THE CENTER FOR EFFECTIVE PHILANTHROPY

THE **FUTURE**
of Foundation Philanthropy

The CEO Perspective

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ABOUT THE CENTER FOR EFFECTIVE PHILANTHROPY

The mission of the Center for Effective Philanthropy (CEP) is to provide data and create insight so philanthropic funders can better define, assess, and improve their effectiveness—and, as a result, their intended impact.

This research is based on CEP's independent data analyses, and CEP is solely responsible for its content. The report does not necessarily reflect the individual views of the funders, advisers, or others listed throughout this report.

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FOREWORD

December 2016

Dear Colleague,

The year 2016 marks the fiftieth anniversary of the William and Flora Hewlett Foundation. Yet determining whether and how to celebrate that milestone proved harder than you might think. Our founders wanted an organization that operates in a low-key manner—a value we still hold dear, and one that led some members of our Board and staff to suggest we simply ignore the date. But 50 years is a timespan worth commemorating, so we decided instead to contribute to knowledge about philanthropy by making our golden anniversary an occasion to reflect on the state of the field. Hence, the conference "From Promise to Progress in the Social Sector," of which this report is a part.

The idea to generate original research for the conference flowed naturally from our purpose and desire to take a fresh look at the sector's past and future. We commissioned two top historians of philanthropy, Stanley Katz and Benjamin Soskis, to look back at how foundations have changed in the past 50 years, and we commissioned the Center for Effective Philanthropy (CEP) to help us understand how it might need to change in the coming 50.

The choice of CEP for this look forward was an easy one. No organization has done more or better or more important work in assessing the sector since CEP's launch more than a decade ago. We asked CEP to survey, interview, and collect data from foundation leaders about, as the report says, "the changing landscape [and] the future of foundation philanthropy." We offered advice, when asked, but otherwise left CEP free to define the nature and scope of the research. This report, titled *The Future of Foundation Philanthropy: The CEO Perspective*, is the result.

Some of the views expressed by foundation leaders in this report will be familiar. Anyone working in the field should already be aware of the increasing importance of collaboration and risk taking, as well as the need to listen better to grantee and beneficiary voices. But the survey unearths some surprises, while also exposing some of the contradictions inherent in today's prevailing discourse. We hear that foundations are too slow to change, but also that they don't stick with things long enough to make a difference; that unaccountability frees foundations to experiment, but that lack of market and political pressure keeps them from trying new things; and so on. We are, it turns out, much like the proverbial blind men feeling their way around an elephant. Yet there is also a surprising degree of consensus around some important trends and future demands and risks.

This report bears reading in its entirety. Readers, I expect, will find things they agree with and things they don't. Speaking personally, I think survey respondents are overestimating what philanthropy can realistically be expected to accomplish, while underestimating the amount of good it currently does, and I cannot help thinking about how proud Garrison Keillor would be to hear that most CEOs seem to think the sector is doing more poorly than their foundation. There are observations in here that I strongly endorse, observations I just as strongly deplore, and observations that surprised me and will require me to do some rethinking.

But see for yourself. Because the one thing about which I think we'll all agree is that the information in this report can help everyone who cares about foundations and philanthropy and wants to see us do better.

Sincerely yours,

Larry Kramer
President, William and Flora Hewlett Foundation

INTRODUCTION

Amid growing concern about inequality in the United States and around the globe, rising public distrust of government and other institutions, technological shifts, and anxiety about issues such as climate change and terrorism, foundation leaders are considering their role in addressing society's challenges.

Foundations are, after all, unique actors in our society. They are free to address a vast array of issues, including the most vexing problems—the very ones that have defied government or market solutions. This freedom offers great opportunities, but it also comes with great challenges. There are few external signals to let foundations know when they are on the right or wrong track, and foundation leaders can struggle to determine how best to maximize their foundations' potential to create positive impact.

Foundations have contributed to significant progress over the past century on a range of issues, from the environment to civil rights. Yet, amid constant change, foundation leaders are concerned about whether foundations are as well-positioned as they need to be to do the work that they believe needs to be done in the coming decades.

This is among the themes that emerged when we set out to understand what foundation leaders have to say about the changing landscape in which they work—and about the future of foundation philanthropy. Some of the themes we heard are familiar from the Center for Effective Philanthropy's (CEP) past research on CEOs' perspectives about the progress their foundation, and foundations more generally, are making toward their programmatic goals.[1] Others were new to us.

For this research, CEP gathered and analyzed the perspectives of foundation CEOs on the following questions:

> What is the current state of foundation philanthropy?
>
> How prepared are foundations to deal with changes they believe will affect society?
>
> What are CEOs' concerns about the future of foundation philanthropy?
>
> How do foundations need to change to address society's future needs?
>
> What is the unique role that philanthropy can play, relative to other sectors?

Our findings are based on responses from 167 CEOs to a survey exploring the questions above, and an additional 41 CEOs who participated in in-depth interviews. In total, this research is based on perspectives from more than 200 CEOs of the largest foundations in the United States. Foundations in our survey and interview samples represent

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[1] Buteau, Ellie, Phil Buchanan, and Ramya Gopal. "How Far Have We Come? Foundation CEOs on Progress and Impact." The Center for Effective Philanthropy, 2013. http://research. effectivephilanthropy.org/how_far_have_we_come.

a range of demographic characteristics. (See Figures One and Two.) Our respondents vary across many dimensions:

Among survey respondents, 40 percent have been the CEO of their foundation for 10 years or longer; 19 percent have been the CEO for less than three years.

Almost one-third worked at a foundation or other private nonprofit funding organization directly before working at their current foundation; about one-fifth came from the business sector; and one-fifth came from the nonprofit sector (not including a college or university).

Interestingly, we saw few differences among respondents based on these demographic characteristics or others, such as foundation type, location, or size. Instead, a clear majority of CEOs shared similar views on many of the questions we asked in the survey and interviews.

We were also struck by the candor and thoughtfulness of survey and interview responses. Foundation CEOs were frequently critical of their own foundations and critical of foundations broadly. In some instances, the data offer a sobering view of institutional philanthropy, perhaps reflecting foundation leaders' awareness of the scale of challenges they seek to address relative to the assets—both financial and otherwise—they control.

But there are reasons for optimism, as well. Many of the barriers and challenges described by respondents are ones that foundation leaders have the power to overcome. Furthermore, the majority of CEOs agree about the unique role that foundations can play and the practices that hold promise for increased impact. This suggests the potential for the emergence of more widely shared priorities for change in foundation practices.

Our hope is that this report reflects not just the challenges and concerns that CEOs identify but also their ideas about promising practices and the potential for a bright future ahead. In a number of instances, the findings raise many important questions that cannot be addressed through our data. We hope that this report will spur the conversations that CEOs themselves believe need to happen. To that end, we have included questions for reflection throughout the report.

FOUNDATION DEMOGRAPHICS

FIGURE ONE

Foundation Demographics: **CEO Interviews**

	Independent Foundation	Community Foundation
Type of Foundation	**73**%	**27**%

Foundation Characteristics	Range	Median Value
Assets	$7M to >$7B	~$260M
Giving	>$5M to <$600M	~$10M
Age	<15 years to >90 years	~30 years

FIGURE TWO

Foundation Demographics: **CEO Survey**

	Independent Foundation	Community Foundation
Type of Foundation	**74**%	**26**%

Foundation Characteristics	Range	Median Value
Assets	$6.5M to >$7B	~$250M
Giving	>$5M to <$370M	~$16M
Age	<10 years to >90 years	~40 years

KEY FINDINGS

ONE

About two-thirds of foundation CEOs believe it is possible for foundations to make a significant difference in society. While few believe foundations are currently reaching their potential, much of what CEOs see as standing in their way is under their control to change.

