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L e a r n i n g f o r A c t i o n

Findings from the Center for Effective Philanthropy 2010 Market and Impact Assessment Survey

Executive Summary

May 2010

Prepared For

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Summary Overview of Key Findings

The table below provides a high-level overview of key Market and Impact Assessment survey findings.

SUMMARY OVERVIEW OF KEY FINDINGS		
FAMILIARITY WITH CEP	<ul style="list-style-type: none"> Nearly all 2010 respondents have been familiar with CEP for at least one year. Organizations with larger grantmaking budgets were significantly more likely to be familiar with CEP compared to organizations with smaller grantmaking budgets ($p < .05$). Program officers were significantly less likely to be familiar with CEP compared to CEO/Executive Directors and Vice President of Programs (means = 3.0 vs. 3.6, respectively; $p < .01$). 	
MARKET ASSESSMENT	Perceptions of Assessment	<ul style="list-style-type: none"> The majority of 2010 survey respondents (71% of 537) reported that greater effort should be made to assess funder performance. 70% of all respondents report that declines in endowment values have not changed their perspectives on assessing funder performance. One-quarter report that declines in endowment values make assessment a higher priority.
	Views of CEP	<ul style="list-style-type: none"> Nearly all (97%) 2010 respondents familiar with CEP indicated that CEP has either a somewhat positive or excellent reputation among colleagues. The percentage of respondents recommending all CEP resource types has increased significantly from 2007 to 2010. There were no significant differences in perceptions of CEP by funder grantmaking size. High intensity users of CEP resources view CEP more favorably than low intensity users. In comparison to other assessment tools and processes, respondents reported that CEP assessment tools were more useful, with a mean score of 5.2 on a scale of 1 (much less useful) to 7 (much more useful), and a better value relative to their cost, with a mean score of 5.2 on a scale of 1 (very poor value for the cost) to 7 (excellent value for the cost).
IMPACT ASSESSMENT	CEP's Overall Influence on Organizational Practice	<ul style="list-style-type: none"> 92% of funders report making some change in at least one area of funder functioning as a result of engagement with CEP resources, as compared to 85% in 2007. 39% of 2010 survey respondents reported making a significant change in at least one area of funder functioning as a result of CEP resources, as compared to 32% of 2007 respondents. Importantly, fully 50% of high intensity CEP users in 2010 report that CEP resources have led to "significant change" in at least one area of their practice, compared to 12% of low intensity CEP resource users. And, all high intensity users report making at least some change as a result of CEP. On every dimension, except "board structure," high intensity users of CEP resources are making higher levels of change than low intensity users.
	Progress on CEP's Logic Model	<p>Respondent subgroups appear to represent a continuum that starts with developing awareness of CEP and appreciating the need to conduct performance measurement, and then progresses to using assessment tools and making changes aligned with CEP's logic model such as:</p> <ul style="list-style-type: none"> Reading CEP publications can lead to changes in targeted areas of funder functioning at the organizational level by influencing thinking at the individual level. Respondents who said the following five publications had a "high influence" on their thinking have a higher likelihood of making a change in their organizations: Essentials of Foundation Strategy; More Than Money; Beyond the Rhetoric; Luck of the Draw; and Indicators of Effectiveness. Assessment tool users (i.e., higher intensity users) make higher-level, strategic changes in the areas targeted by CEP's logic model: clearer goals; more coherent, well-implemented strategies; and more relevant performance indicators.

