THE CENTER
FOR EFFECTIVE
PHILANTHROPY

CEP

Understanding & Sharing What Works

THE STATE OF FOUNDATION PRACTICE

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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.

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INTRODUCTION

Assessing the performance of a foundation is notoriously challenging. Foundations are frequently a step removed from the change they seek and are typically one of many funders, making it difficult to establish a causal link between what they funded and the result of that funding. The right metrics for assessment can vary by initiative or program area, and it can take years, if not decades, to understand the effects of efforts to address vexing social problems.

Despite these challenges, most foundation leaders agree that assessment is crucial to learning and improvement.[1] Many philanthropic researchers and advisors also emphasize that a hallmark of strong organizations is their ability to use what they are learning to improve.[2] But foundation performance is not as well understood as it could be.[3] Moreover, few foundations report sharing the information they do collect about their performance.[4]

A crucial aspect of assessing performance is understanding what is and isn't working in a foundation's efforts to achieve its goals—whether those efforts focus on the work of individual grantees or on more comprehensive systems change. Foundations cannot expect to improve in their programmatic efforts without access to information about what's working and what's not.

So, how well do foundation CEOs believe they understand what is and isn't working in their foundation's programmatic efforts? How are they developing this understanding, and what information are they choosing to share?

To answer these questions, the Center for Effective Philanthropy (CEP) analyzed survey responses from 119 CEOs of private and community foundations giving at least $5 million annually regarding what they know about what is and isn't working in their foundations' efforts to achieve their programmatic goals. We also conducted in-depth interviews with 41 CEOs to obtain additional context and information. (See Methodology for further information.)

In addition, to examine more in-depth what foundations are doing to understand and share their work, we worked with Lowell Weiss of Cascade Philanthropy Advisors to write a series of profiles. Lowell interviewed leaders at four foundations: Rockefeller Brothers Fund, Weingart Foundation, Communities Foundation of Texas, and Impetus-PEF. Their profiles are available to download at cep.org.

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1 Ellie Buteau and Phil Buchanan, "The State of Foundation Performance Assessment: A Survey of Foundation CEOs" (The Center for Effective Philanthropy, September 2011), 11, http://research.cep.org/state-of-foundation-performance-assessment.

2 For example: Center for Evaluation Innovation, "Strategic Learning" (Center for Evaluation Innovation, 2018), http://www.evaluationinnovation.org/focus-areas/strategic-learning; Harder+Company, "Is Grantmaking Getting Smarter? A National Study of Philanthropic Practice" (Grantmakers for Effective Organizations, November 1, 2017), https://www.geofunders.org/resources/968.

3 Buteau and Buchanan, "The State of Foundation Performance Assessment: A Survey of Foundation CEOs," 5.

4 Ellie Buteau et al., "Benchmarking Foundation Evaluation Practices" (The Center for Effective Philanthropy and the Center for Evaluation Innovation, September 2016), 31, http://research.cep.org/benchmarking-foundation-evaluation-practices.

KEY FINDINGS

DEVELOPING AN UNDERSTANDING

While almost two-thirds of CEOs say they understand well what is working in their foundation's programmatic efforts, more than 40 percent say their foundation is not investing enough time and money in developing this understanding.

USING KNOWLEDGE TO MAKE DECISIONS

Foundation CEOs are using what they learn about their programmatic work to inform decision-making at their foundations.

SHARING KNOWLEDGE

While the majority of CEOs say their foundation shares at least some of its knowledge externally, they also say foundations are not sharing more due to a lack of capacity, a hesitancy to expose failure, and the difficulty of determining what information is useful to communicate.
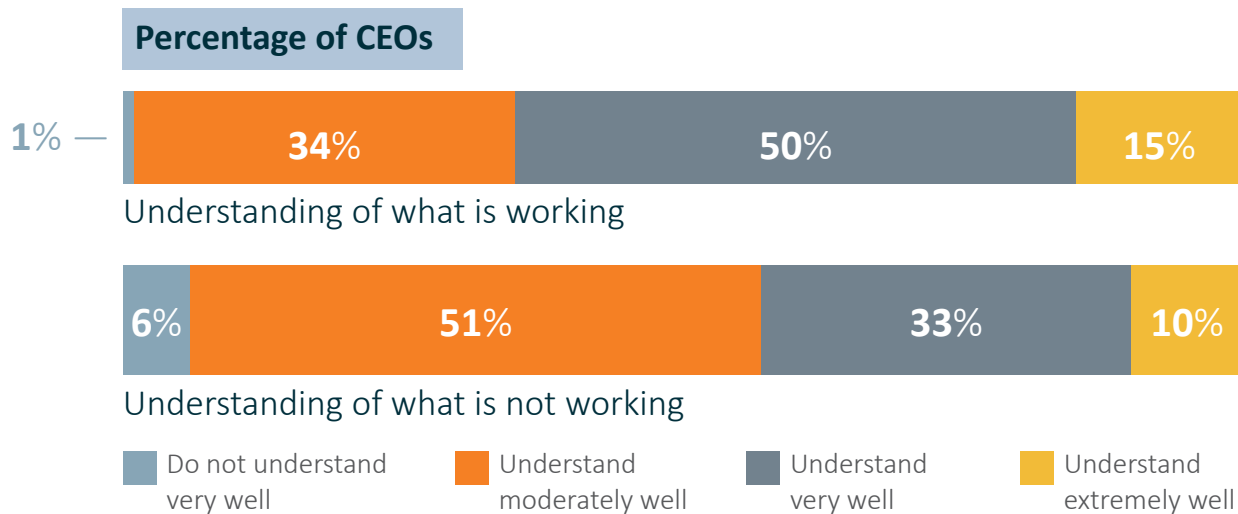
DEVELOPING AN UNDERSTANDING

While almost two-thirds of CEOs say they understand well what is working in their foundation's programmatic efforts, more than 40 percent say their foundation is not investing enough time and money in developing this understanding.

