# Foundation Communications: The Grantee Perspective

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*Foundation Communications: The Grantee Perspective* is the first in a series of issue papers designed to provide practical and actionable research on discrete topics to foundation leaders. For more information on CEP's research and to download or order copies of this and other CEP reports, please visit www.effectivephilanthropy.org.

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# INTRODUCTION

There are many audiences with whom foundations need to communicate clearly, including the public, target populations, policymakers, colleague foundations, donors, grant-seekers, and grantees. Perhaps for no other audience, however, is the challenge of clear communication as important or as difficult as it is for grantees. The challenge of communicating with grantees is complicated by a vast power differential: Foundations have money; grantees need money.

As we reported in *Listening to Grantees: What Nonprofits Value in Their Foundation Funders* (2004), clarity of communication of goals and strategy is one of the three key dimensions that contribute to grantees' perceptions of satisfaction with foundations, as well as to perceptions of foundations' impact (*What Nonprofits Value in Their Foundation Funders*, page 5). Since we published that report, leaders at many foundations have asked us, simply, "How do we best communicate our goals with grantees?"

We have sought to answer that question through analyses of survey data compiled from nearly 17,000 grantees of 142 foundations collected over the past three years. We have also identified some best practices common to foundations that are highly rated for the clarity of their communications, drawing on interviews with foundation staff.

- There are three keys to effective communication of foundation goals and strategy:
  - Ensuring consistency among communications resources
  - Maintaining high-quality interactions, focusing especially on the responsiveness of foundation staff
  - Implementing selection and reporting/evaluation processes that are helpful to grantees

- Our analysis of the relative importance of foundations' communication resources to grantees suggests that two are essential in shaping grantees' understanding of foundations' goals and strategy:
  - Individual communications, which should reinforce funding guidelines
  - Funding guidelines, which should be as specific as possible

Individually, many of our findings may seem intuitive. Taken together, however, they argue for a more holistic approach to communications than we observe today at

*Grantees are typically a foundation's chosen agents of change, selected for their ability to create impact. The better a foundation can communicate its goals and strategy to grantees, the more effective these partnerships will be — and the more likely grantees will be to perform in ways that are consistent with a foundation's goals.*

many foundations. The responsibility for communication needs to be shared by all staff, even if one person is broadly responsible for the foundation's efforts in this area.

The solution to communication challenges is rarely simply hiring a new communications officer. Indeed, foundations of various sizes and types employing a variety of different staffing structures achieve high ratings in their clarity of communications.

Foundations that have highly rated communications resources do not necessarily have staff devoted full time to communications. Of the 10 foundations rated highest by grantees in clarity of communications, just four employ a full-time staff member with a title that indicates he or she is dedicated to foundation communications. Program officers, communications staff (at foundations that employ such staff), CEOs, and board members all have a vital role in defining goals and strategy and then communicating them clearly and consistently through a variety of means.

Why should clear communication with grantees matter? Grantees are typically a foundation's chosen agents of change, selected for their ability to create impact. The better a foundation can communicate its goals and strategy to grantees, the more effective these partnerships will be — and the more likely grantees will be to perform in ways that are consistent with a foundation's goals.

Improving clarity of communication of goals and strategy is therefore a crucial way a foundation can improve its chances of achieving its desired results.

# Key Components of Clear Foundation Communications

Clear communication with grantees requires the following three dimensions, which are influenced by a range of foundation practices and personnel. (See Figure 1, page 5.)

- Consistency of foundation communication resources

- Interactions: Responsiveness of foundation staff, approachability of staff, fairness of treatment of grantees

- Helpfulness of foundation selection and reporting/evaluation processes

We distilled these dimensions from our analysis of what influences grantee responses to this question:

How clearly has the Foundation communicated its goals and strategy to you?

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Not at All Clearly | | | | | | Extremely Clearly |

At the median foundation, grantees rated the clarity of foundation communications of their goals and strategy a 5.7 on this scale. The lowest-rated foundation received an average rating of 3.9, and the highest-rated foundation received a 6.7.[1] In addition to rating foundations on a numerical scale, grantees answered open-ended questions about the foundation's communications. Grantees typically responded thoughtfully and at length about what they value in their foundation funders, and we have included a few grantee comments (with identifying details removed to preserve confidentiality) to illustrate our findings.

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1 Based on data from grantees of 142 foundations. Grantee ratings of foundations on most dimensions tend to cluster toward the high end of an absolute scale.