TWO

Most CEOs believe foundations can take greater advantage of their unique role to experiment and innovate as well as to collaborate and convene; they also see listening to and learning from those they seek to help as a path to greater impact.

KEY FINDING ONE

About two-thirds of foundation CEOs believe it is possible for foundations to make a significant difference in society. While few believe foundations are currently reaching their potential, much of what CEOs see as standing in their way is under their control to change.

CEO respondents overwhelmingly believe it is possible for foundations to make a significant difference on important issues in society. Yet, few CEOs believe foundations are doing so today. (See Figure Three.)

FIGURE THREE

CEOs' perceptions of how much of a difference **is possible** for foundations to make on important issues in society given their resources and how much of a difference foundations **are making**

How much of a difference is possible for foundations to make

2%
31%
67%

How much of a difference foundations are making

1%
29%
57%
13%

Percentage of CEOs who selected each option

- No difference
- A slight difference
- A moderate difference
- A significant difference

BARRIERS

CEOs identify three broad categories of barriers to their own foundation's ability to make progress toward the achievement of its programmatic goals: 1) internal challenges at their foundation; 2) the broader, external context of the work; and 3) a lack of collaboration.

INTERNAL CHALLENGES AT THEIR OWN FOUNDATION

Almost two-thirds of CEOs surveyed cite internal challenges at their own foundation as one of the most significant barriers to achieving programmatic goals. Many of these internal challenges result from choices that have been made at these foundations—choices within the power of CEOs to change.

Some of the challenges CEOs discuss relate to their foundation's goals, such as a lack of internal agreement on the nature of goals or simply having too many goals. Others relate to their foundation's strategies, such as undisciplined implementation of strategy or lack of long-term commitment.

CEOs' comments reflect the self-imposed nature of some of these challenges. As one CEO notes, "We have too many focus areas, creating shallow knowledge in these areas and too much division of our resources." And another says that the issue is the foundation's culture: "We still have a passive 'grantmaking' culture and not enough of a 'whatever it takes' mindset."

Some CEOs discuss challenges with their operations and management, such as a lack of alignment between staff and the board, hiring difficulties, or unclear decision-making processes. One identifies staffing as a barrier to progress: "It is difficult to find exemplary employees and leaders to help drive toward goals and objectives." Another describes the board as a barrier to progress, saying that, "Board members do not have the lived experience of poor people."

For others, there is a sense that being overly cautious and inflexible is a barrier. They describe a "reluctance to take smart but large risks," a "lack of bravery in grantmaking," or a "fear of failure."

THE BROADER, EXTERNAL CONTEXT OF THEIR FOUNDATION'S WORK

In addition to the internal challenges described by many CEOs, more than half of CEOs surveyed identify barriers that relate to the external context in which their foundation is working.

Some CEOs refer to the sheer magnitude and complexity of the problems on which their foundations are focused. One CEO says, "Problems are related to underlying systems. System reforms require collaboration, patience, and time." Others mention "insufficient dollars in relation to size and complexity of problems addressed" and "limited resources in the face of overwhelming issues."

They also describe how the current political and economic climate makes progress difficult. CEOs cite examples of contextual barriers, such as "the increasing separation of privileged and less-privileged in our society," "political climate and structure that is hostile to advancement in our mission areas," and "political gridlock, especially at the federal level, which makes it almost impossible to address critical long-term issues in an informed manner."

LACK OF COLLABORATION

Nearly one-third of CEOs cite challenges with, or a lack of, partnerships or collaborations as a barrier to their foundation's ability to make progress. Some CEOs simply state that the challenge facing their foundation is the "willingness of other funders to collaborate." Their comments point to a variety of factors that can make such relationships difficult. "In spite of general agreement about outcome, [there is] limited agreement about methodology; therefore, limited collaboration," writes one survey respondent. Other CEOs comment on "the complexity and diversity of agencies and programs that require coordination to be effective at addressing community needs" and a "reluctance to partner among other foundations, grantees, and agencies." Attitude is also identified as a factor that makes collaboration difficult. One CEO cites an "I want you to collaborate with me, but I don't want to collaborate with you" mentality. Another states the challenge, as he sees it, very directly: "Ego, lack of collaboration, competition—people stuff."

CHANGING FOR THE FUTURE

In addition to asking about the current state of foundation philanthropy, we invited CEOs to share their thoughts on how foundations, more broadly, are positioned for the future. Nearly all CEOs surveyed—90 percent—think that foundations will operate in a different context in the coming decades. More than half—57 percent—think that foundations in general will need to change to a large extent to address society's future needs. Most think, however, that foundations are only moderately likely to change—and few believe foundations are very likely to change. On average, CEOs see foundations as needing to change to a greater degree than they believe they will change. (See Figure Four.)

While there is not one agreed-upon way in which CEOs think foundations should change, many respondents offer suggestions that seem related to overcoming the barriers described in the previous section. Many of their suggestions call for foundations to change their orientation, as well as to collaborate more.

MINDSET SHIFT

Nearly half of CEOs believe foundations in general need to change their orientation, attitude, or mindset in the broadest sense. This most frequently mentioned set of suggestions consists of changes that are very much under foundations' control, such as the decisions leaders make and the choices that have been made about the ways in which foundations are operating.

Some CEOs call for "a return to purpose," "getting comfortable acting on courage of conviction," and "being willing to change course to address issues that are most pressing." CEOs caution against foundation leaders "being self-absorbed, directing their resources to what interests them rather than taking a larger view of the landscape."

Others describe a need to take more risk and be more accountable, transparent, flexible, and humble. Some suggest that foundations ought to think more about the long term, have a learning orientation, or be more proactive in addressing demonstrated needs.

MORE, BETTER COLLABORATION

Close to 30 percent of CEOs surveyed believe that foundations, broadly, need to collaborate more or better. CEOs suggest the need for many types of coordinated efforts: increased collaboration among funders, promoting collaborations among grantees, and convening on issues of shared concern. Their suggestions for change range from a call "for those with some commonality of mission to learn to work together better" to a "need to be more coordinated in addressing large problems."

FIGURE FOUR

CEOs' perceptions of the extent to which foundations **need** to change and the **likelihood** of foundations changing

Extent to which foundations need to change to address society's future needs

	41%	57%

1% 1%

Percentage of CEOs who selected each option

- Not at all
- To a small extent
- To a moderate extent
- To a large extent

Likelihood foundations will change to address society's future needs

22%	64%	14%
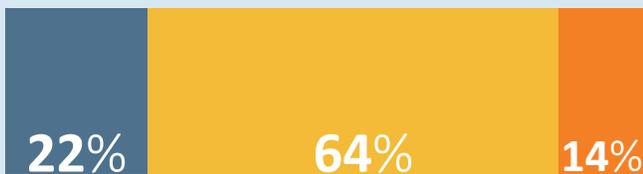
Percentage of CEOs who selected each option

- Not at all likely
- Not very likely
- Moderately likely
- Very likely

PRESSING ISSUES THAT WILL INFLUENCE **SOCIETY**

Wealth and inequality, climate change and the environment, and education are the three pressing issues that CEOs most frequently say will influence society in the coming decades. (See Figure Five.)

WEALTH AND INEQUALITY

Wealth and inequality, mentioned by almost two-thirds of foundation CEOs interviewed, encompasses topics such as "wealth disparities," "the shrinking middle class," "poverty and disadvantage," "the opportunity gap," and "massive inequality over the globe."

Because of the far-reaching effects of wealth and inequality, a few CEOs comment that "it's hard not to put that fairly high" on a list of pressing issues. In fact, one foundation CEO chose to list only one issue, stating, "I don't know that I have three. Everything is related to poverty."