Almost two-thirds of foundation CEOs say they understand very or extremely well what is working in their foundation's overall efforts to achieve its goals. Yet, fewer than half say they understand very or extremely well what is *not* working in those efforts. (See Figure 1.)[5]

FIGURE 1. **HOW WELL FOUNDATION CEOS UNDERSTAND WHAT IS AND WHAT IS NOT WORKING IN THEIR PROGRAMMATIC EFFORTS**

Percentage of CEOs

1% —

| 34% | 50% | 15% |

Understanding of what is working

| 6% | 51% | 33% | 10% |

Understanding of what is not working

- ■ Do not understand very well
- ■ Understand moderately well
- ■ Understand very well
- ■ Understand extremely well

Foundation CEOs were also provided the option, "Do not understand at all." No CEOs selected this option.

This level of understanding varies based on numerous factors. About half of CEOs interviewed say their understanding of what works depends on the nature of the funding their foundation provides, such as the program or issue area funded or the type of funding. "We operate in multiple areas, and so I'd say my understanding varies a little bit subject area to subject area," one CEO says. "I think for some, we're pretty close to the outcomes and they're pretty observable and, in some cases, measurable. Others may be more systems change kinds of things that are more qualitative and not as easy—or it may just take a long time to know whether what you're doing is going to ultimately have the impact you hoped."

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5 Having an understanding of one is related to having an understanding of the other—CEOs who better understand what is working in their programmatic efforts also better understand what is not working.

CHALLENGES TO LEARNING

The top challenges CEOs cite in learning what is and isn't working in the pursuit of their programmatic goals are a lack of capacity and difficulties in assessing impact.

Half of CEOs surveyed mention that capacity at their foundation is an impediment to learning, including limits on staff time or expertise. One CEO says the foundation has "inadequate systems to make learning a seamless part of our culture and operations, rather than a special request to staff." Another CEO says the foundation is challenged in "finding/ making dedicated time to review and consider what we are learning."

About half of CEOs surveyed say their foundation faces challenges assessing certain programmatic efforts. The challenges can occur when developing approaches and methods to assess impact or outcomes, or when drawing conclusions or determining impact based on the data collected by the foundation. One CEO discusses how it can be difficult "distilling a wide range of qualitative and quantitative data to make meaning." Another simply says, "We know more about some grants because they have more measurable outcomes than do other grants."

A community foundation CEO notes, "We have several categories of grants. We have donor-advised, responsive grants, and we don't pretend to evaluate the impact of most of those. But then you look at our discretionary funds—strategic, and long-term grants—and we are evaluating individual grants and know a lot about them."

Learning what is and isn't working requires investment. Yet, 42 percent of CEOs say their foundation invests too little time and money in this learning.[6]

More than 60 percent of CEOs attribute their level of understanding specifically to the level of effort their foundation puts into assessment and learning. "We have built-in reporting mechanisms for all of our competitive grants. So [learning is] built into our process," says one CEO.[7]

On the other hand, a foundation leader who reports not understanding what is and isn't working very well comments, "We don't yet have the infrastructure and the clarity in our own systems and ways of working that would give me the learning that I want for my role as the CEO, for making strategic decisions, and for sharing information with the board."