Figure 1 Keys to Effective Foundation Communications of Goals and Strategy

Consistency of Resources

Clarity of Communications

Quality of Interactions

Helpfulness of Processes
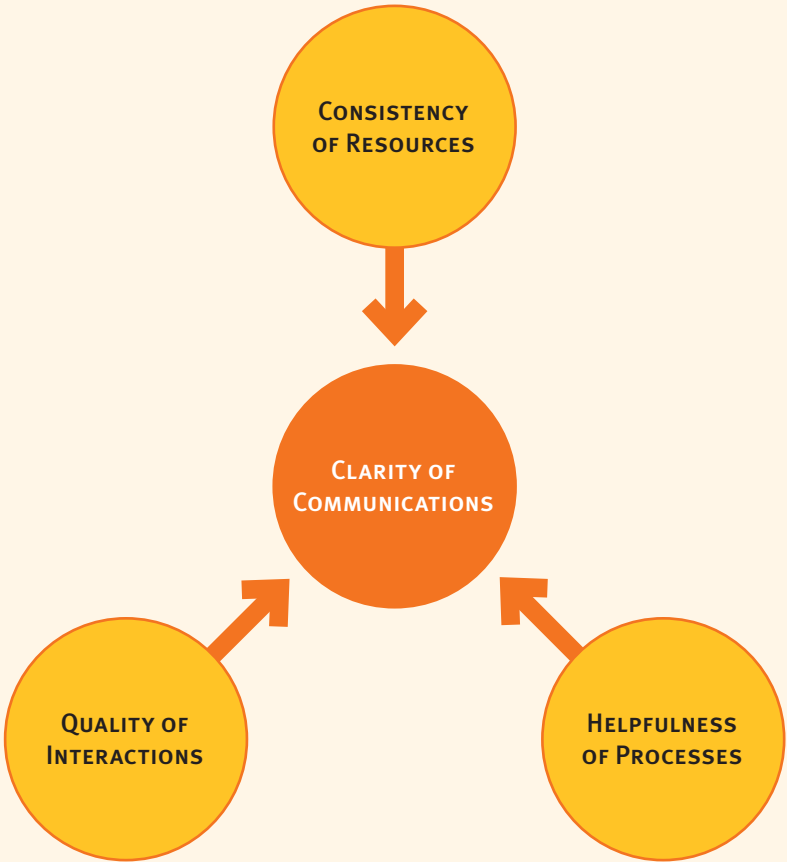
Forty-one percent of variance in grantee ratings of clarity of communications of a foundation's goals and strategy can be explained by grantee responses to six of our survey questions.[2, 3] These six questions fall into one of three categories: consistency of resources, quality of interactions, and helpfulness of grantmaking processes.[4]

## Consistency of Communications Resources

The most influential predictor of grantee ratings of a foundation's clarity of communications is the consistency of the information, both personal and written, provided by different communication resources. One frequent complaint grantees expressed is that explanations provided in written guidelines are inconsistent with explanations provided by program staff. For example, one grantee wrote:

> The foundation has committed and highly skilled [program] staff who help guide proposals through a rather Byzantine internal process. While staff are clear … public information is generally not available.

At this foundation, grantees noted that the program officers' communications reflected their most recent thinking about the foundation's goals and strategy, whereas written communications were out of date. It is, of course, common in all organizations for incremental improvements or changes in direction to add up to a messy collection of materials that provides inconsistent information to external audiences. In presenting Grantee Perception Report® (GPR) results to foundations, CEP staff have frequently observed this problem. We have seen that it is often symptomatic of an even larger one: a lack of internal agreement about goals and strategy.

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2  Includes 3,204 grantee responses about 28 foundations, all collected during CEP's Spring 2005 round of grantee surveys. It is important to note that results of regression analyses using only Spring 2005 data are largely consistent with the analyses performed on the full dataset, including data from five rounds of surveys, with the exception of "consistency of communications resources" showing up as a key predictor of grantee ratings. This question was added in the Spring 2005 round of surveys because this theme arose from analyses of grantee responses to open-ended questions.

3  Please note that our analysis cannot explain 59 percent of the variance in grantee ratings of clarity of communications. These are, after all, human relationships we are seeking to analyze, and human relationships are complex and dynamic.

4  In descending order of their ability to affect grantee ratings of clarity of communications, these questions relate to consistency of information provided by different communications resources offered by the foundation, both written and personal; helpfulness of the selection process in strengthening the grantee's program or organization; responsiveness of foundation staff; comfort approaching the foundation if a problem arises; helpfulness of the reporting/evaluation processes in strengthening the grantee's program or organization; and fairness of foundation treatment. These results are based on standardized regression coefficients.

# What Nonprofits Value in Their Foundation Funders

The relationship between foundations and grantees is much discussed, debated, and dissected. Competing theories abound regarding the key attributes of successful and satisfying foundation–grantee relations: Most are informed by speculation about what nonprofits really value. What is often missing from these discussions, however, is rigorously collected and large-scale data about the opinions of grantees.

In *Listening to Grantees: What Nonprofits Value in Their Foundation Funders* (2004), we sought to go beyond comparisons of individual foundation grantee perception data and address findings more globally through analysis of our Spring 2003 survey round, which included 3,184 grantees of 30 foundations. We identified three factors — which we refer to as the three dimensions of foundation performance that grantees value in their foundation funders — that best predict variation in overall grantee satisfaction. They are:

1) Quality of Interactions with Foundation Staff:
   fairness, responsiveness, approachability

2) Clarity of Communications of a Foundation's Goals and Strategy:
   clear and consistent articulation of objectives

3) Expertise and External Orientation of the Foundation:
   understanding of fields and communities of funding and
   ability to advance knowledge and affect public policy

These dimensions, and their implications for foundation leaders, are explored in detail in *Listening to Grantees*. Specific implications include making necessary investments in administrative costs to perform well on the three dimensions; supporting the development of specific and relevant expertise by program officers and foundation staff; aligning operations to optimize grantmaking patterns or policies that increase program officers' ability to concentrate on the three dimensions; seeking to maintain consistent focus and direction; ensuring consistency of policy and communications; communicating clearly, consistently, and accessibly; providing timely feedback to grantees; and seeking comparative, confidential grantee perspectives.