## CLIMATE CHANGE AND THE ENVIRONMENT

The majority of foundation CEOs interviewed—almost 60 percent—identify climate change or the environment as a pressing issue.

Several comments stress the importance of climate change in particular. For example, one CEO specifies that "climate change is on the top of that list" of pressing issues. Another CEO says, "Climate change is going to impact the entire world and already is, whether you believe in it [or not]. What's happening is starting to impact everything."

Others point to broader environmental concern, or "stewardship issues about the place and the planet." For example, one CEO says, "The strain on our ecosystem and our planet...is very concerning." When describing the scope of this issue, another CEO stresses, "We need to, as a society, have a shared understanding and mobilized responses to [environmental change] and what we're going to do about it."

FIGURE FIVE

Percentage of foundation CEOs interviewed who named each of the following issues as a pressing issue that will influence **society** in the coming decades

65% Wealth and inequality

58% Climate change and the environment
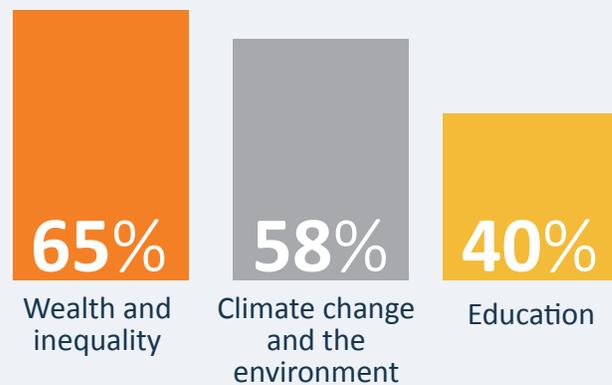
40% Education

EDUCATION

Of foundation CEOs interviewed, 40 percent identify education as a top pressing issue that will influence society in the coming decades. CEOs specifically identify a need to address "challenges with public education" and a need to ensure access to education, particularly for "the underprivileged, the less advantaged."

CEOs frequently connect education to other social issues. For many, "education is a stand in, a solution to other pressing questions," and an improved "public education system [could be] a pathway to opportunity for people." For example, one CEO emphasizes the importance of education because "education is the heart of economic inequality and other pressing issues for society." Another notes, "If we could really improve education, it would be a great ounce of prevention."

PRESSING ISSUES THAT WILL INFLUENCE **FOUNDATION PHILANTHROPY**

When, in our survey, CEOs listed three pressing issues that will influence the future of foundation philanthropy specifically, wealth and inequality, yet again, was mentioned by the largest percentage of CEOs.

CEOs surveyed believe that this issue will influence the work of foundations more in the future than it does today.[2] Several CEOs also cite issues related to government and changing demographics as ones that will influence foundation philanthropy in the coming decades. (See Figure Six.)


WEALTH AND INEQUALITY

How might the issue of wealth and inequality influence foundation philanthropy? Several CEOs surveyed view wealth and inequality as a root issue "of many challenges" and the source of a "waterfall of socioeconomic implications." Furthermore, some comments suggest that, unless the issue of wealth and inequality is addressed, it will result in a weakened social sector—and may lead to "polarization" and "great schisms" that "threaten civil society" and create "massive economic upheaval." As one CEO states, "Growth of income inequality will make it harder to unify people. [We are] becoming two nations, not one."

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[2] This finding is statistically significant at a medium effect size.

FIGURE SIX

Percentage of foundation CEOs surveyed who named each of the following issues as a pressing issue that will influence **foundation philanthropy** in the coming decades

48%	**29%**	**23%**
Wealth and inequality	Government	Changing demographics
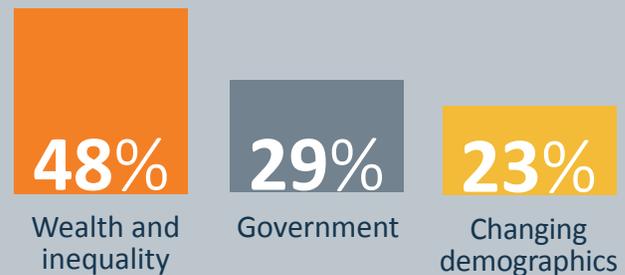
Some mentions of wealth and inequality focus specifically on income inequality and racial inequality and inequities. Others focus on broad inequality, inequality of access (often to education and healthcare), issues related to new wealth, and growing class divisions.

A few comments on this theme are clearly global in orientation, such as concerns about growing "global poverty." Others are explicitly domestic, such as concerns about "the continuing growth of the wealth gap in our nation."

> " Growth of income inequality will make it harder to unify people. [We are] becoming two nations, not one.

GOVERNMENT

CHANGING DEMOGRAPHICS

About three in 10 foundation CEOs cite issues related to the government. Comments, overall, identify "declining public resources and pressure to fill gaps" as a pressing issue facing foundation philanthropy. CEOs express concerns about the "federal/state/local debt" and comment that "government is insolvent at every level." Some CEOs are concerned that "the growth of government debt will necessitate a retraction in government services." Others worry about "not having a strong government partner," especially given that foundations' "ability to partner effectively with public sector actors [helps foundations] sustain efforts over time." Numerous CEOs suggest that the "inability of government to meet basic needs/responsibilities" and "declines in government funding will force foundations to be more strategic in where they invest."

Other comments center on government regulation of foundations. Several CEOs suggest that "federal government interference with philanthropy" or "governmental efforts to more tightly regulate foundations and endowments" may pose challenges and heighten restrictions for foundation philanthropy in the future. Some CEOs specifically mention a "backlash against tax deductions" or "potential changes to IRS tax laws related to foundation giving." A few comments note concern that "foundations of all types are generally not understood by Congress, policymakers, and other [influential] leaders."
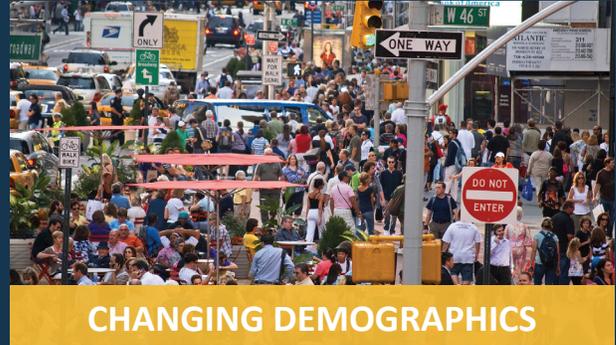
Nearly one in four foundation CEOs believe that changing demographics will influence foundation philanthropy in the coming decades. On this theme, many foundation CEOs refer specifically to racial/ethnic and generational shifts.

On the topic of race, a number of CEOs contemplate what the future holds. Several believe that a "majority-minority shift in U.S. demographics" and "the browning of America" will have implications for foundation staffing and leadership—namely, in a needed "transition to multiethnic leadership" and a greater focus on "diversity in leadership." Some note the importance of diverse staffing, governance, and leadership for foundations overall for "achieving better results." A few CEOs, though, are not optimistic that foundations will change quickly enough. One, for example, comments that "foundation staffing [is] lagging to reflect" the "increasingly diverse populations."

On the topic of generational shifts, several CEOs think that a "transition in foundation leadership to a younger generation" will bring change to foundation philanthropy. These comments tend to be neutral observations of an impending change. As one CEO writes, "More money will be available. Wealth is at record highs but in the hands of a new generation creating new types of philanthropy." Some CEOs believe that the younger generation of foundation leaders will "focus on seeing results immediately" and a desire to "create impact now vs. later/in perpetuity." Others note that it will not be business as usual—that younger philanthropists, whether through a generational transfer of wealth or the creation of new wealth, will "drive for innovation" and bring "different perspectives" in ways that will influence foundation philanthropy in the coming decades.