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6 CEOs of community foundations are significantly more likely to say their foundation invests too little in learning what is and isn't working than CEOs of independent foundations. CEOs of foundations with annual giving less than the median in this study are also significantly more likely to say their foundation invests too little in learning what is and isn't working than CEOs of foundations with annual giving greater than the median.
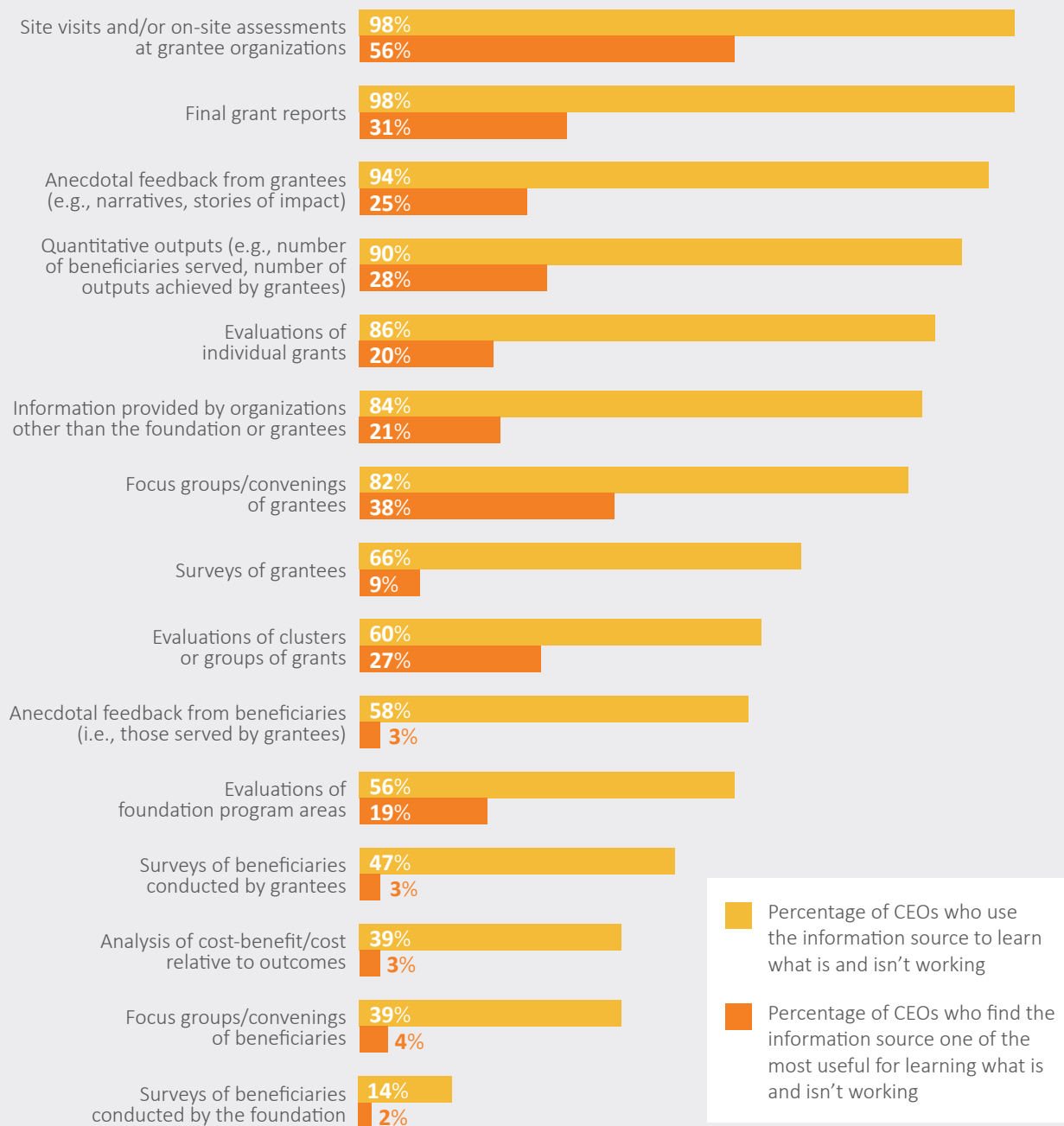
7 CEOs were asked how they would describe their foundation's level of investment, staff time, and dollars, in learning what is and isn't working in its efforts to achieve its programmatic goals. They could respond that they believe their foundation invests far too little, too little, the appropriate amount, too much, or far too much.

Developing such clarity is not an easy task, given that there is no single metric by which to gauge initiatives in philanthropy. On average, CEOs indicate that their foundation uses 10 different sources of information to develop an understanding of what is and isn't working.[8]

While many sources of information—such as site visits, final grant reports, and anecdotal feedback from grantees—are used by almost all foundations, there is little consensus when it comes to which of these means are most useful for learning what is and isn't working. (See Figure 2.) Information that may be helpful to the CEO of one foundation in understanding the foundation's programmatic efforts may not be as useful to the CEO of another foundation.

8 CEOs were asked to select the resources and/or activities their foundation regularly uses to learn what is and isn't working in its efforts to achieve its programmatic goals from a list of 15 different options. They were also able to write in their own 16th option.

FIGURE 2. USE AND USEFULNESS OF INFORMATION SOURCES

Information Source	% who use	% who find most useful
Site visits and/or on-site assessments at grantee organizations	98%	56%
Final grant reports	98%	31%
Anecdotal feedback from grantees (e.g., narratives, stories of impact)	94%	25%
Quantitative outputs (e.g., number of beneficiaries served, number of outputs achieved by grantees)	90%	28%
Evaluations of individual grants	86%	20%
Information provided by organizations other than the foundation or grantees	84%	21%
Focus groups/convenings of grantees	82%	38%
Surveys of grantees	66%	9%
Evaluations of clusters or groups of grants	60%	27%
Anecdotal feedback from beneficiaries (i.e., those served by grantees)	58%	3%
Evaluations of foundation program areas	56%	19%
Surveys of beneficiaries conducted by grantees	47%	3%
Analysis of cost-benefit/cost relative to outcomes	39%	3%
Focus groups/convenings of beneficiaries	39%	4%
Surveys of beneficiaries conducted by the foundation	14%	2%

Percentage of CEOs who use the information source to learn what is and isn't working

Percentage of CEOs who find the information source one of the most useful for learning what is and isn't working

WORKING WITH CONSULTANTS

Foundation leaders often look to outside experts to assist in their foundation's learning. Nearly three-quarters of CEOs say their foundation works with third-party consultants, and those CEOs also say they have a better understanding of what is working.

For more than half of CEOs, working with third-party consultants is helpful because it provides an outside perspective and/or an unbiased view of the foundation's work. "Outside consultants bring a national perspective, so we often get a very useful comparative framework," says one CEO. "They also can bring a neutrality that can be helpful." Additionally, more than one-third of CEOs find consultants most helpful for bringing specific skills or expertise that their foundation otherwise wouldn't have. One foundation leader notes, "We certainly bring in expertise when we engage a third-party person—whether it is in evaluation skills, data analysis, survey design, survey administration, those kinds of things."