Purpose, Methods, and Profile of Survey Respondents

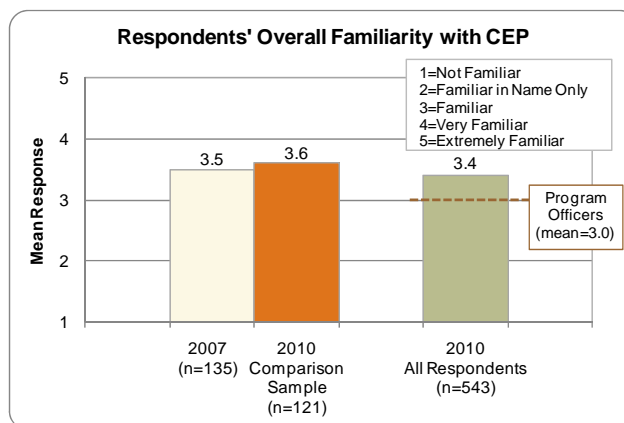
This executive summary provides highlights of key findings from the Center for Effective Philanthropy's (CEP) Market and Impact Assessment Study. LFA Group (LFA, *Learning for Action*) conducted the market and impact study for CEP to inform conversations among CEP staff and board members regarding progress against CEP's current strategic plan and logic model, as well as to guide development of future strategic directions. LFA conducted a similar study for CEP in 2007.

To conduct the study, LFA developed a survey for distribution to CEOs, senior grantmaking staff and program officers of the largest 500 U.S.-based funders according to grantmaking budget size, as well as to representatives of other funders that have had contact or involvement with CEP.¹ A total of 2,206 individuals from 923 organizations received the survey, with 543 completing it for a response rate of 25%. The 543 respondents represent 346 organizations, of which 171 are among the largest 500 funders.

Market Segments: LFA utilized data on the use of CEP resources to create a single variable that segments respondents into levels of engagement with CEP. Respondents using only CEP Research and Programming are considered "low intensity CEP users" and respondents using the GPR and another CEP assessment tool are considered "high intensity CEP users." Overall all findings follow a step-wise progression: as interactions with CEP increase, perceptions and ratings increase.

Survey Respondent Individual and Organizational Characteristics: The 2010 survey effort was successful in reaching a broad audience of foundation representatives. Slightly more than one third of respondents (37%) are program officers, approximately one third (32%) are CEO/EDs, and the remainder (31%) are senior-level grantmaking or other staff. Private (non-family and family) foundations comprise the majority of the sample (58%). The median grantmaking budget for respondent funders' most recent fiscal year is \$15 million (mean = \$46 million, range = \$75k to 500 million).

Familiarity with CEP: Overall, responding funders in 2010 are familiar with CEP at levels that are similar to those found in 2007. Nearly all 2010 respondents have been familiar with CEP for at least one year. Among all 2010 respondents, organizations with larger grantmaking budgets were significantly more likely to be familiar with CEP compared to organizations with smaller grantmaking budgets ($p < .05$). Program officers were significantly less likely to be familiar with CEP compared to CEO/Executive Directors and Vice President of Programs (means = 3.0 vs. 3.6, respectively; $p < .01$).²



¹ Involvement with CEP ranges from receipt of newsletter to assessment tool use.

² The p-values represent the probability that an observed difference could be due to natural variation in the data, rather than to a true, underlying difference. A p-value of 0.05 indicates that the probability is 5% or less that the difference between two values is due to chance. Where significance is found across the 4 intensity variables we have presented the high and low intensity categories to show the difference in perception and satisfaction. For reference purposes, we note the following levels of significance: * $p < .1$; ** $p < .05$; and *** $p < .01$.

Market Assessment Findings

Funders' Perceptions of Performance Assessment

In keeping with 2007 findings, the **majority of 2010 survey respondents (71% of 537) reported that greater effort should be made to assess funder performance** than is currently undertaken within philanthropy.

Importantly, when asked **if recent declines in endowment values changed their perspective on assessing funder performance, 70% of 536 respondents reported “no change in perspective,” and 26% reported that assessment has become a higher priority.** However, 23% of the 122 respondents reporting barriers to improving performance based on CEP assessment tool results identified the lack of funds and the economic downturn as major impediments to change based on CEP's insights.

Global Views of CEP

Overall, views of CEP are similar in 2010 compared to 2007, with slight increases in mean scores. And, across the board, **high intensity users of CEP resources view CEP more favorably than low intensity users** by an average of one point or more on the seven-point rating scale.

When asked to rate CEP's overall reputation, **97% of respondents indicated that CEP has either a somewhat positive (47%) or excellent (50%) reputation among their colleagues.** Half of survey respondents have recommended CEP to a colleague or friend.