CONCERNS FOR THE FUTURE OF FOUNDATION PHILANTHROPY

CEOs' concerns for the future of foundation philanthropy are quite varied. There is no one concern cited by a majority of respondents.

MAKING PROGRESS, MAXIMIZING IMPACT

The most frequent concern, mentioned by 36 percent of respondents to the survey, relates to the ability of foundations generally to make progress on issues or to maximize their impact. One CEO expresses the concern that "now more than ever, society needs foundations to step up and work more collaboratively to drive long-term change. I am concerned that we won't step up to the charge." Another CEO describes foundations as "unwilling or unable to change to focus investments to make significant impact."

Some respondents frame these concerns as resulting from self-imposed limitations in the sector, such as risk aversion, a lack of focus and discipline, failure to think in the long term, or a lack of collaboration. As one CEO says, "My concern [is] over the risk tolerance of foundations…. I think what we require are big acts and some big risks that will certainly lead to lots of failure but hopefully some big wins. As foundations, we don't own failure well. We own success, though. There has to be more authentic partnership in the pursuit of the greater good." Others are concerned that foundations will not offer a vision or sense of urgency. One CEO observes, "It's such a comfortable perch. Absent inspired leadership, it doesn't inherently inspire the urgency or commitment to maximizing every dollar that is so often needed when tackling big problems."

ADAPTABILITY AND RELEVANCE

One-fifth of CEOs express concern about the adaptability and future relevance of foundations. They fear that foundations will be complacent and will not successfully adapt to meet changing contexts and needs. Others are concerned that, absent an external force, there will be no incentive to change or improve. As one CEO says, "I'm worried because foundations are not accountable. If you're mediocre in the for-profit world, if you don't make your numbers, you're fired. If you're mediocre in the nonprofit world, you don't get grants. If you're mediocre in the foundation world, you can get away with it…. Any accountability we have is totally self-imposed, and that takes courage and discipline. And I don't know how many foundations have that."

FOUNDATIONS' EVOLUTION

About four in 10 CEOs interviewed believe that foundations overall have successfully evolved to meet the world's changing needs. A similar number report mixed results, and 15 percent feel that foundations have not successfully evolved to meet the world's changing needs.

"I think the batting average is probably about normal for human endeavors. There are lots of folks who've done some really interesting work and accomplished some good things. There are a lot of folks who've done their best and not accomplished much. There are a couple folks who've wasted their money, and there are one or two bad actors. I mean, it's a field full of human beings, and you're seeing about the normal distribution of effort and effectiveness that you see in lots of fields of human endeavor. It's [an industry] full of a lot of—a wide diversity of—people, most of whom are really well meaning, and some of whom are quite effective."

"I would say something has really stalled out. There are pockets of innovation, but sort of as any institution grows up, it becomes more static and conventional, and I feel like that's what's happened in the foundation field."

> " Now more than ever, society needs foundations to step up and work more collaboratively to drive long-term change.

THE PERSPECTIVE
OF PROGRAM OFFICERS

In a separate survey, CEP asked program officers a number of the same questions asked of CEOs in this study. Their perspectives mirror those of CEOs. In particular, program officers believe that foundations can make more of a difference on important issues in society than they are today. (See Figure Seven.)

Despite nearly unanimous agreement among program officers that foundations will need to change, few think

it is very likely that foundations will change to address society's future needs. Additionally, almost no program officers believe foundations are very prepared to deal effectively with changes that will affect society in the coming decades, and few believe their own foundation is very prepared to deal effectively with these changes. (See Figure Eight.)

FIGURE SEVEN

Program officers' perceptions of how much of a difference **is possible** for foundations to make on important issues in society given their resources and how much of a difference foundations **are making**

How much of a difference is possible for foundations to make

6% | **30%** | **64%**

How much of a difference foundations are making

31% | **51%** | **17%**
1%
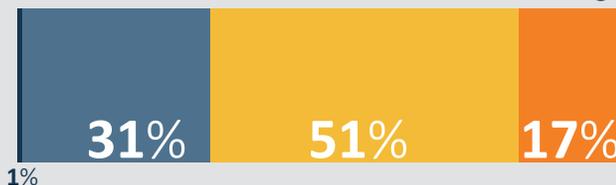
Percentage of program officers who selected each option

- No difference
- A slight difference
- A moderate difference
- A significant difference

FIGURE EIGHT

Program officers' perceptions of how prepared **foundations overall**, and **their foundations specifically**, are to deal effectively with changes that will affect society in the coming decades

Preparedness of foundations overall

3% | **33%** | **60%** | 4%

Preparedness of respondents' foundations

5% | **24%** | **59%** | **12%**
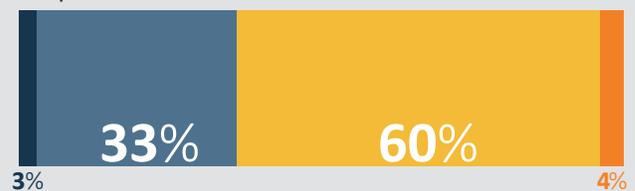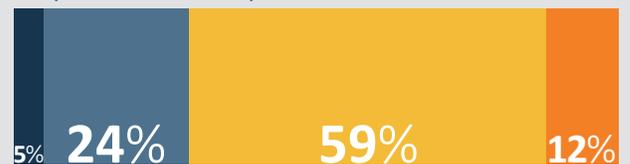
Percentage of program officers who selected each option

- Not at all prepared
- Not very prepared
- Moderately prepared
- Very prepared

KEY FINDING ONE DISCUSSION QUESTIONS

BARRIERS

What barriers under your foundation's control inhibit its ability to make progress toward its programmatic goals? Who, or what, is imposing these constraints? What changes in operations, management, or leadership might help your foundation overcome these barriers?

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COLLABORATION

Do you have clarity on when and why your foundation would seek opportunities, or accept requests, to collaborate? Does your foundation have the capacity (e.g., time, staff) needed to collaborate? What compromises are you, as a leader, willing to make to be part of a collaborative effort? How does this compare to the compromises you expect other foundations to make in service of collaboration?

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PRESSING ISSUES

Do you believe the issue of wealth and inequality is relevant to the work of your foundation? If so, how is your foundation taking this issue into account in its goals and/or strategies?

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KEY FINDING TWO

Most CEOs believe foundations can take greater advantage of their unique role to experiment and innovate as well as to collaborate and convene; they also see listening to and learning from those they seek to help as a path to greater impact.

UNIQUE ROLE

Most of the CEOs we interviewed believe foundation philanthropy has a unique role to play in society, relative to other sectors. Unprompted, nearly one-third of CEOs compared the scope of foundations' resources to those of the public sector. While they recognize that foundations' resources "are dwarfed by government spending," they see foundations as being in a distinct position to experiment and innovate, as well as collaborate and partner. As one CEO notes, "There are massive amounts of restrictions and regulations in government funding, and philanthropic dollars are one of the few sources of funding for experimentation, innovation, and attempts to learn how to do it better." Another says, "I think there is a role we can play in piloting ideas and innovations, but there is no way we can come close to solving the challenge without partnership with the public sector, the private sector, and civil society."

While the ways in which CEOs describe foundation philanthropy are not new, the level of agreement about foundations' unique roles, as well as the extent to which they do not see foundations as sufficiently engaging in those roles, is striking.