Foundation leadership needs first to ensure that there is agreement on goals and strategy — and how they are communicated. Disagreements should be identified and discussed, and, once resolved, communication resources and individual communications should be consistent in their tone and substance. Too often, grantees lament the lack of clarity in foundation communications in comments such as this one:

> *I think the foundation's staff is very good. However, their Web site is very hard to navigate, and I find their guidelines to be confusing and/ or contradictory with other statements made by staff and/or senior staff.... It is a great foundation, but its publications, Web site, and other communications strategies are hurting it — seriously.*

### Practical steps

- Conduct an audit of communications resources to assess consistency in descriptions of program and foundation goals.
  - Compare these written explanations of goals with program officers' verbal descriptions, and hold staff accountable for being as clear and consistent as possible across all communication mediums.
  - If necessary, revisit goals to ensure clarity and alignment within the foundation — from board members to program officers.
- Consider implementing a formal process for regular, objective review — by a third party, if necessary — of communications resources, if such a process is not already in place.

## Quality of Interactions

Another crucial group of predictors of grantee ratings of a foundation's clarity of communications is interactions with foundation staff, particularly perceived responsiveness. Two other related attributes that contribute to high ratings of clarity of communications are perceptions of foundations' approachability if a problem arises and fairness of treatment of grantees.

When foundation staff interact with grantees, it is crucial that they are responsive and prepared to answer grantee questions. As one grantee put it:

> *The attitude we have encountered has been one of "how can we help?" I am never worried about the response I will get, [and] I feel very comfortable asking questions.*

Interactions are important throughout the course of the grant. Because different people have different expectations of how much contact is necessary — or appropriate — both foundation staff and grantees need to keep the lines open.

High-quality interactions are dependent on an adequate number of foundation staff relative to the number of active grants. Foundations should assess the workload of their program staff to ensure they have enough time to be able to have high-quality interactions with grantees. CEP has collected staffing and grantmaking data from 90 foundations and observed a wide variation in the number of active grants that program staff are responsible for managing. A typical program officer in our sample manages 43 active grants, but this number ranges from a low of two all the way to a high of 283. It would be unrealistic to expect a program officer working with hundreds of grantees to provide the same level of responsiveness as someone working with just 10 or 20.

Grantmaking patterns — choices about grant size and duration — can also affect interactions, sometimes in unintended ways. We have seen many foundations choose to make one-year grants to the same grantees year after year because they are wary of limiting their flexibility by committing foundation funds for multiple years. But the cost of this approach can be high. Completing the proposal, reporting, and evaluation processes annually can require substantial time not only of nonprofits, but also of foundation staff.

In addition to personal communications, written communication resources, such as funding guidelines, can help set grantees' expectations with respect to interactions

> *We have seen many foundations choose to make one-year grants to the same grantees year after year because they are wary of limiting their flexibility by committing foundation funds for multiple years. But the cost of this approach can be high.*

and can facilitate personal interactions through simple measures such as highlighting staff contact information. Another grantee wrote:

> *It would be helpful to know exactly what the foundation likes in terms of contact from its grantees…. We sometimes feel we are bothering our program officers; other times, we feel they would like more contact. Clear guidelines about what is preferred would be appreciated.*

## Practical steps

- Establish and communicate common standards — particularly related to responsiveness — for program officers.

- Ensure that the foundation is staffed appropriately, so that program officers have enough time to provide high-quality interactions to grantees. This approach can sometimes require an investment of added resources, such as third-party support, professional development for existing staff, or hiring additional staff.

- Assess grantmaking patterns to ascertain whether they facilitate high-quality interactions. Be aware that making one-year grants to the same grantees year after year can result in time-consuming paperwork for both grantees and foundation staff, with little added value on either side.

- Consider involving board members in discussions about foundation–grantee interactions because determining staffing levels and grantmaking patterns are often board-level questions.

## Helpfulness of Grantmaking Processes

The third dimension of clear communication of goals and strategy is the helpfulness of the foundation's selection and reporting/evaluation processes. At critical moments, the selection process and the reporting/evaluation process can help reinforce — or

*At critical moments, the selection process and the reporting/evaluation process can help reinforce — or undermine — communications about the foundation's goals and strategy.*

undermine — communications about the foundation's goals and strategy. When the processes work well together, grantees notice:

> *The proposal submission process is streamlined; the form (just one!) to fill out is clear, straightforward, and makes perfect sense. Reporting requirements are optimal.... [This foundation] can serve as a model for other funders to emulate.*

At many of the highest-rated foundations, the process and requirements for interim and final reports are described in the same place — or at the same time — as the criteria and process for selection. These communications help grantees have a clear expectation of the requirements they will need to fulfill during the course of the grant.

One grantee wrote:

> *The foundation has the best system for communicating with grantees of all the foundations I have approached. Their materials clearly state the grant period and reporting requirements. Grantees receive reminder notices when reports are due.... Staff of the foundation are very accessible.*

Discussing reports and evaluations with grantees after they are submitted is one way foundations can increase ratings of the helpfulness of the process — and thereby improve grantees' ratings of clarity of communications. Yet just 47 percent of grantees report that they discussed completed reports and evaluations with foundation staff. In a comment typical of many we have seen, one grantee suggested that "reports disappear into a black hole."