> Working with third-party consultants is helpful because it provides an outside perspective and/or an unbiased view of the foundation's work.

Working with consultants is not without challenges, though. Almost one-third of CEOs interviewed mention that sometimes consultants do not understand the culture or values of the foundation, community, or field of work. One CEO discusses the difficulties that come with working with those who don't listen well or take the time to understand the mission and culture of the organization they are working with, saying this leads to a "cookie-cutter approach that oftentimes is not a good match."

Additionally, just more than a quarter of foundation leaders mention encountering problems with the quality of the work of consultants or discuss how there is a lack of qualified consultants to hire. "The most difficult challenge, frankly, is the limited pool of truly qualified people or organizations to do this kind of work," one CEO comments.

UNDERSTANDING INTERNAL OPERATIONS

Foundation CEOs have a significantly better understanding of what is and isn't working in their internal operations than in their programmatic efforts. The vast majority of CEOs, 85 percent, say they understand what is working in their internal operations very or extremely well, and more than three-quarters, 77 percent, say they understand what is not working in their internal operations very or extremely well.

USING KNOWLEDGE TO MAKE DECISIONS

Foundation CEOs are using what they learn about their programmatic work to inform decision-making at their foundations.

The vast majority of CEOs interviewed, 80 percent, say their foundation uses the knowledge it has about its work to inform decision-making. Specifically, foundations use information about what is and isn't working in their efforts to achieve their programmatic goals to make decisions that ultimately lead to the continuation, reorientation, or termination of grants, programs, initiatives, or strategies.

"[This knowledge] allows us some visibility into where we may place greater strategic priority in our work. We make program refinements—we disinvest in certain areas, or we choose to broaden our investment in others," says one foundation CEO.

Another foundation leader uses information similarly: "Evaluation is used to update the strategies we might want to pursue. So maybe we'll fund less program and more policy, or less policy and more program."

A third CEO notes that such knowledge is most used in "revisions to our grant guidelines. It shows up in revisions to our program strategies. Sometimes, it results in the development of new program strategies."
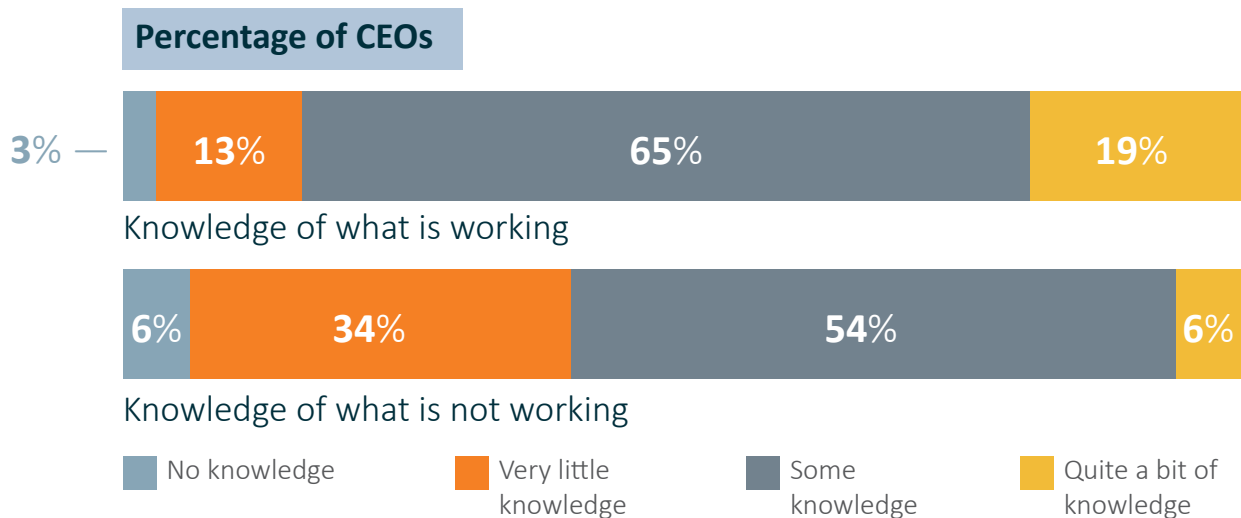
Foundation CEOs often incorporate information about what other foundations are learning into their decision-making as well. The majority of CEOs interviewed believe the knowledge that other foundations have about what is and isn't working in their programmatic work is relevant/useful to their foundation. "Whenever we launch something," says one CEO, "we try to look at other foundations. We figure out who has done this, and then we connect directly with their staff and learn from them what was effective and what wasn't effective."

> Foundation CEOs often incorporate information about what other foundations are learning into their decision-making as well.

Unfortunately, only 19 percent of CEOs surveyed say they have quite a bit of knowledge about what is working in the programmatic efforts of other foundations that are addressing the same or similar goals as their own foundation. Just six percent say they have quite a bit of knowledge about what isn't working in those foundations' efforts. (See Figure 3.)

But what foundations do know, they're using in some way. Three-quarters of CEOs surveyed say evidence of what is and isn't working at other foundations addressing the same or similar goals as their foundation informs the strategies their foundation uses to achieve its programmatic goals at least somewhat.