EXPERIMENTING AND INNNOVATING

The majority—60 percent—describe the distinct position foundations are in to experiment and innovate. Some respondents highlight the relatively unfettered freedom foundations have to experiment or support new approaches to solving problems. Others note that foundations can take risks and test ideas without the constraints or ramifications that business or government might have. One CEO says, "The unique role philanthropy plays is that it can try things and can fail. But it can also try things and succeed, and then look for bigger funders, bigger pockets to fund something that really works."

Some, however, express disappointment that foundations too rarely take advantage of this opportunity. "Philanthropy can be patient capital on truly risky ideas," one respondent says. "We don't have to run for reelection in two years, we don't have to succeed on 100 percent of our grants. In a good sense of the word, we're not accountable. I think that philanthropy could play a gigantic role in helping source new ideas. Now, the problem is that we don't generally do this."

CONVENING AND COLLABORATING

Half of CEOs interviewed see foundations as being in a unique position to convene and collaborate. One CEO says, for example, "The greatest influence that foundations can have is around convening the right people." Some

PUBLIC POLICY

Almost 80 percent of CEOs referenced public policy at some point during their interview. Of these, the vast majority—80 percent—see a positive role for foundations in the public policy realm. They perceive public policy efforts as an effective way for foundations to pursue social change because they believe it leads to broad, lasting systems changes. One CEO succinctly sums it up: "It's better that we engage in systems change and in policy changes that are going to have much broader and deeper and more lasting impact."

Some see the issues they work on as so vast and pervasive that they will ultimately require public policy solutions; therefore, they see foundations as playing a key role in advocating for policy change. Specifically, they describe public policy and advocacy efforts as cost-effective strategies through which to expand their influence beyond their own resources. In a comment reflective of many, one CEO says, "Philanthropy doesn't have the resources to scale what really needs to happen, but if we can influence policy and the shape of how we problem-solve in society, that's probably the highest utilization of our resources."

respondents see this role as one in which foundations can work across issues, sectors, and traditional boundaries— bringing together strange bedfellows on issues of shared concern. One CEO notes, "The complexity of the problems we're dealing with requires drawing upon the wisdom and experience of multiple sectors and disciplines." According to another, "An important role for foundations is to bring people together, whether it's community-based organizations, government entities, or community organizations together with government and the private sector. When the foundation calls a meeting, people usually show up."

Others describe foundations as having the capacity to be a neutral third party, building bridges across disparate

players. As one CEO says, echoing comments of many others, "We can convene and influence in flexible and open ways—in vocal ways that government and the private sector can't." Another adds to this sentiment, noting that foundations can "bridge divides across different groups to work together, collectively, on pressing challenges."

Some CEOs' comments reflect frustration that foundations are not currently taking sufficient advantage of their opportunity to convene or collaborate. One CEO observes, "Everyone tries to go it alone, with no collaboration, convening, consensus, or common view." Another notes, "Philanthropy isn't big enough to be fragmented and to operate without some measure of coordination and, most importantly, learning from each other."

Others see signs of hope for change. "I am seeing a growing recognition that individual foundations, a sector in and of itself, cannot address complex issues facing our society by themselves," one respondent says. "They really need to collaborate, not only with other funders, but across sectors with the public and corporate sectors, and, of course, with grant recipients."

CATALYZING CHANGE, THOUGHT LEADERSHIP, AND LONG-RANGE THINKING

One-fifth of CEOs interviewed believe that a unique role played by foundations involves serving as a catalyst for change—suggesting, for example, that funders see themselves "less as general funders and more as problem solvers. ...We need to be catalysts that spur greater change."

One-fifth of CEOs see opportunity for foundations to be seen more as thought leaders. One CEO says, "I don't see as much leadership in the foundation world as I would like. I still see many foundations operating in a more defensive position and less of a thought-leadership orientation." As another notes, "There's a framing role in public discourse that we can play."

Likewise, 20 percent believe foundations can uniquely bring a long-range view to issues—though, again, comments indicate that foundations are not currently taking full advantage of this opportunity. One CEO, for example, says that foundations "squander one of our biggest competitive advantages: our ability to stick with something for 20, 30, 40, 50 years. We straitjacket ourselves into three-year strategic plans, where we have to have results in three years, which is just not how social change happens." Another notes, "Often our Board does not understand that strategic initiatives require a long-term perspective. We must be patient."

PREPARING FOR THE FUTURE

While many CEOs have a shared sense of the roles that foundations can play, there is less agreement as to whether foundations will maximize and take advantage of those roles in the coming decades. Sightly less than half of those interviewed think that, overall, foundations are likely to maximize and take advantage of their opportunity to address pressing issues in the future. (See Figure Nine.)

The majority of CEOs surveyed believe foundations are moderately—not very—prepared to deal effectively with changes that will affect society in the coming decades (see Figure Ten). Likewise, few CEOs believe their own

FIGURE NINE

CEOs' perceptions of the likelihood of foundations overall to maximize and take advantage of their **unique role**

18% Not sure / don't know	**35%** Overall unlikely	**47%** Overall likely

FIGURE TEN

CEOs' perceptions of how prepared **foundations overall**, and **their foundations specifically**, are to deal effectively with changes that will affect society in the coming decades

Preparedness of foundations overall

39%	**57%**

3%   1%

Preparedness of respondents' foundations

14%	**71%**	**14%**

1%
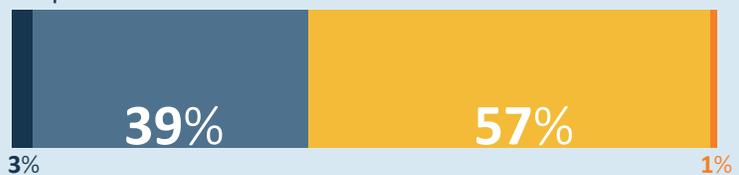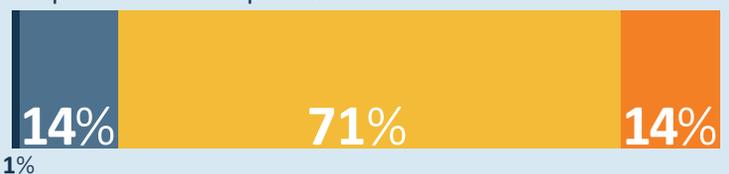
Percentage of CEOs who selected each option

■ Not at all prepared   ■ Moderately prepared
■ Not very prepared   ■ Very prepared

FIGURE ELEVEN

Practices **most** frequently seen by CEOs as holding a lot of promise for increasing foundations' impact in the coming decades

Foundations seeking to learn from the experiences of those they are ultimately trying to help	**69**%
Foundations seeking to learn from the knowledge or experiences of grantees	**67**%
Foundations taking more risk	**64**%
Foundations collaborating with one another	**59**%
Foundations simultaneously collaborating with other foundations, business, government, and nonprofits	**59**%

foundation is very prepared to deal effectively with these changes, though, on average, CEOs think their own foundations are more prepared than foundations overall. Furthermore, CEOs provide mixed feedback on how hopeful they are about the ability of foundations to contribute to future progress on issues important to society. While no CEOs report being not at all hopeful, less than half are very hopeful.

PROMISING PRACTICES

CEO respondents to our survey indicate that learning from those they are ultimately trying to help, as well as learning from the knowledge and experiences of grantees, holds a lot of promise for increasing foundation impact. CEOs see opportunity for improvement in this area. More than half of CEOs interviewed raised, unprompted, at some point during their interview, their concerns about a lack of listening to those they are seeking to help or about their current efforts to engage more deeply with their grantees or the communities in which they are working.

Many CEOs also believe taking more risks and collaborating more with one another, as well as collaborating simultaneously across sectors, hold a lot of promise for increased impact. (See Figure Eleven.)