Discussing completed reports and evaluations with grantees makes a real difference. Grantees who did not discuss completed reports/evaluations rated the helpfulness of evaluation an average of 3.8 on a 1–7 scale, where 1 is "not at all helpful" and 7 is "extremely helpful." This is in sharp contrast to the much higher average 5.1 rating given by grantees that did have a discussion with foundation staff.

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### *Practical steps*

- Understanding that communications efforts can either be undermined or reinforced by grantee experiences with the selection and reporting/evaluation processes, review these processes to ensure they reinforce foundation goals.

- Make clear to nonprofits before the grant is made how these processes will unfold, and then communicate with grantees about the reports they submit.

## Communicating During Times of Change

In presenting Grantee Perception Reports® — assessment tools provided to individual foundations based on comparative data gathered in our grantee surveys — over the past three years, we have worked with a number of foundations undergoing changes in their priorities, processes, and leadership. Some of these foundations surveyed their grantees during major changes, while others surveyed grantees immediately after changes had taken place. These foundations were often rated less positively than the median foundation in their communications. This makes sense: Grantees might be confused or unsure about what these changes might mean for the potential of continued funding from the foundation.

There are exceptions, however. Several foundations received high ratings from grantees even while making significant changes in their grantmaking. The David and Lucile Packard Foundation, for example, had undergone a significant reduction in grantmaking in the months preceding CEP's surveys.[1] CEP surveyed grantees who had been informed that their funding areas would be discontinued as well as grantees whose funding areas were to be continued. On most dimensions, there were no significant differences in how these two groups rated the foundation.[2,3] The key was that the foundation was proactive in informing grantees about changes. For example, the foundation's program officers, program directors, and CEO personally contacted each grantee whose funding was to be discontinued to explain the reasons for the cutbacks.

As one Packard grantee wrote:

> We understand that the foundation has been undergoing changes, and these changes have affected us as we try to understand the scope and focus of the foundation's interests and who we should talk with.... We appreciate the foundation's support for our work during this period and the candor and transparency of communication that foundation staff have shown — these have been invaluable.

As Chris DeCardy, the director of communications, told us, the foundation's communications flowed out of its programmatic goals:

> We were committed to smoothing the transition with grantees. So in that year, we increased our payout beyond the minimum 5 percent. With current project grants and multiyear grants, we worked with grantees to

*repurpose grants if that would be helpful to them. Further, we opened our organizational effectiveness program to phaseout grantees. In some cases, our transitions were longer term, and the funding we provided to some phaseout grantees lasted up to three years.*

DeCardy stressed that the foundation sought to be proactive and straightforward:

> *We had three goals in communicating these changes with grantees. We wanted first for grantees to hear from us directly, and not through others or innuendo. Second, we wanted grantees to hear from us as soon as we knew, and as much as we knew. Finally, if we didn't know the answer, we wanted to let grantees know that…. We also worked with our local newspaper here, … in advance of our announcements, so they interviewed us twice before we went public with the cutbacks. We wanted people to understand why we were making these changes — so there was the article, a letter from Dick Schlosberg [who was president and CEO of the foundation during the transitions] on our Web site, and our own calls and communications with grantees.*

Finally, leadership at the foundation was crucial, according to DeCardy:

> *I'd give a lot of credit to Dick Schlosberg for his leadership. He worked with trustees on key decisions. The first was to cut some funding streams but actually increase our grants budget in others, so that the foundation would not be half an inch deep and a mile wide in program focus. The second was to make the difficult decision on staff cuts to reflect the new grantmaking realities. So, during a time of great transition for us, Dick was instrumental in encouraging us to be clear-eyed in our goals, but then very thoughtful about what the cutbacks meant for grantees. That combination helped communicate both the "whats" and the "whys" through the transition.*

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1  In the interest of transparency and full disclosure, we would like to note that The David and Lucile Packard Foundation is a grant funder of CEP.

2  At 95 percent certainty.

3  The David and Lucile Packard Foundation posted excerpts of its 2004 GPR on its Web site at http://www.packard.org/categoryDetails.aspx?RootCatID=2&CategoryID=55&ItemID=1020.

# Communications Resources Most Valued by Grantees

Consistency of communications resources is the most important quality of highly rated communications of goals and strategy. But we also wanted to understand the relative value of individual communications resources to grantees.

We asked grantees whether they used five specific communications resources and, if so, how helpful they were.[5] The five resources we asked about were both written (funding guidelines, the foundation's Web site, the foundation's annual report) and personal (group meetings with foundation staff, individual communications with foundation staff).

We explored the value of specific resources by looking at which resources' helpfulness ratings best predicted ratings of clarity of communications. We found that individual communications and funding guidelines — when viewed as helpful — are the most important information sources in shaping grantees' understanding of the foundation's goals and strategy.

- By contrast, a foundation's Web site, annual report, and group meetings have a lesser effect on grantee ratings of clarity of communications.[6, 7]

- The helpfulness of individual resources matters much more than the number of resources accessed by grantees.

## Individual Communications

Of all grantees surveyed, 81 percent reported having had individual communications — one-on-one, as opposed to group meetings — and rate the helpfulness of these

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5   On a 1–7 scale, where 1 is "not at all helpful" and 7 is "extremely helpful."

6   At many foundations, the Web site functions as a conduit for other communications resources but is not, in itself, viewed as a critical resource for grantees in learning about the foundation.

7   These three resources — Web site, annual report, and group meetings — are actually not significant in regression analysis.