FIGURE 3. **HOW MUCH KNOWLEDGE FOUNDATION CEOS HAVE ABOUT WHAT IS AND WHAT IS NOT WORKING IN OTHER FOUNDATIONS' PROGRAMMATIC EFFORTS**

Percentage of CEOs

3% —

| 13% | 65% | 19% |

Knowledge of what is working

| 6% | 34% | 54% | 6% |

Knowledge of what is not working

■ No knowledge ■ Very little knowledge ■ Some knowledge ■ Quite a bit of knowledge

ADVANCING KNOWLEDGE ▶ ▶ ▶ ▶

Foundations often rely on fieldwide research and knowledge to inform their practices in some way. More than 60 percent of CEOs surveyed say empirical research such as peer-reviewed research and databases like the What Works Clearinghouse or the National Registry of Evidence-Based Programs and Practices inform their foundation's strategies at least somewhat.

Additionally, two-thirds of CEOs interviewed believe foundations themselves should play a large role in advancing knowledge in society. "That is part of our obligation as a tax-exempt entity," argues one CEO. Another foundation leader says that advancing knowledge "is our value-add. Because if not, we're really indistinguishable from individuals. I think the role that we should be playing is sort of the brains that complement the heart." A third CEO emphasizes, "It's critically important for foundations and philanthropy to play a role because government is unlikely to. I think we hold a unique position—we don't have an outcome that we're looking for, so to speak. I just don't know who else is going to do this if philanthropy doesn't do it."
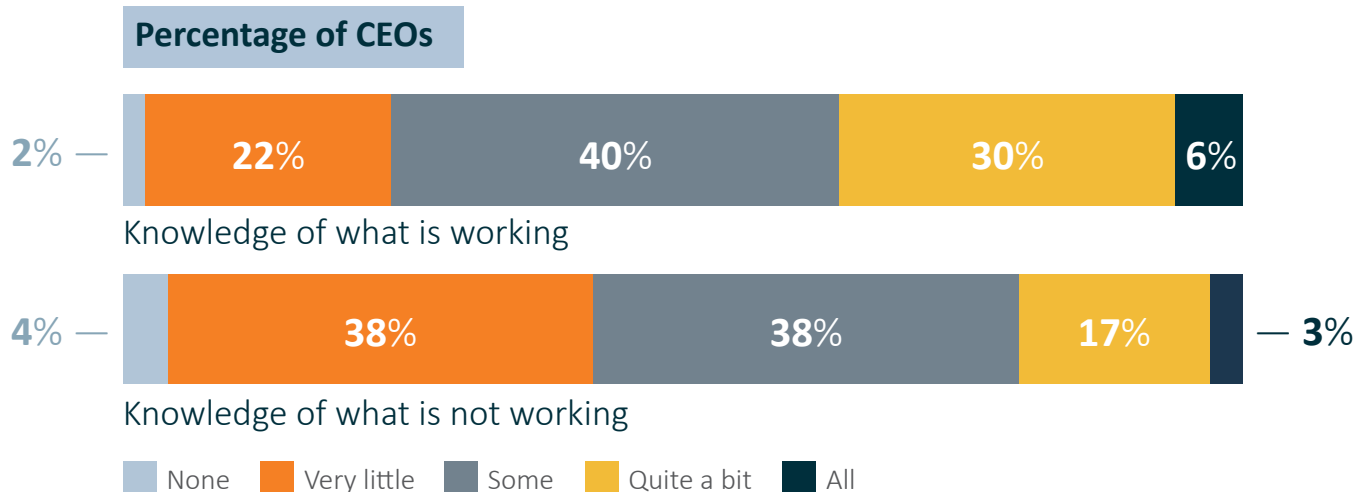
SHARING KNOWLEDGE

While the majority of CEOs say their foundation shares at least some of its knowledge externally, they also say foundations are not sharing more due to a lack of capacity, a hesitancy to expose failure, and the difficulty of determining what information is useful to communicate.

Most foundations are making some effort to share what they are learning externally, whether publicly or directly with their stakeholders.

About three-quarters of CEOs say their foundation makes at least some of its knowledge about what is working in its efforts to achieve its programmatic goals publicly available. CEOs who believe they have a better understanding of what is working share more of their foundations' knowledge with the public. When it comes to knowledge about what is not working, nearly 60 percent of CEOs say their foundation makes at least some of this knowledge publicly available. (See Figure 4.)[9]

FIGURE 4. **AMOUNT OF KNOWLEDGE FOUNDATIONS MAKE PUBLICLY AVAILABLE ABOUT WHAT IS AND WHAT IS NOT WORKING IN THEIR PROGRAMMATIC EFFORTS**

Percentage of CEOs

2% —
| 22% | 40% | 30% | 6% |

Knowledge of what is working

4% —
| 38% | 38% | 17% | — 3% |

Knowledge of what is not working

■ None ■ Very little ■ Some ■ Quite a bit ■ All

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9 When comparing how much knowledge about what is and is not working in their foundations' programmatic efforts CEOs say their foundations make publicly available, CEOs of foundations with annual giving greater than the median in this study rate their foundations higher, on average, than do CEOs of foundations with annual giving lower than the median. Additionally, when comparing how much knowledge about what is not working in their foundations' programmatic goals CEOs say their foundations make publicly available, CEOs of independent foundations rate their foundations higher, on average, than CEOs of community foundations.

There is a good deal of variation in how foundations decide what information to release to the public. Considerations discussed by CEOs include a desire to be as transparent as possible; only making information available that is deemed to be potentially helpful to the field; taking into account how positive or negative information is; and taking into account what information foundation leadership wants to share. Determining what to share can be a balancing act. As one foundation leader notes, "We make as much [information] available as possible, while preserving the privacy of institutions and individuals."