CEP's Place in the Overall Market Landscape

In addition to the market and impact assessment survey, LFA also conducted a review of organizations with target audiences that overlap with CEP. The 47 organizations included in the landscape review were ranked according to their degree of overlap with, or relevance to, CEP's work. Using these criteria, **10 of the 47 organizations emerged as highly relevant and 13 as moderately relevant, indicating that CEP does occupy a fairly distinct market niche.**

The **most common area of overlap with CEP services is in research and publications:** 36 of 47 organizations were highly relevant in this area, meaning they publish and disseminate primarily their own research; seven distributed the research of other organizations in addition to their own work. In the area of programming, **30 of 47 organizations reviewed have program offerings** (conferences, workshops, etc.) **that overlap with CEP** in their focus on funder effectiveness. While 22 organizations overlapped with CEP in evaluation or assessment work, only nine offered standardized assessment tools directly comparable to CEP offerings. Of the organizations reviewed, 20 share with CEP their exclusive focus on funders rather than the broader nonprofit sector.

As evidence of CEP's prominence in the funder performance assessment market, among the unique organizations in the survey sample that completed grantee perception surveys, **nearly two-thirds (67%) have commissioned CEP's Grantee Perception Report.** In addition, 23% of responding organizations that conducted “employee perception surveys” have commissioned CEP's Staff Perception Report and 21% of organizations that conducted “board assessments” have commissioned CEP's Comparative Board Report.

CEP's Place in the Research Market

Overall, 80% of 2010 survey respondents have read CEP research publications, including case studies. When asked to identify the most important sources they turn to for research on philanthropic effectiveness, one-third of respondents named CEP, followed closely by GEO. Among those unfamiliar with CEP, Council on Foundations is the top resource.

When comparing the relative usefulness of CEP's research compared to research from other organizations, respondents rated on average CEP's research reports as a 4.4 on a scale of 1 (much less useful) to 7 (much more useful).

CEP's Place in the Programming and Communications Market

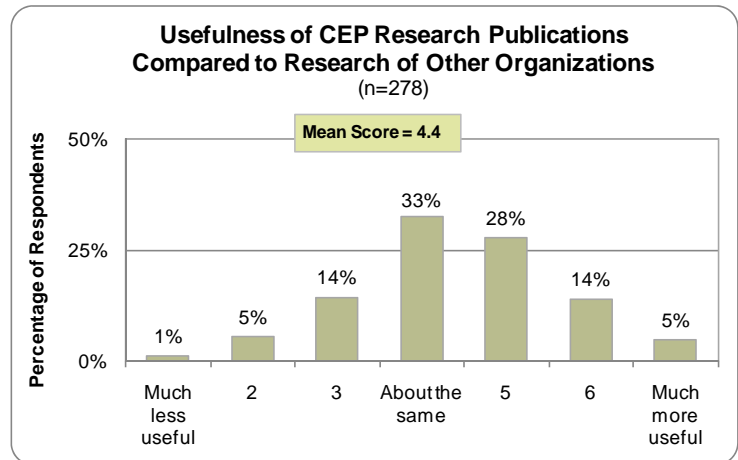
CEP conducts its own evaluations of its most significant programming event: the biennial CEP conference. For this reason, there were only a limited number of survey questions devoted to this area of work. In terms of CEP communications resources asked about, a significantly higher percentage of respondents in the 2010 comparison sample have accessed CEP's website compared to the 2007 sample, and 62% of respondents reported downloading research publications, case studies, or other resources from CEP's website. Respondents had also read CEP's newsletter (45%) and attended presentations by CEP staff (34%). CEP's annual report (26%) and blog (10%) were not accessed as frequently.

CEP's Place in the Assessment Tools Market

When asked to identify the most important sources they turn to for help in assessing organizational performance, **one quarter of respondents named CEP**. Respondents who have not used CEP tools identified GEO and COF as the top sources for assistance in assessing organizational performance.