## Communicating with Declined Applicants

CEP has also surveyed declined applicants of foundations using a separate, shorter survey that includes many of the same questions we ask of grantees. Not surprisingly, declined applicants view foundations less positively overall. For example, on the question of clarity of communications, declined applicants rate foundations a 4.6 at the median, on a 1–7 scale, compared to 5.7 among grantees.[1]

Applicants' comments revealed several themes related to foundation communications about declined proposals. When asked for suggestions about how foundations can improve, applicants most frequently suggested clearer communications, particularly in funding guidelines, but also in individual interactions. Twenty-nine percent of all suggestions involve this theme of communications. The second most frequently suggested improvement— cited by 17 percent of applicants — is a request for "constructive" feedback on proposals from foundation staff.

For example, one applicant wrote:

> I wish the foundation had helped me improve my application, explained why I didn't get funded, given constructive criticism, and/or put me in touch with organizations that might have funded this project.

And in the words of another, who viewed the foundation's communications positively despite bring declined:

> I think [the foundation] has a clear vision of what it wants to accomplish, but, most important, it communicates [its] vision clearly and is incredibly receptive to ideas and new concepts. Even when not funded, the process is positive and nurturing.

1   Median of averages Based on 597 applicant responses about 10 foundations for which this question was asked in a comparable manner.

conversations a 6.5 on a 1–7 scale at the median foundation. This is the most valuable resource to grantees in learning about a foundation's goals and strategy.

Recognizing this, some foundations have made individual communications an expected part of the grant application process. One of these foundations is the Kalamazoo Community Foundation, which requests that all nonprofits considering submitting an application to the foundation contact staff to set up an hour-long pre-application conversation.[8] This part of the application process was formalized in 2001 after the foundation underwent a strategic planning process. At that point, foundation staff created and began to send grantees a detailed packet after these pre-application conversations. These packets contain guidelines that are more detailed than those available on the Web site and provide examples of the proposal write-ups that go to the foundation's board.

This approach of holding pre-application conversations with all nonprofits is certainly time-intensive, but it is seen as a wise investment of foundation resources. Carrie Pickett-Erway, senior community investment officer at the foundation, told us, "having these pre-application materials prepared is actually an efficiency tool" that helps staff maintain consistency. Program officers also conduct mock pre-application conversations with new program staff as part of the foundation's orientation.

> *One of the first things I was taught seven years ago [when I joined the foundation] directly by the CEO is that our role as program officers is to help grantees put their best foot forward. There is, at the core of what we do, acknowledgment that the nonprofit community is the place where the real work happens, so getting to know nonprofits and creating relationships with them strengthens our ability to have an impact…. so our approach evolved into a heavy relationship-building process.*

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8   The Kalamazoo Community Foundation commissioned a Grantee Perception Report® from CEP in Spring 2004 and granted CEP permission to talk about its processes and some of its ratings in this report.

The approach is paying off in high marks from grantees. In the words of one Kalamazoo Community Foundation grantee:

> *Working with foundation staff is extremely helpful because they are well-organized, clear, and concise. They make the process as understandable as possible and are supportive.*

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### *Practical steps*

- Gather staff to talk about their individual approaches to communicating with grantees and encourage internal sharing of practices.

- Consider creating an internal guide explaining those practices — as well as the foundation's underlying philosophy on communicating with grantees.

- Provide orientation to new staff that includes standards on communicating with grantees.
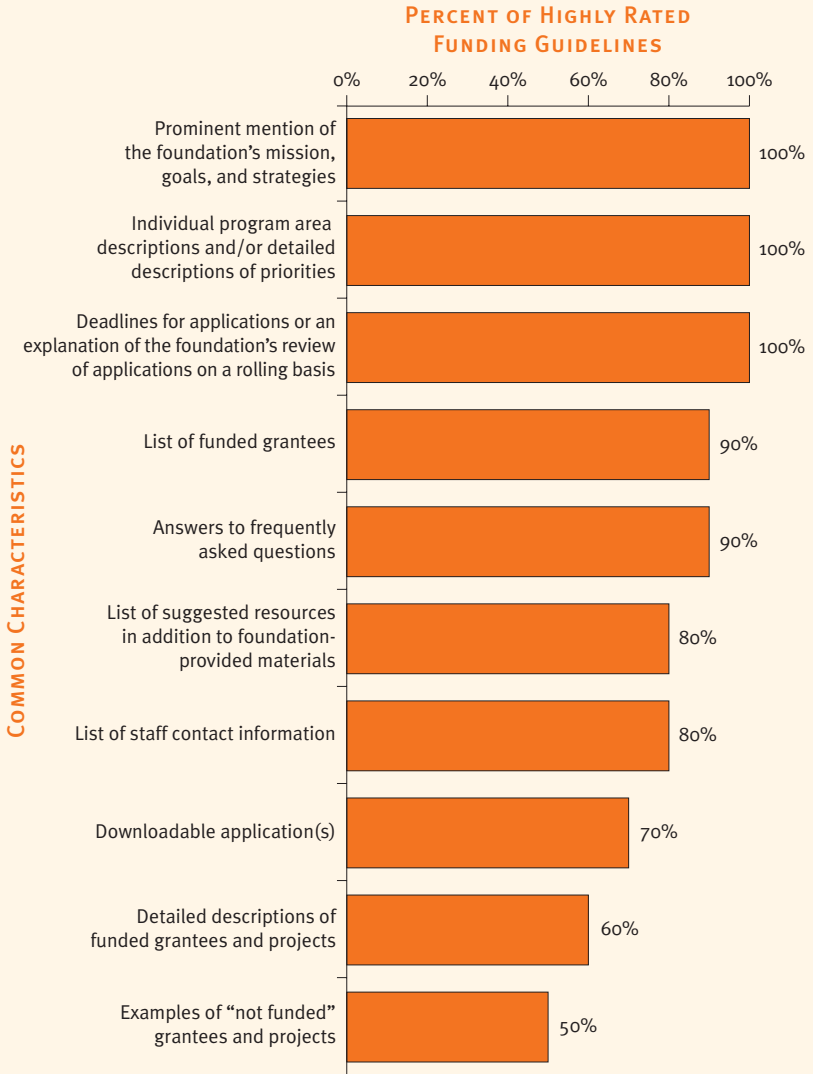
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## Funding Guidelines