One CEO says, "I can appreciate the need to have more accountability, more structure, and drive impact. But the foundation world has gotten more top-down instead of thinking about how to listen to those they serve, entering into a dialogue, and trying to receive insights from those that they serve."

Another says, "I think community members will become more involved, even in private philanthropy. The ivory tower has shifted over the last decade or two, and I think it will continue to shift away from patriarchy and more into partnership." Yet another explains, "The future of how we address issues is really in the engagement of communities around problem-solving, and that starts at a much more local orientation than the franchise idea of 'how you can get philanthropy done.'"

Some CEOs say that they have started adopting more of a listening orientation. "Foundations in our community are doing a lot more collectively, instead of each foundation doing what they think is important," says one CEO. Another explains that this effort "includes moving our work away from 'we decide' [and toward] empowering communities. We're talking with different community groups about what we can do to not just give but to engage. It's going to take us a while to get there. How do

HUMILITY

During the course of their interviews, almost 80 percent of CEOs raised concerns—unprompted—about a lack of humility or the detrimental consequences of hubris in philanthropy. In a comment echoed by many others, one CEO says, "I think that foundations are arrogant. The day you get hired by a foundation is the day your jokes are funnier and you're better looking and you're smarter. It's easy to fall into that trap. There's a real temptation to be a little arrogant because you've got the money and you're not really beholden to anybody." Another CEO warns of the dangers of falling into this trap, saying:

> "I think we have to operate from a fundamental position of humility. We are certainly not as important as everybody who wants money from us tells us we are. The incentives to flattery in this business are higher than almost any other one I can think of. And the incentives not to be straightforward and share shortcomings with the funder are also very high."

CEOs see humility as key to the success of foundations' work, noting that addressing society's problems will require the setting aside of ego. "How do we make sure that we are not staying in our ivory tower and just saying, 'Oh, we've got the best answers, and the best ideas, and so we're going to fund this initiative, and this program, and this big idea,'" one CEO says. "How are we truly and meaningfully engaging the people who[m] our grant-funding is impacting? ...How do we really make sure that people are part of designing and planning as well as implementation?"

Respondents critique foundations for too frequently presuming to have all the answers and possessing the right or only solution. As one CEO states, "It's an enormous responsibility to be humble in doing this work, and for some families who have made their own wealth and way, that humbleness is lacking. There are some people who made a lot of money and are used to getting their own way, and that's how they operate their philanthropy."

Others explicitly critique philanthropy for not doing more to mitigate against the inherent funder–grantee power dynamic. "I think the key is humility because if you come into government or come to nonprofits and say, 'Oh, we're the all-wise, all-knowing foundations who have this bottomless checkbook to wave money around,' it's not the proper role," one CEO says.

> "I remember when I was on the other side seeking funds from foundations, I was always put off when foundations had an arrogant attitude like they knew more about my business and my work than I did, when clearly they didn't."

we turn from the patronage model to a community-building model? That's a real discussion we're having."

Also interesting is what does not make the list of practices most widely viewed as promising for increasing foundations' impact. (See Figure Twelve.) Despite recent attention paid to how foundations choose to invest their endowments, this does not rank high on CEOs' lists of promising practices. Fewer than 10 percent of CEOs surveyed believe that divestment of endowments from select industries holds a lot of promise for increasing impact. And only slightly less than one-third of CEOs think impact investing has a lot of promise. (See Appendix A for a full list of promising practices included in the survey.)

LIMITED LIFE & PERPETUITY

While not rated highly in the survey as a promising practice for increasing foundations' impact, foundations limiting their life rather than existing in perpetuity was an issue raised by about half of interviewees. (We did not ask about it directly in the interviews.) The context in which interviewees raised this issue varied. Some simply observe that foundations are more frequently asking themselves about whether they should exist in perpetuity, noting, "We see a number of foundations that are giving away all their assets and reducing themselves down to zero because they want to address these large issues now and not sort of meter out the money over years."

Some identify spending down as a strategy for addressing more and greater needs. Others describe challenges in adhering to donor intent in the context of foundations that plan to exist in perpetuity, especially during a generational transfer of wealth. Yet others are concerned that it is a fad, noting that "One trend, which is in danger of being overly hyped, is the spend-down foundation."

FIGURE TWELVE

Practices **least** frequently seen by CEOs as holding a lot of promise for increasing foundations' impact in the coming decades

9% Foundations divesting their endowments from selected industries

16% Foundations limiting their lifespan

21% Foundations challenging business

30% Foundations engaging in impact investing

36% Foundations challenging government
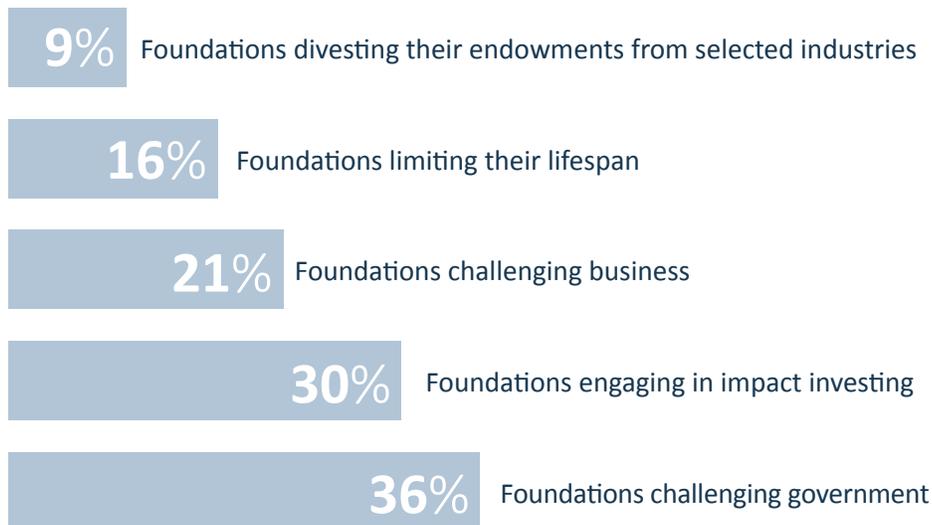
BARRING ALL CONSTRAINTS, WHAT WOULD CEOS FUND?

Despite all the worries expressed about foundations' ability to change, many of those we interviewed would not shift their resources even if they could.

When asked the hypothetical question, "Assume for a moment that you have no constraints on how to use your foundation's endowment—that absent present commitments, donor intent, or staff size, you could focus your foundation's resources on anything. What would you fund and why?" nearly half of CEOs interviewed say that they would keep the same or similar focus to their foundation's current work. Furthermore, only 40 percent of survey respondents would modify their approach to the work—such as by engaging more in policy/advocacy, taking more risks, narrowing their focus, spending more than five percent of their endowment, holding themselves more accountable, or focusing more on learning.

The fact that staying the course was the most frequent response from CEOs is striking for two reasons. First, given the barriers that foundation CEOs mention (namely,

internal challenges), and their concerns for the future (namely, that they will not make progress on issues or maximize their impact), one might expect CEOs to modify goals and strategies in this thought experiment. Second, as discussed previously, CEOs indicate foundations need to change to a large extent to address society's future needs, and they believe experimenting and innovating hold a lot of promise for increasing foundation effectiveness.

> " [I] would probably still fund the kinds of things we're working on now, but…be more focused on them.

KEY FINDING TWO DISCUSSION QUESTIONS

UNIQUE ROLE

Are you currently satisfied with the level to which your foundation takes advantage of its unique role? In what ways are you supporting experimentation and innovation, convenings, and collaborations?

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PROMISING PRACTICES

How, if at all, does your foundation learn from grantees and intended beneficiaries? How do those insights inform your practice?

