and concerns about the changing landscape in which they work,

practices they believe hold the most promise for helping foundations reach their potential, and the most pressing issues that will influence foundation philanthropy in the coming years.

Released in December 2016, the report shows that two-thirds of foundation CEOs believe in the potential of foundations to make a significant difference in society, but most do not see foundations taking full advantage of their opportunities for impact. However, it also finds reasons for optimism for the future of philanthropy: much of what CEOs see as standing in their way is under their control to change, and they identify a number of ways foundations can get closer to realizing their potential for the future — such as learning from the experiences of those they are ultimately trying to help and learning from the knowledge or experiences of grantees.

Accompanying the report is a [companion publication of reflections](#) on the research findings from CEOs of foundations of various sizes, scopes, and missions. The report was commissioned by the William and Flora Hewlett Foundation in conjunction with its 50th anniversary.



# ASSESSMENTS AND ADVISORY SERVICES

In 2016, CEP worked with **72 clients** — in **28 states** and **eight countries** — on **88 different assessment and advisory services engagements**.

We added several new questions drawn from our research findings to both our Grantee Perception Report (GPR) and Donor Perception Report (DPR) surveys. For example, we added a new set of questions to the GPR about the reporting and evaluation processes foundations use, as well as questions about funders' connections to beneficiaries. With the DPR, we revised the survey with a focus in particular on questions about donor motivation. We also designed new questions about how grantees and donors are responding to a changed political environment.

## GRANTEE PERCEPTION REPORT® (GPR)

The [GPR](#) provides funders with comparative, actionable feedback based on responses to a customizable online grantee survey. Through a mix of quantitative and qualitative data, the GPR answers crucial questions about foundation performance. In 2016, 50 funders commissioned GPRs. We worked with private, community, corporate, and public funders that range in asset size from less than \$1.5 million to more than \$10 billion.

In conjunction with the GPR, our Applicant Perception Report (APR) is a separate, shorter survey that gathers and analyzes feedback from a funder's declined applicants. In 2016, seven foundations used the APR alongside their GPR.

## DONOR PERCEPTION REPORT (DPR)

The [DPR](#) collects and assesses donor feedback on important topics such as satisfaction, relationships, and future giving to help community foundation leaders identify strategies for most effectively engaging their donors. The survey is customizable and explores donors' perceptions of the community foundations to which they contribute.

Since we launched the DPR in 2009, we have continued to see substantial growth in the use of the assessment, with more than 60 users to date. In 2016, seven community foundations used the DPR.

## STAFF PERCEPTION REPORT (SPR)

The [SPR](#) gathers feedback from foundation staff members about their engagement, satisfaction, experiences in the workplace, and views of foundation impact. The report contains a mix of quantitative and qualitative feedback — giving leadership the opportunity to assess their work environment and culture, to compare their ratings with peer institutions, and to use SPR feedback as a benchmark for internal changes and improvement efforts.

In 2016, nine funders used the SPR. Additionally, in planning for 2017, we designed a more streamlined option for funders looking for a less comprehensive employee survey.

## ADVISORY SERVICES

Our customized [advisory services](#) grew significantly in 2016. Across more than a dozen projects, our advisory work included: the publication of a major piece of commissioned research on the future of foundation philanthropy; helping a group of peers at different institutions compare the various ways they approach their work, structure their roles, and address common challenges; and advising funders on their philanthropic approach.



# YOUTHTRUTH

Designed to demonstrate the power of listening rigorously to intended beneficiaries, [YouthTruth harnesses student and stakeholder perceptions to help educators accelerate improvements in their K–12 schools and classrooms](#). Through validated survey instruments and tailored advisory services, YouthTruth partners with schools, districts, states, educational organizations, and education funders to enhance learning for all students. In 2016, YouthTruth received support from the Fund for Shared Insight.

YouthTruth surveyed a total of 148,049 students across 14 states in 2016. By the end of the year, YouthTruth crossed the threshold of a half a million students surveyed in its history.

YouthTruth also expanded its services in 2016, introducing new family and staff surveys to complement its core student surveys. The Family Survey highlights parent/guardian perspectives of their child’s school on six key themes: school culture, relationships, communication and feedback, engagement and empowerment, school safety, and resources. The Staff Survey highlights teachers’ and staff members’ perspectives of their school on four key themes: culture and communication, relationships, engagement and empowerment, and professional development and support.