The other key resource on which grantees rely is the foundation's funding guidelines. Guidelines are utilized by 72 percent of grantees, and they rate the helpfulness of guidelines a 5.9 at the median foundation. It is important to note that grantees rarely rely on individual communications alone: They typically use at least these two resources. Funding guidelines are the crucial written resource to grantees; much more valuable, than, for example, a foundation annual report.

We explored the common features of the 10 foundations with the highest rated guidelines. Each has highly detailed funding guidelines that are also available on the Web. Common characteristics are shown in Figure 2, page 18.

Although foundation staff sometimes prefer keeping guidelines vague to allow themselves more flexibility in grantmaking, detailed guidelines are very useful to grantees and prospective applicants. One grantee wrote, "I find the guidelines to be so general as to not be very helpful." And another grantee commented, "Grants lists … would be even more helpful if they contained more detailed descriptions of the funded projects."

# Figure 2 Common Characteristics of Highly Rated Funding Guidelines

**Percent of Highly Rated Funding Guidelines**

| Common Characteristics | Percent |
|---|---|
| Prominent mention of the foundation's mission, goals, and strategies | 100% |
| Individual program area descriptions and/or detailed descriptions of priorities | 100% |
| Deadlines for applications or an explanation of the foundation's review of applications on a rolling basis | 100% |
| List of funded grantees | 90% |
| Answers to frequently asked questions | 90% |
| List of suggested resources in addition to foundation-provided materials | 80% |
| List of staff contact information | 80% |
| Downloadable application(s) | 70% |
| Detailed descriptions of funded grantees and projects | 60% |
| Examples of "not funded" grantees and projects | 50% |

*Funding guidelines can serve to reduce the time spent on unproductive interactions with prospective applicants who have little chance for success.*

Clear, specific funding guidelines can help nonprofits assess for themselves whether they are likely to fit within a foundation's grantmaking priorities and thus avoid wasting time writing proposals that are unlikely to be funded. With clearer guidelines in place, the proposals that applicants do submit are likely to be of higher quality and relevance. Funding guidelines can serve to reduce the time spent on unproductive interactions with prospective applicants who have little chance for success, freeing up staff time for nonprofits that fit well with the foundation's priorities.

Many foundations' guidelines lack that kind of clarity, however. As one grantee suggested in a typical comment:

> *The guidelines could be more explicit in terms of what [the foundation] will and will not support.... Consequently, an organization can spend hours writing a proposal only to find out that [the foundation] doesn't support this kind of project.*

## Practical steps

• Review funding guidelines to make sure they reflect the foundation's current thinking about its goals and strategy — and require that foundation staff use these guidelines as the basis for discussions with grantees.

• Consider adding to guidelines specific examples of funded grantees or projects, answers to questions that are frequently asked of foundation staff, as well as other resources to help nonprofits in their work.

# CONCLUSION

This challenge of communicating clearly is a difficult one for foundations, especially given the power differential between those who have money and those who seek it. As one grantee wrote:

> It is difficult ... to understand whether the foundation has clear priorities, or what the foundation looks at and thinks about when evaluating a proposal.... Maybe this is a conscious choice by the foundation, but it does raise some questions for us.

The first step in improving communications is conducting an objective audit of existing communications resources and assessing whether additional resources need to be devoted to communications. Foundations should look closely at their staffing and grantmaking patterns, involving the board as appropriate, to ensure that staff have the resources to be able to interact with grantees in a consistent and responsive manner. Foundation staff and board should also recognize that high-quality interactions and communications may require additional investments of time or money.

*"I think the foundation offers clear and precise resources. It's not just that the materials are clear — it's that [they] seem to reflect a clarity of purpose.... So many funders skip from issue to issue, and there is a sense of purposeful direction with [the foundation], which is refreshing."*

In assessing communications, foundations may also need to revisit their goals and strategy from the ground up. Do clear goals exist in the first place? The best communications stem from a clear vision. We have focused on communicating goals and strategy, making the assumption that those goals and strategy exist and are well conceived. This, of course, is not always the case, and CEP is exploring the question of strategy development in another, separate research initiative. But we know that clear foundation goals are appreciated by grantees. As one grantee observed:

> *I think the foundation offers clear and precise resources. It's not just that the materials are clear — it's that [they] seem to reflect a clarity of purpose…. So many funders skip from issue to issue, and there is a sense of purposeful direction with [the foundation], which is refreshing.*

It is important to know that foundations of various sizes and types can achieve high ratings in their communications: Foundation size and type do not substantially predict grantee ratings of clarity of communications of goals and strategy. Nor do top-performing foundations necessarily have fewer fields of funding or a narrower geographic focus. A foundation's approach — whether highly proactive or responsive — also does not play a meaningful part in grantee ratings of clarity of communications. The same is true of grant size and type.