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INFLUENCING PUBLIC POLICY

How do you balance the potential for your foundation to achieve your goals through influencing policy with concerns of having undue or anti-democratic influence?

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MANAGING TENSIONS INHERENT IN DOING PHILANTHROPY WELL

How does your foundation manage the tension between a sense of urgency and the recognition that change takes time? How are you demonstrating long-term commitment to issues yet being responsive to changes in context and issues? How are you practicing accountability yet taking advantage of the unique level of relatively unfettered freedom in foundation philanthropy?

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CONCLUSION

Foundation CEOs believe in the potential of foundation philanthropy to make a significant difference in the world. While they do not see foundations taking full advantage of their opportunities for impact today, they point to a number of ways foundations could get closer to realizing their potential in the future.

While it is true that there is a diversity of concerns and suggestions among foundations CEOs, clear themes emerge in their responses time and again: about the need for foundations to make different choices about how they approach their work, the need for more collaboration, and the need for greater risk taking. These themes come through when CEOs discuss barriers to their foundations' progress, their concerns for foundations broadly, their suggestions for how foundations should change to be more effective in the future, and the unique role of foundation philanthropy.

The data reveal foundation leaders who are, in some respects, distinctly self-critical—pointing to barriers that are largely in their power to affect rather than laying blame on others. CEOs also offer a sober critique of foundations more broadly, calling for change but at the same time evincing much less than total confidence, as a group, that change will come.

Foundation CEOs see opportunities to take advantage of

their unique positions and unrivaled freedoms by pushing for and supporting innovation and experimentation, by listening and learning, and by bringing together relevant actors to work collaboratively in pursuit of shared goals. Here, again, they point to changes that they, more than anyone else, are well-positioned to make happen.

The data from our surveys and interviews—which we have played back throughout this report—reveal leaders who look themselves in the mirror and are not entirely pleased with what they see. Perhaps surprisingly, many of the critiques most often leveled at foundations and their leaders by those outside institutional philanthropy— regarding arrogance, isolation, and a lack of connection to those they seek to help—are, it turns out, largely shared by the very targets of those critiques. Foundation CEOs, in other words, know they must do better even as they appear somewhat lacking in confidence that they can or will.

We hope that this report can help catalyze a candid

discussion among CEOs about the changes that need to occur for foundations to maximize their positive impact. We hope foundation leaders can recognize the striking commonalities in their diagnoses of problems and opportunities as they look to the future.

If many foundation leaders believe, as they do, that foundations should take more risks and collaborate more effectively with each other and other actors to have greater impact, how can foundations do so?

If many foundation leaders believe, as they do, that learning from grantees and those they are trying to help will lead to greater impact, how can foundations do this more and better?

And if, as is the case, impact investing or limiting the life of foundations is seen by a relatively small proportion of CEOs as having great promise for achieving more impact, why do these topics often seem to get greater attention and discussion than the ones that are seen as more promising?

Perhaps these findings can help foundation CEOs set and then pursue the practices that many of them agree matter most for impact, recognize and address barriers to progress, and seek opportunities to take advantage of philanthropy's unique role in society. If they do, then foundations can come closer to realizing their full potential. Given the pressing issues facing our country and the globe, including inequality and climate change, it is hard to imagine that anything could be more important for foundation leaders than to focus on addressing the barriers and opportunities they identify.

We were struck by foundation leaders' deep concern and commitment and by their self-awareness and self-critique. This may be a function, in part, of the increasing questioning of the legitimacy of foundations in recent years, and, indeed, the questioning of major institutions in our society. Like leaders of those other institutions, foundation leaders are asking fundamental questions of themselves about how they can do better.

Given the resources at stake and the issues being addressed, their answers—and their actions—matter for all of us.

APPENDICES

APPENDIX A: PROMISING PRACTICES (IN DESCENDING ORDER)

CEOs were presented with a list of 24 areas of practice that have the potential to increase the impact that foundations can have, and were asked to select how promising they believe these practices are for foundations overall. The table below shows CEOs' perspectives of practices they believe to have a lot of promise, in descending order.

Percentage of CEOs who say the practice holds "A lot of promise"	Practice
69%	Foundations seeking to learn from the experiences of those they are ultimately trying to help
67%	Foundations seeking to learn from the knowledge or experiences of grantees
64%	Foundations taking more risks
59%	Foundations collaborating with one another
59%	Foundations simultaneously collaborating with other foundations, business, government, and nonprofits
55%	Foundations being more transparent about what has not worked
55%	Foundations supporting nonprofit capacity building
53%	Foundations providing risk capital for nonprofits
51%	Foundations providing more long-term general operating support to nonprofits
48%	Foundations being more transparent about what has worked
48%	Foundations encouraging or facilitating collaborations among nonprofits
48%	Foundation work informing government policy decisions
46%	Foundations doing more to assess their own performance
45%	Foundations supporting grantees to learn from their beneficiaries
45%	Foundations supporting nonprofits in efforts to assess their performance
43%	Foundations helping to grow or "scale" effective nonprofits
42%	Foundations and government (local, state, or federal) collaborating
38%	Foundation boards increasing their effectiveness
37%	Foundations and businesses collaborating
36%	Foundations challenging government
30%	Foundations engaging in impact investing
21%	Foundations challenging business
16%	Foundations limiting their lifespan
9%	Foundations divesting their endowments from selected industries

APPENDIX B: METHODOLOGY

The findings presented in this report are based on data collected and analyzed by CEP. Multiple data collection methods were employed. CEO data discussed in this report was gathered through interviews with 41 foundation CEOs and a survey completed by a different set of 167 foundation CEOs. Program staff data was gathered through a survey completed by 150 foundation program staff. All analyses were developed and executed by CEP staff. Information detailing the processes for collecting and analyzing the data is below.

STUDY POPULATION

Specific criteria were used to determine eligibility for this research study. Foundations were considered for inclusion if they:

were based in the United States;

were an independent foundation, including health conversion foundations, or community foundations as categorized by Foundation Directory Online and CEP's internal contact management software; and

provided $5 million or more in annual giving, according to information provided to CEP from Foundation Center in September 2015.

Individuals leading eligible foundations were considered for inclusion if they:

had a title of president, CEO, executive director, or equivalent, as identified through the foundation's website, 990 form, or internal CEP staff knowledge; and

had an e-mail address that could be accessed through the foundation's website or internal CEP records.

In total, 488 CEOs were considered for inclusion.

INTERVIEWS WITH FOUNDATION CEOS

SAMPLE

Of those 488 CEOs, 78 were randomly selected and invited to be interviewed in April and May 2016.

To ensure that foundations from which CEOs were interviewed were representative of the population from which they were selected, they were stratified by the following variables:

Type of foundation (independent vs. community foundation);

Giving (less than vs. equal to or greater than the median giving amount in the larger sample); and

Age (less than vs. equal to or greater than the median age of foundations in the larger sample)

Then, foundations were randomly selected from the stratified groups, with percentages selected for interviews mirroring the corresponding percentages present in the sample population.

After invitations to participate in an interview were sent, three CEOs were removed from the larger sample due to additional information that was received showing they were ineligible for the sample. Forty-one CEOs participated in an interview.

INTERVIEWEE SAMPLE DEMOGRAPHICS

Of the 41 foundations in our final CEO interview sample, 30 were independent foundations and 11 were community foundations. Health conversion foundations accounted for five of the 30 independent foundations. The median asset size for foundations in the sample was approximately $260 million, and the median annual giving level was approximately $10 million. The median age of foundations interviewed was about 30 years.