While the GPR continues to be CEP's most used assessment tool (57% of respondents report using it one or more times), respondents also used the Staff Perception Report (16%), Comparative Board Report (11%) and Applicant Perception Report (10%) among other CEP assessment tool offerings. Excluding the GPR and the APR, survey respondents rated the usefulness and value of CEP assessment tools favorably relative to other assessment processes their organizations use: **respondents reported that CEP assessment tools were more useful**, with a mean score of 5.2 on a scale of 1 (much less useful) to 7 (much more useful), and **a better value relative to their cost**, compared to other tools, with a mean score of 5.2 on a scale of 1 (very poor value for the cost) to 7 (excellent value for the cost).

Top 5 Sources Respondents Turn to for Research on Philanthropic Effectiveness	Number of Respondents (n= 338)
The Center for Effective Philanthropy (CEP)	108
Grantmakers for Effective Organizations (GEO)	105
Council on Foundations (COF)	65
GrantCraft	26
Stanford Social Innovation Review (SSIR)	24



Top 5 Sources Funders Turn to for Help Assessing Organizational Performance	Number of Respondents
The Center for Effective Philanthropy (CEP)	58
Grantmakers for Effective Organizations (GEO)	41
Consultants/external evaluators	27
Council on Foundations (COF)	24
Grantees	21

Impact Assessment Findings

Value of CEP as a Resource for Enhancing Funder Effectiveness

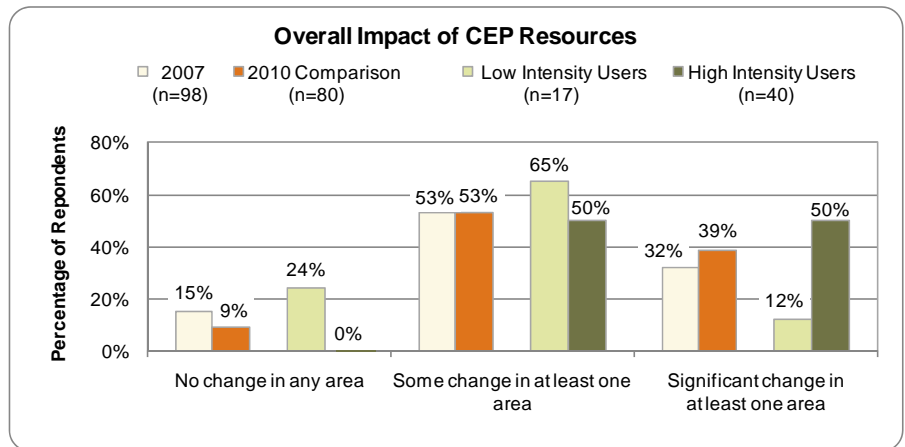
Respondents, on average, view CEP as a valuable resource. Perceptions of the value of CEP resources increase with greater usage. High intensity users were significantly more likely than low intensity users to rate CEP services high on the value scale in the areas of: assessment tools (mean score 5.8 v. 3.5, $p < .01$), research and publications on funder effectiveness (mean score 5.1 v. 4.5, $p < .10$), case study examples of funder practices (mean score 5.0 v. 4.5, $p < .05$) and advice or counsel from CEP staff on funder practice (mean score 4.7 v. 2.8, $p < .01$).

CEP's Influence on Organizational Practice

CEP resources have some overall effect on funder practices among the vast majority of respondents.

In 2010, 92% of funders report making some change due to engagement with CEP resources in at least one area of funder functioning compared to 85% in 2007. Two fifths (39%) of 2010 survey respondents reported making a significant change in at least one area of funder functioning as a result of CEP resources, as compared to 32% of

2007 respondents. Importantly, fully 50% of high intensity CEP users in 2010 report that CEP resources have led to "significant change" in at least one area of their practice, compared to 12% of low intensity CEP resource users. And, all high intensity users report making at least some change as a result of CEP.