The broad dimensions that contribute to high grantee ratings of a foundation's clarity of communications of goals and strategy suggest that all foundation staff — not just communications staff — need to work together to optimize policies, processes, and standards. The end result will be stronger, more productive foundation–grantee relationships. Grantees that understand clearly what their foundation funders seek to achieve will have a much better chance of helping them to do so.

# Methodology

## Grantee Survey Design and Process

The data discussed in this report was gathered from confidential surveys of grantees conducted in five rounds of surveys from 2003 to 2005.[9] At many points, we discuss only the data gathered in early 2005 — the round in which we added a question about consistency of communications resources. We have also drawn from grantee responses to open-ended questions for the quotes contained in this report.

CEP initially developed its grantee survey instrument as part of the Foundation Performance Metrics Pilot Study, conducted in 2002. Subsequently, we iterated the survey for later rounds, with additional input from foundation leaders, grantees, and survey and research experts.[10] The survey is 50 questions long and is comprised mainly of seven-point Likert rating scales. There are also several structured-response/multiple-choice questions, and four open-ended questions.

CEP invited 27,079 grantees of 142 foundations to respond to the survey both by mail and online in five rounds of surveys.[11] Grantees based outside the United States and Canada were invited to respond electronically only. Grantee contact data — for one fiscal year's worth of grantmaking — was provided by foundations that opted into the process. For those foundations whose grantees were surveyed independently, grantee contact data was collected by CEP from foundation 990 tax filings, foundation Web sites, and foundation annual reports. Where grantee contact data

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9   CEP is committed to confidentiality of grantee responses, and grantees may respond anonymously to its surveys. There are no meaningful statistical differences between responses of those grantees who responded anonymously and those who identified themselves. CEP is also committed to the confidentiality of individual foundation ratings and does not present data in such a way that an individual foundation's performance could be identified without express permission of the foundation.

10  Grantee input was gathered through focus groups, telephone interviews, and in-person interviews conducted in 2002 and 2003. Focus groups and telephone interviews are described in greater depth in the methodology section of CEP's 2004 report, *Listening to Grantees: What Grantees Value in Their Foundation Funders*.

11  As we reported in *Listening to Grantees*, there were no meaningful statistical differences in ratings between grantees that responded by mail versus online.

was not available from foundation returns or publications, contact data was gathered online by looking at nonprofits' Web sites and other publicly available information. Surveys were most often addressed to executive directors, project directors, and development directors.

CEP received 16,976 responses over these five rounds, a 63 percent response rate overall. The data gathered across five rounds was combined after determining that there were no meaningful statistical differences that would render some data incomparable. CEP utilized ANOVA testing to determine this. The majority of questions in the survey were combined across all five rounds, but some data — none surrounding the dimension of communications — was excluded based on results of this statistical testing. Some questions, such as the question asking grantees to rate the consistency of communications resources accessed, were added in revisions of surveys across rounds, so some data is not available for all five rounds of surveys.

## Data Analysis

To explore which dimensions best predict grantee ratings of clarity of communications of a foundation's goals and strategy, clarity of communications was defined as the dependent variable for several stepwise linear regressions. Variables were included in regressions if they were correlated at 0.30 or above and if their significance was $p \leq 0.05$.

Two regression models were tested. The first model allowed us to determine the best predictors of grantee ratings of clarity of communications, and the second allowed us to determine which specific communications resources are most valued by grantees.

The first model was based on a regression conducted using responses to our 1–7 Likert scale questions from all five rounds of survey data, and it excluded individual communications resources in an effort to define what underlying factors contributed to grantee ratings. This regression was repeated using only data from the Spring 2005 survey round, which contained a new question about consistency. Findings were consistent in these two regressions, except that in the latter, consistency played a large predictive role in explaining clarity of communication, so we decided to write only about this latter regression. These regressions were conducted using individual questions, not factors.

The second model was based on a regression conducted with clarity of communications again defined as our dependent variable, but with the helpfulness of individual communications as our independent variable. The resources we asked about in our survey were funding guidelines, the foundation's Web site, the foundation's annual report, group meetings with foundation staff, and individual communications with foundation staff. This second regression was conducted on data gathered across four survey rounds conducted from Fall 2003 to Spring 2005 (the question about resources was added in Fall 2003). This regression enabled us to discuss which individual resources are most valuable to grantees outside the dimensions explored in the first regression.

## Qualitative Analyses

"High-performing" foundations are defined as noted in the report and were initially identified by looking at those foundations with the highest grantee ratings, on average, on specific questions in the survey. To further describe these high performers, we explored the shared characteristics of individual foundations' funding guidelines — which were typically available on foundations' Web sites — and, in many cases, had conversations with foundation staff about their communications with grantees. These conversations took place as part of CEP's presentations of individual Grantee Perception Reports® to foundations as well as afterwards in further exploring the subject of communications and in writing this report. We also interviewed Chris DeCardy and Carrie Pickett-Erway for additional views on communication from the foundation perspective. These interviews were conducted in October and November 2005.