Foundations most frequently share what they have learned with their grantees and other foundations—88 percent of CEOs surveyed say their foundation communicates what it has learned with its grantees at least sometimes, and 85 percent of CEOs say their foundation communicates what it has learned with other foundations working toward similar goals at least sometimes. (See Figure 5.)[10]

FIGURE 5. **SHARING WITH STAKEHOLDERS**

Percentage of CEOs who say their foundation shares what it has learned at least sometimes with the following stakeholders

The foundations' grantees — **88**%

Other foundation working toward similar goals — **85**%

Other nonprofit organizations working toward similar goals — **70**%

Government organizations working toward similar goals — **62**%
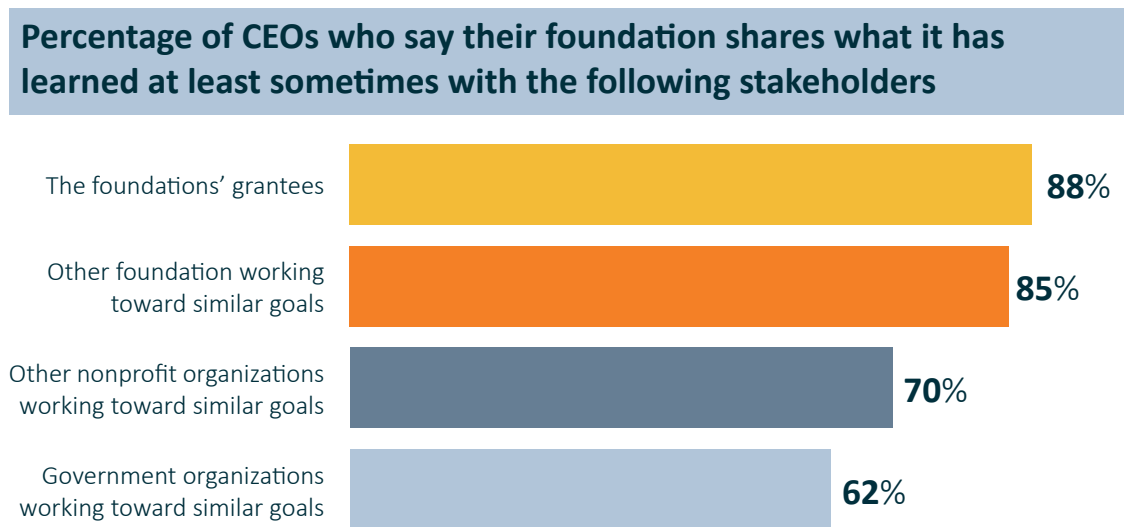
More than 60 percent of CEOs say knowledge gets shared in formal ways, such as through membership groups, reports, and/or speaking events. In comparison, only about one-third of CEOs say knowledge gets shared informally, through discussions with grantees, donors, or other foundations.

CEOs also note barriers they believe are keeping foundations from sharing more of their knowledge. These barriers include having too little capacity to focus on sharing information, being hesitant to communicate about mistakes or failures, and finding it difficult to distinguish what information would actually be useful to share.

HAVING TOO LITTLE CAPACITY

More than half of CEOs say foundations do not communicate more about the lessons they learn through their work because they do not have enough time, staff expertise,

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10 When comparing how often knowledge about what is and isn't working CEOs of foundations say their foundations share with government organizations, CEOs of foundations with annual giving greater than the median in this study rate their foundations higher, on average, than CEOs of foundations with annual giving lower than the median.

When comparing how often knowledge about what is and isn't working CEOs of foundations say their foundations share with other foundations working toward similar goals, the foundations' grantees, and other nonprofit organizations not funded by the foundation, CEOs of independent foundations rate their foundations higher, on average, than CEOs of community foundations.

or money. Many of these CEOs discuss how this capacity is necessary to organize and present knowledge for external consumption. "Putting money toward fancy reports to send out to folks is less of a priority," says one CEO. "In other words, why would I spend [a lot of money] to send out a big report across the county, when I could use that money to reinvest in the program and improve upon it based on what I learned?"

Other foundation leaders mention how the fast-paced, busy nature of philanthropic work creates a desire to just move on once knowledge is gathered. As one CEO notes, "We're so busy looking forward and less concerned about looking back, so I just don't think there's a natural tendency to share."

BEING HESITANT TO SHARE FAILURE

More than one-third of CEOs say foundations do not share more about what they know is and isn't working because they are hesitant to share mistakes or failures about programs or strategies that didn't work. Some CEOs note that this hesitancy is natural. "I think it is human nature," says one CEO. "Everybody wants to show the things they did really well. It's not as easy to say, 'Here's something we really missed completely or screwed up.'"

Others discuss how foundations do not want to lose the trust of their stakeholders. "People give us money because they trust us," says a community foundation leader. "And if we're screwing up, foundations don't want to tell a lot of people." Another CEO explains, "It's hard for people to admit failure. Foundations don't want to admit that because they see it as failure rather than as a learning opportunity. And despite a lot of rhetoric to the contrary, I think a lot of people get caught up in this stuff as a measure of accountability, as opposed to it being tied to a learning strategy."

> "
> We're so busy looking forward and less concerned about looking back, so I just don't think there's a natural tendency to share.
>
> *–Foundation CEO*

About one-third of CEOs specifically mention that their foundation faces pressure from its board of directors to withhold information about failures. As one CEO explains, "I think a lot of it depends on the trustees. We're fortunate that we have trustees who—not that they want to celebrate every failure we have—are not critiquing us on everything being successful. That wasn't always the case with our foundation."