Additionally, YouthTruth launched a new series of publications in 2016 called *Learning from Student Voice*, which share findings based on analysis of student perception data from YouthTruth’s aggregate dataset. As part of this series, YouthTruth published reports on four topics: [college and career readiness](#), [academic rigor](#), [bullying](#), and [school culture](#).

## YouthTruth

— STUDENT SURVEY —

A NATIONAL NONPROFIT

# PROGRAMMING AND EXTERNAL RELATIONS

Ensuring CEP's resources and insights are widely accessed and utilized is a top priority for the programming and external relations team. Toward that goal, in 2016 we continued to promote foundation effectiveness with research report designs, staff speaking engagements, the CEP blog, press mentions, social media, and two explainer videos featuring foundation leaders speaking to the power of [CEP's work](#) and the [Grantee Perception Report® \(GPR\)](#).

In April, CEP published a long-form, designed essay by CEP President Phil Buchanan, titled [Big Issues, Many Questions](#). In the essay, Buchanan explores the five most pressing issues facing U.S. foundations in 2016. From growing dissatisfaction with the so-called establishment to embracing collaboration and aligned action, the essay lays out the trends that foundation CEOs and boards cannot overlook or ignore.

Buchanan spoke about these issues in a [plenary talk](#) at the 2016 Philanthropic Foundations Canada Biennial Conference in November. Elsewhere, Buchanan and other CEP leaders presented insights from CEP's research and data in speaking engagements at several national and regional events, including ones hosted by Advancement Network, Arizona Grantmakers, Grantmakers for Effective Organizations, Grantmakers in Health, and Grants Managers Network, to name a few. Additionally, CEP hosted a webinar following the release of *Sharing What Matters*, in which several foundation leaders discussed their work on transparency in the context of the report's findings.

In August, we launched an updated website, featuring a sortable and searchable library for CEP research and a sleeker, more easily navigable CEP blog. The blog had a range of thought-provoking posts from staff and guest contributors throughout the year, including Bob Hughes, president and CEO of the Missouri Foundation for Health; Kate Wolford, president of the McKnight Foundation; Megan Tompkins-Stange, author of *Policy Patrons*; and Dave Biemesderfer, president and CEO of the Forum of Regional Associations of Grantmakers.

In 2016, CEP was mentioned in numerous media outlets including *Bloomberg*, *Fast Company*, *Yahoo! News*, *The Chronicle of Philanthropy*, the *Stanford Social Innovation Review (SSIR)*, and *Alliance Magazine*. Buchanan also appeared on *Take Two* on 89.3 KPCC National Public Radio in Los Angeles and *The Business of Giving with Denver Frederick* on AM970 The Answer in New York. He also continued to write columns for *The Chronicle of Philanthropy* and was named *The Nonprofit Times'* "Influencer of the Year" for 2016.

@CEPData

 15,120  
FOLLOWERS



**Big Issues,  
Many Questions**

An essay on the pressing issues facing U.S. foundation leaders and boards, by **Phil Buchanan**

# FINANCIAL INFORMATION

Statement of **financial position** for the year ended December 31, 2016  
*dollars in thousands*

	Unrestricted	Temporarily Restricted	Total
Total Assets	\$4,376	\$1,831	\$6,207
Selected Balances			
Cash	\$1,306	\$327	\$1,633
Investments	\$2,025	-	\$2,025
Pledges Receivable	-	\$1,345	\$1,345

Statement of **activities and changes in net assets** for the year ended December 31, 2016  
*dollars in thousands*

	Unrestricted	Temporarily Restricted	Total
Operating Revenue and Support			
Grants and Contributions	\$4,296	(\$999)	\$3,297
Earned Revenue	\$3,130	-	\$3,130
Total Revenue	\$7,426	(\$999)	\$6,427
Operating Expenses			
Program Services	\$5,984	-	\$5,984
Supporting Services			
Management and General	\$1,270	-	\$1,270
Fundraising	\$143	-	\$143
Total Supporting Services	\$1,413	-	\$1,413
Total Expenses	\$7,397	-	\$7,397
Change in Net Assets	\$29	(\$999)	(\$970)
Net Assets at Beginning of Year	\$3,615	\$2,830	\$6,445
Net Assets at End of Year	\$3,645	\$1,831	\$5,476