## Foundations Whose Grantees Were Surveyed

| | |
|---|---|
| The Abell Foundation | The Anschutz Family Foundation |
| The Ahmanson Foundation | The Assisi Foundation of Memphis * |
| Alfred P. Sloan Foundation | The Avi Chai Foundation * |
| Alphawood Foundation | Baptist Community Ministries |
| Altman Foundation | Barr Foundation * |
| The Ambrose Monell Foundation | Bill & Melinda Gates Foundation * |
| Amelia Peabody Foundation | Blandin Foundation * |
| Amon G. Carter Foundation | Blue Cross Blue Shield |
| Andersen Foundation | of Massachusetts Foundation * |
| Ann Arbor Area Community Foundation * | The Boston Foundation * |
| The Annenberg Foundation | The Bradley Foundation |

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Bradley-Turner Foundation

The Brown Foundation *

Bush Foundation *

The California Wellness Foundation

Carnegie Corporation of New York *

Carrie Estelle Doheny Foundation

The Champlin Foundations

Charles and Lynn Schusterman
Family Foundation *

Charles Stewart Mott Foundation *

The Clark Foundation

The Cleveland Foundation *

The Columbus Foundation *

Community Foundation Silicon Valley *

Connecticut Health Foundation *

Daniels Fund

The David and Lucile
Packard Foundation *

The Dekko Foundation

Dyson Foundation *

E. Rhodes and Leona B.
Carpenter Foundation

Eden Hall Foundation

The Educational Foundation of America

El Pomar Foundation

Endowment for Health *

Evelyn and Walter Haas, Jr. Fund *

The F.B. Heron Foundation *

F.M. Kirby Foundation

Fannie Mae Foundation *

The Ford Family Foundation *

The Frist Foundation

GAR Foundation *

Gates Family Foundation

The George Gund Foundation *

George S. and Dolores Dore Eccles Foundation

Geraldine R. Dodge Foundation

Gill Foundation

The Goizueta Foundation *

Gordon and Betty Moore Foundation *

The Grable Foundation *

Grand Rapids Community Foundation *

The Greater Cincinnati Foundation *

Hall Family Foundation

The Harry and Jeanette
Weinberg Foundation

The Health Foundation of
Greater Cincinnati *

Horace W. Goldsmith Foundation

Houston Endowment *

HRJ Consulting on behalf of
an anonymous foundation *

The Hyams Foundation *

J. A. & Kathryn Albertson Foundation

J. Bulow Campbell Foundation

The J. Willard and Alice S.
Marriott Foundation

James Graham Brown Foundation

The Jay and Rose Phillips
Family Foundation

Jessie Ball duPont Fund *

The John D. and Catherine T.
MacArthur Foundation *

Kalamazoo Community Foundation *

Kansas Health Foundation *

Kate B. Reynolds Charitable Trust

The Kronkosky Charitable Foundation *

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Longwood Foundation

Lumina Foundation for Education *

Maine Health Access Foundation *

Mathile Family Foundation

The McKnight Foundation *

Meyer Memorial Trust

Michael Reese Health Trust *

The Minneapolis Foundation *

Missouri Foundation for Health *

The Morris & Gwendolyn
Cafritz Foundation

The Mt. Sinai Health Care Foundation *

The Nathan Cummings Foundation *

New Hampshire Charitable Foundation *

The New York Community Trust *

Nina Mason Pulliam Charitable Trust *

Omidyar Foundation *

Paul G. Allen Family Foundations *

Peninsula Community Foundation *

The Pew Charitable Trusts

The Philadelphia Foundation *

Polk Bros. Foundation *

Pritzker Foundation

Public Welfare Foundation

Quantum Foundation

The Ralph M. Parsons Foundation

Rasmuson Foundation *

The Rhode Island Foundation *

Richard and Rhoda Goldman Fund *

Richard King Mellon Foundation

Richard M. Fairbanks Foundation *

Robert R. McCormick Tribune Foundation

Robert Wood Johnson Foundation *

Rockefeller Brothers Fund *

Rose Community Foundation *

The Russell Family Foundation *

Ruth Mott Foundation *

S & G Foundation

S. H. Cowell Foundation *

The Saint Paul Foundation *

Santa Barbara Foundation *

SC Ministry Foundation *

The Sherman Fairchild Foundation

The Shubert Foundation

The Skillman Foundation

Skoll Foundation *

Stuart Foundation *

Surdna Foundation *

The Vermont Community Foundation *

Victoria Foundation

The Virginia G. Piper Charitable Trust *

W. K. Kellogg Foundation *

The Waitt Family Foundation

The Wallace Foundation *

Wayne and Gladys Valley Foundation *

Weingart Foundation

Wilburforce Foundation *

The William and Flora Hewlett Foundation *

The William K. Warren Foundation

William Penn Foundation *

The William Randolph Hearst Foundations

The William Stamps Farish Fund

Woods Fund of Chicago *

Z. Smith Reynolds Foundation

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## About the Center for Effective Philanthropy

The mission of the Center for Effective Philanthropy (CEP) is to provide management and governance tools to define, assess, and improve overall foundation performance.

This mission is based on a vision of a world in which pressing social needs are more effectively addressed. It stems from a belief that improved performance of foundations can have a profoundly positive impact on nonprofit organizations and those they serve.

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*Providing comparative data to
enable higher–performing foundations*