	Independent Foundation	Community Foundation
Type of Foundation	**73**%	**27**%

Foundation Characteristics	Range	Median Value
Assets	$7M to >$7B	~$260M
Giving	>$5M to <$600M	~$10M
Age	<15 years to >90 years	~30 years

INTERVIEW PROTOCOL

The interview protocol was developed in consultation with CEP's key contacts at the William and Flora Hewlett Foundation. Every interview began with an introductory script describing the purpose of the study and the confidentiality of the conversation. Before any interview questions were asked, interviewees were notified that the interview would be recorded and transcribed. The protocol contained 16 questions about the interviewee's background, pressing issues in society that would affect foundation philanthropy, and foundations' positioning and preparedness for the future.

Three pilot interviews with one current and two former foundation CEOs were conducted in May 2016 to test the clarity, relevance, and utility of the interview protocol. Based on feedback from the pilot interviews, the interview protocol was edited. Data from the pilot interviews was not included in our analysis.

DATA COLLECTION

From May to June 2016, 41 interviews were conducted by two members of CEP's staff. At the start of the process, both interviewers conducted three interviews together to establish consistency in style. Interviews lasted 40 minutes to one hour.

DATA ANALYSIS

Interview recordings were transcribed and qualitatively coded to capture common content and themes. A codebook was created to ensure that different coders coded for the same concepts rather than their individual interpretations of what interviewees said.

From June to July 2016, four coders were involved in coding interview transcripts over two phases. First, to establish interrater reliability, all four coders coded 14 of the 41 interviews (34 percent) over three rounds. After each of the three rounds, discrepancies were discussed. To increase interrater reliability, some codes that did not

meet an 80 percent level of pairwise interrater agreement were removed. Additionally, some code definitions were edited to include more details and directions for coders. When the codebook was finalized, at least an 80 percent level of pairwise interrater agreement was achieved for 145, or 78 percent of codes. One coder was assigned to correct all discrepancies that had occurred during the interrater process; corrections were made based on any codebook changes or clarifications of codes.

In the next phase, three coders divided up and independently coded the remaining 27 transcripts. The coders exercised their judgements to determine if interview responses required an additional coder's verification.

Descriptive statistics were examined for interview content and themes included in this report. Selected quotations from the interviews were also included throughout this report. These quotations were selected to be representative of the themes seen in the data.

SURVEY OF FOUNDATION CEOS

SAMPLE

In May 2016, 443 CEOs were sent an invitation to complete the survey. CEOs who participated in an interview were not also asked to complete the survey. While the survey was fielded, 15 CEOs were removed from the sample due to additional information that was received showing they were ineligible for our sample.

Completed surveys were received from 165 CEOs, and partially completed surveys, defined as being at least 50 percent complete, were received from two CEOs. Thus, our final survey sample included 167 of 428 potential respondents, for a response rate of 39 percent.

Survey Period	Number of CEOs Surveyed	Number of Responses	Survey Response Rate
May—June 2016	428	167	39%

RESPONDENT SAMPLE DEMOGRAPHICS

Of the 167 foundations in our final survey sample, 74 percent were independent foundations and 26 percent were community foundations. Health conversion foundations accounted for six percent of the independent foundations. The median asset size for foundations in the sample was approximately $250 million and the median annual giving level was approximately $16 million. The

median age of foundations surveyed was about 40 years.

	Independent Foundation	Community Foundation
Type of Foundation	**74**%	**26**%

Foundation Characteristics	Range	Median Value
Assets	$6.5M to >$7B	~$250M
Giving	>$5M to <$370M	~$16M
Age	<10 years to >90 years	~40 years

SURVEY ADMINISTRATION

The survey was fielded online for a four-week period from the beginning of May 2016 to the beginning of June 2016. 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 were sent up to seven reminder e-mails.

SURVEY INSTRUMENT

The survey consisted of 17 items and included questions about the future of foundation philanthropy as it related to both the respondent's foundation and foundations more generally. CEOs were asked about a variety of topics, including the difference foundations can make and are making on important issues in society, the barriers to their foundation's progress, the future pressing issues in society, the preparedness of foundations for the future, and the promise of particular foundation practices.

RESPONSE BIAS

Foundations with CEOs who responded to this survey did not differ from non-respondent foundations by age, geographic regional location, or foundation type (i.e., whether the foundation was an independent or community foundation).[3] CEOs from foundations with annual giving amounts greater than the median amount in our dataset were slightly more likely to respond to the survey than foundations with giving amounts less than the median amount in our dataset.[4] CEOs of foundations that have used CEP's assessments were slightly more likely to respond to the survey than CEOs of foundations that have not used a CEP assessment.[5]

QUANTITATIVE ANALYSIS

To analyze the quantitative survey data from foundation CEOs, descriptive statistics were examined and a combination of 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 testing conducted for this research. Effect sizes were examined for all analyses. Only findings reaching at least a medium effect size are discussed in this report.

QUALITATIVE ANALYSIS

Thematic and content analyses were conducted on the responses to the following open-ended survey items:

Please list the three most significant barriers to your foundation's ability to make progress toward the achievement of its current programmatic goals.

Please list three pressing issues in society that you think will influence foundation philanthropy in the coming decades.

[Shown only to respondents who answered the question, "In your opinion, to what extent do foundations need to change in order to address society's future needs?" and selected "To a small extent," "To a moderate extent," and "To a large extent."] In your opinion, how do foundations need to change?

What is your biggest concern for the future of foundation philanthropy?

Assume for a moment that you have no constraints on how to use your foundation's endowment—

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[3] A chi-square analysis was conducted between whether or not foundation CEOs responded to our survey and whether those foundations were older or newer than the median age of foundations in our dataset. No statistically significant differences were found.

A chi-square analysis was conducted between whether or not foundation CEOs responded to our survey and the geographic region in which the foundation was located. No statistically significant differences were found.

A chi-square analysis was conducted between whether or not foundation CEOs responded to our survey and whether those foundations were an independent or community foundation. No statistically significant differences were found.

[4] A chi-square analysis was conducted between whether or not foundation CEOs responded to our survey and whether those foundations had a lesser or greater annual giving level than the median giving level in our dataset. A statistical difference of a small effect size was found (0.10).

[5] A chi-square analysis was conducted between whether or not foundation CEOs responded to our survey and whether or not those foundations have used a CEP tool. A statistical difference of a small effect size was found (0.24).

that absent present commitments, donor intent, board oversight, or staff size, you could focus your foundation's resources on anything. What would you fund and why?

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.

Codebooks were 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 a question and a second coder coded 15 percent of those responses. At least an 80 percent level of interrater agreement was achieved for each code for each open-ended item.

Selected quotations from the open-ended survey responses were included in this report. These quotations were selected to be representative of the themes seen in the data.

SURVEY OF FOUNDATION PROGRAM STAFF

Foundations were considered for inclusion in the program staff sample if they met the same criteria as described on page 31. Individuals working at eligible foundations were considered for inclusion in the program officer sample if they:

had a title of program officer, program manager, or equivalent, as identified through the foundation's website; and

had an e-mail address that could be accessed through the foundation's website or internal CEP records.

One eligible individual was selected at random from each eligible foundation. In July 2016, the 319 foundation staff selected were sent an invitation to complete the survey. Later, eight individuals were removed from the sample because it became apparent that they did not meet the inclusion criteria. Another seven individuals were removed from the sample and replaced with staff from their foundation who better met the criteria. Completed surveys, defined as having at least 80 percent of questions answered, were received from 149 participants, and a partially completed survey, defined as having at least 50 percent of questions answered, was received from one participant. Thus, 150 of the 311 eligible respondents completed the survey, for a response rate of 48 percent.

Survey Period	Number of CEOs Surveyed	Number of Responses	Survey Response Rate
July 2016	311	150	48%

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