DISTINGUISHING WHAT'S RELEVANT

One-third of CEOs believe foundations don't share more because it can be difficult to determine what information is useful to communicate. Some CEOs discuss how programs, initiatives, or strategies can be specific to one foundation and not easily transferable. "Program work is not apples to apples, so the lessons are sometimes just not relevant," says one CEO. Others are simply unconvinced that foundations actually read or care about the learnings of other foundations. One CEO asks, "Is it helpful to other people? Are we just sending it out into the ether, or is it actually being utilized by other folks in a helpful way?"

CONCLUSION

Foundations tackle some of the world's most complex challenges, so the process of understanding what is and isn't working in their work is also complex. Lessons learned from the efforts of foundations and the organizations they fund are often not immediately apparent.

Unlike other sectors, philanthropy doesn't have one metric or outcome to determine ultimate success. Instead, foundations must use a wide variety of information sources to build their knowledge. The ways in which foundations develop a thorough understanding of what is and isn't working can differ by program area, funding type, and funding source.

Despite these challenges, the majority of CEOs in this study believe they understand well what is working in their programmatic efforts and are using this understanding to inform decision-making. Yet, there seems to be a missed opportunity when it comes to understanding and using the learnings of peers, with few CEOs saying they have quite a bit of knowledge about what is and isn't working in the programmatic efforts of other foundations focused on the same or similar goals.

Our data also shows that many foundations do indeed have knowledge they can be sharing, and many already are sharing that knowledge in some way. But more can be done. Ed Pauly, director of research at the Wallace Foundation, sums up the value of openly communicating about a foundation's evaluation results, as Wallace has for years. "Making evaluations public is a classic case of a virtuous circle. Public scrutiny creates incentives for high quality, accessibility and utility; high quality reports lead to expanded, engaged audiences—and the circle turns again, as large audiences use evaluation lessons to strengthen their own work and demand more high-quality evaluations."[11]

Even if a foundation has the desire to communicate about what it is learning, this study indicates that the process of sharing information has its own complexities. It takes time and resources to communicate information externally; foundation leadership may be concerned about the prospect of sharing information that may reflect poorly on the foundation; and foundations may doubt that others will actually use the information that is shared.

Each foundation must determine for itself the best methods for learning from its work, and how to balance the risks and rewards of sharing that learning. While this may be challenging, the payoff can be great. As Joel Fleishman says, "Those foundations that are truly interested in using their resources in ways that will have the greatest positive impact on the world around them should study the stories of the most successful and effective foundation initiatives. They provide models for the future success stories that others in the foundation world should aspire to write."[12]

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11 Edward Pauly, "How 'Going Public' Improves Evaluations," Transparency Talk (blog), October 17, 2017, http://blog.glasspockets.org/2017/10/wallace-pauly-openforgood-17102017.html.

12 Joel Fleishman, The Foundation: A Great American Secret; How Private Wealth Is Changing the World (PublicAffairs, 2007).

DISCUSSION QUESTIONS FOR
FOUNDATION STAFF

There are some key questions foundation staff should consider in their efforts to develop and use an understanding of what works in their programmatic efforts.

How does your foundation determine how much staff, time, and money to put toward learning about what is and is not working?

- Are you comfortable with this current level of effort? Why or why not?

What, if anything, gets in the way of your foundation dedicating the appropriate level of money, time, and staff to learning?

- How can you overcome these barriers?

What types of information would be most useful for learning more about how your foundation's programmatic efforts are progressing?

- Which of these types of information is the foundation already collecting?

- What should it start collecting?

For which aspects of your foundation's practices and programs would knowledge of what is and is not working be most useful?

- How can, or does, your foundation use the information it collects to inform those practices and programs?

What does your foundation consider when determining what knowledge to share?

- Are you comfortable with your foundation's current level of communication about what it has learned? Why or why not?

- How can your foundation better communicate its knowledge to people and organizations outside the foundation?

DISCUSSION QUESTIONS FOR
FOUNDATION BOARDS OF DIRECTORS

There are some key questions foundation boards of directors should consider in their efforts to understand and share what works.

Where do you feel well informed about what is and is not currently working in the foundation's grantmaking?

- What would help deepen your understanding and inform better decision-making?

How are you, as a board, gauging progress?

- What are the most important short and long term indicators for helping the foundation learn, improve, and contribute to a greater understanding of what does and doesn't work?

In what ways are you, as board members, learning about the issue areas the foundation addresses, as well as the context in which you operate?

- How might you demonstrate to staff, grantees and stakeholders that the foundation board of directors values knowledge sharing, and is continuously learning and improving?

- In what ways could the board foster a culture in which staff and leaders seek to learn from and share failures in service of learning, a culture in which it is understood that not everything will go according to plan?

What are you as board members learning about what does and doesn't work from other foundations engaged in similar work?

- How are these lessons shaping the foundation's ongoing efforts? Based on what you have learned, what knowledge might you consider sharing with other funders?

METHODOLOGY

The findings presented in this report are based on data collected and analyzed by CEP. Two data collection methods were employed: surveys completed by 119 foundation CEOs and interviews with 41 foundation CEOs. All analyses were developed and executed by CEP staff.

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 foundation as categorized by Foundation Directory Online; and

- Provided $5 million or more in annual giving, according to information provided to CEP from Foundation Center in June 2016.