# 2016 CEP FUNDERS

## \$500,000 OR MORE



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

The David and Lucile Packard Foundation  
Ford Foundation  
S.D. Bechtel, Jr. Foundation  
W.K. Kellogg Foundation

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

Barr Foundation  
Rockefeller Brothers Fund

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

Gordon and Betty Moore Foundation  
The Kresge Foundation  
Rita Allen Foundation  
The Wallace Foundation

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

Carnegie Corporation of New York  
Charles Stewart Mott Foundation  
The Duke Endowment  
John D. and Catherine T. MacArthur Foundation  
Oak Foundation  
Surdna Foundation

## UP TO \$19,999

The Assisi Foundation of Memphis  
The Colorado Health Foundation  
Delaware Community Foundation  
Doris Duke Charitable Foundation  
Evelyn and Water Haas, Jr. Fund  
The Heinz Endowments  
Henry Luce Foundation  
Houston Endowment  
Kansas Health Foundation  
The Leona M. and Harry B. Helmsley Charitable Trust  
Longwood Foundation  
The McKnight Foundation  
New Hampshire Charitable Foundation  
New York State Health Foundation  
Richard M. Fairbanks Foundation  
Saint Luke's Foundation  
Sobrato Family Foundation  
Teagle Foundation  
Weingart Foundation  
Wilburforce Foundation

## INDIVIDUAL CONTRIBUTORS

Michael Bailin  
Paul Beudet  
Kevin Bolduc  
Phil Buchanan  
Tiffany Cooper Gueye  
Stuart Comstock-Gay  
Alexa Cortes Culwell  
Alyse d'Amico  
Phil Giudice  
Bob Hughes  
Barbara Kibbe  
Amanda King  
Latia King  
Patricia Koza  
Jean McCall  
Debra Natenshon  
Grace Nicolette  
Alex Ocasio  
Grant Oliphant  
Hilary Pennington  
Christy Pichel  
Nadya Shmavonian  
Vince Stehle  
Valerie Threlfall  
Jen Vorse Wilka  
Lynn Perry Wooten



# 2016 ASSESSMENT AND ADVISORY SERVICES SUBSCRIBERS

Alaska Mental Health Trust Authority

Arcus Foundation

Azim Premji Philanthropic Initiatives

Blue Cross Blue Shield of North Carolina Foundation

C & A Foundation

City Bridge Trust

College Futures Foundation

The Columbus Foundation

The Commonwealth Fund

The Community Foundation for Greater New Haven

The Community Foundation of North Louisiana

Community Foundation of Northeast Alabama

The David and Lucile Packard Foundation

Delaware Community Foundation

EMpower - the Emerging Markets Foundation

Episcopal Health Foundation

Eugene and Agnes E. Meyer Foundation

Ewing Marion Kauffman Foundation

The F. B. Heron Foundation

First 5 Santa Barbara County

Ford Foundation

Fund for Shared Insight

Gordon and Betty Moore Foundation

Grantmakers In Health

Hampton Roads Community Foundation

The Harvest Foundation

Hawai'i Community Foundation

Health Care Foundation of Greater Kansas City

Helios Education Foundation

Houston Endowment

James Graham Brown Foundation

The John A. Hartford Foundation, Inc.

John D. and Catherine T. MacArthur Foundation

The Kresge Foundation

Longwood Foundation, Inc.

Lor Foundation

Mama Cash Foundation

Mathile Family Foundation

Melville Charitable Trust

MetroWest Health Foundation

Minnesota Department of Employment and Economic Development (DEED)

The Morris and Gwendolyn Cafritz Foundation

Napa Valley Community Foundation

Nellie Mae Education Foundation

New Hampshire Charitable Foundation

The Nord Family Foundation

North Texas Community Foundation

Peter Kiewit Foundation

Philanthropy New York

Pisces Foundation

Raikes Foundation

REACH Healthcare Foundation

Realdania

Richmond Memorial Health Foundation

Rockefeller Brothers Fund

The Rockefeller Foundation

The Skillman Foundation

Thomas and Jeanne Elmezzi Private Foundation

The Trump Foundation (Israel)

Tufts Health Plan Foundation

W. K. Kellogg Foundation

The Wallace Foundation

Walton Family Foundation

William G. McGowan Charitable Fund

William Penn Foundation

Y & H Soda Foundation



# BOARD OF DIRECTORS

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The Heinz Endowments

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New Hampshire Charitable  
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