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 or 990 form; and

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

In total, 479 CEOs were considered for inclusion.

SURVEY OF FOUNDATION CEOS

SAMPLE

In May 2017, 479 CEOs were sent an invitation to complete a survey about what they do and don't know about what is and isn't working in their foundation's efforts to achieve its programmatic goals. While the survey was fielded, five CEOs were removed from the sample after additional information showed they did not meet our eligibility criteria.

Completed surveys, defined as being at least 80 percent complete, were received from 114 CEOs, and partially completed surveys, defined as being at least 50 percent complete but less than 80 percent complete, were received from five CEOs.[13] Thus, our final survey sample included 119 of 474 potential respondents, for a response rate of 25 percent.

Survey Period	Number of CEOs Surveyed	Number of Responses	Survey Response Rate
May—June 2017	474	119	25%

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13 Response rate calculations were based on the American Association for Public Opinion Research's (AAPOR) standard definitions.

RESPONDENT SAMPLE DEMOGRAPHICS

Of the 119 foundations in our final survey sample, 75 percent were independent foundations and 25 percent were community foundations. Health conversion foundations accounted for 12 percent of the independent foundations. The median asset size for foundations in the sample was approximately $320 million, the median annual giving level was approximately $16 million, and the median age was 38 years.

Foundation Characteristics	Range	Median Value
Assets	>$124K to <$12.5B	~$320M
Giving	>$5M to <$522M	~$16M
Age	>5 years to <105 years	38 years

SURVEY ADMINISTRATION

The survey was fielded online for a five-week period from the beginning of May 2017 to the beginning of June 2017. 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 10 reminder e-mails.

SURVEY INSTRUMENT

The survey consisted of 25 items and asked CEOs about a variety of topics, including their level of understanding of their programmatic goals and internal operations, their foundation's collection and use of data, the frequency and amount of knowledge their foundation shares internally and externally, and the amount and frequency with which their foundation uses knowledge from other foundations.

RESPONSE BIAS

Foundations with CEOs who responded to this survey did not differ from nonrespondent foundations by age, annual giving, geographic location, or foundation type (i.e., whether the foundation was an independent or community foundation).[14] However, CEOs of foundations that have used a CEP assessment—a Grantee Perception Report®, Staff Perception Report, and/or Donor Perception Report—were more likely to respond to the survey than CEOs of foundations that have not used a CEP assessment.[15]

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14 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.

A chi-square analysis was conducted between whether or not foundation CEOs responded to our survey and whether those foundations had annual giving levels that were greater or less than the median annual giving of foundations in our data set. No statistically significant differences were found.

15 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 assessment. A statistical difference of a moderate effect size was found (0.31).

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 moderate effect size are discussed in this report.

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

- What are the top three challenges you face in learning what is and is not working in your foundation's efforts to achieve its programmatic goals?
- How does your foundation determine what knowledge to make publicly available?

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.

INTERVIEWS WITH FOUNDATION CEOS

SAMPLE

The same population of 474 foundations was used to randomly select CEOs to invite to be interviewed in August through October of 2017.

To ensure that CEOs selected were from a representative sample of foundations, foundations were stratified by the following variables:

- Type of foundation (independent vs. community foundation); and
- Annual giving (less than vs. equal to or greater than the median giving amount in the larger population)

Then, foundations were randomly selected from the stratified groups. The percentage of foundations chosen from each group mirrored, as accurately as possible, the corresponding percentage of the group present in the study population. For example, 15 percent of foundations in the study population were community foundations with annual giving amounts equal to or greater than the median, so we aimed to have 15 percent of foundations interviewed be community foundations with annual giving amounts greater than or equal to the median.[16]

After 146 invitations were sent, 41 CEOs ultimately agreed to participate and were interviewed.

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16 Because of scheduling issues, the percentage of foundations from each of the groups that we ultimately interviewed varied slightly from the study population groups.

INTERVIEWEE SAMPLE DEMOGRAPHICS

Of the 41 foundations in our final CEO interview sample, 66 percent were independent foundations and 34 percent were community foundations. Health conversion foundations accounted for two of the independent foundations. The median asset size for foundations in the sample was approximately $239 million, the median annual giving level was approximately $14 million, and the median age was 33 years.

Foundation Characteristics	Range	Median Value
Assets	>$124K to <$11B	~$239M
Giving	>$5M to <$361M	~$14M
Age	>10 years to <85 years	33 years

INTERVIEW PROTOCOL

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 10 questions about the ways in which the interviewee's foundation learns about what is and isn't working in its programmatic efforts, the interviewee's perspectives about the foundation's work with third-party consultants, the ways in which the interviewee's foundation works with grantees to learn what is and isn't working, the ways in which knowledge gained by the foundation is used and shared, and foundations' broader role in sharing failures and advancing knowledge in society.

Two pilot interviews with foundation CEOs were conducted in August 2017 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 August to October 2017, 41 interviews were conducted by two members of CEP's staff. At the start of the process, the interviewers conducted some interviews together to establish consistency in style. Interviews lasted approximately 30 minutes to one hour.

DATA ANALYSIS

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

In October and November 2017, three coders were involved in coding interview transcripts. To establish interrater reliability, the three coders coded transcripts until at least an 80 percent level of pairwise interrater agreement was achieved for 100 percent of the codes in the codebook. One coder was then assigned to correct all discrepancies that had occurred during the interrater process. Once interrater agreement was established, two of the coders independently coded the remaining transcripts.

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.

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