CEP's Impact on Specific Areas of Funder Performance

In general, funders in the 2010 study are making changes as a result of CEP at rates that are slightly higher than in 2007. On every dimension, except "board structure," high intensity users of CEP resources are making higher levels of change than low intensity users. This difference is particularly notable in CEP's impact on high intensity users' interactions with grantees, grantmaking processes and assessment and evaluation practices. The most notable areas of change include:

- **Interaction with grantees:** 75% of respondents reported change in improved communication with grantees, and 65% reported change in attitudes towards working with grantees.
- **Assessment and evaluation practices:** 68% of respondents reported change in the value placed internally on assessment and evaluation; 50% reported change in engagement with organization-wide, portfolio, or grant-specific assessment or evaluation; over 40% reported change in clarifying goals and defining more relevant performance indicators.
- **Grantmaking:** 54% of respondents reported change in grantmaking processes.
- **Strategy:** 46% of respondents reported change in coherent and better-implemented strategies, and 40% reported change in provision of assistance to grantees beyond "the check."

Impact of CEP Research and Publications

In open-ended comments, respondents reported that the greatest areas of impact from CEP research and publications were in influencing:

- Change in attitudes toward work with grantees (improving interaction and communication) (25% of 188 respondents);
- Thinking with respect to funder strategy, goals, or performance indicators (19%);
- Improved assessment and evaluation processes, placing a higher value on assessment and evaluation, and/or developing evaluation frameworks (19%).

Unlike the pattern with other CEP resources, low intensity CEP users report being influenced by CEP research and publications at similar or higher levels than high intensity users for 6 of the 9 publications assessed.

About two thirds of respondents (63%) who have read CEP's publications have also used CEP's assessment tools. Respondents who read CEP publications, but who do not use CEP assessment tools, are less familiar with CEP, report that CEP has a less positive reputation among colleagues, and are funding organizations with grantmaking budgets of less than \$10 million ($p < .01$).

In general, **CEP research publications have led funders to make “a moderate amount” of change within their organizations.** Compared to all 2010 respondents and program officers, respondents in the 2010 comparison sample (senior grantmaking staff, CEO's, VPP's, and DRE's) reported that CEP research publications affected the highest level of change.

CEP research publications have a **greater influence on *thinking* among program officers** compared to all respondents. The publications with the greatest influence on the thinking of all 2010 respondents are “Listening to Grantees” (mean=4.8), “Foundation Communications” (mean=4.7), and “Indicators of Effectiveness” (mean=4.6). “More than Money” and “Beyond the Rhetoric” received mean scores of 4.5; “Essentials of Foundation Strategy” and “Luck of the Draw” received mean scores of 4.3 and 4.2, respectively.

Select CEP publications have a greater impact on low intensity users. The most notable case where this was observed was for “Luck of the Draw” (published in the Stanford Social Innovation Review). Low intensity users rated the publication 5.0 on the seven-point scale compared to 4.0 for high intensity users.

Reading CEP publications can lead to change at an organizational level by influencing individual thinking. The LFA team also assessed whether research publications identified by respondents as having a “high influence on thinking” resulted in change in the area of funder functioning targeted by the specific publications. For example, “Essentials of Foundation Strategy” and “Beyond the Rhetoric” target change in funder strategy, while “Foundation Communications” targets change in communications with grantees. Respondents reporting that select publications were highly influential on their thinking, compared to those reporting low influence on thinking, were significantly more likely to report organizational changes in areas of funder functioning that are targeted by these publications. In other words, reading CEP publications can lead to change at the organizational level by influencing thinking at the individual level. It appears the following five publications have a significant, independent effect on targeted areas of funder functioning among respondents reporting that they have had a “high influence” their thinking.

CEP Publications Having a Significant Effect	The Odds of Making a Change if Respondents View Publication as “Highly Influential” ¹	Area of Funder Functioning Affected ²
Essentials of Foundation Strategy	2.9 times more likely**	More coherent, better-implemented strategies
	3.7 times more likely***	Provision of assistance to grantees beyond “the check”
More Than Money	4.7 times more likely***	Provision of assistance to grantees beyond “the check”
Beyond the Rhetoric	2.4 times more likely*	Provision of assistance to grantees beyond “the check”
Luck of the Draw	5.8 times more likely**	Addressing the performance of program officers
Indicators of Effectiveness	3.5 times more likely*	Value placed internally on assessment and evaluation
<p>1. Odds ratio, controlling for the use of CEP tools and attendance at a conference or CEP staff member presentation.</p> <p>2. Respondent reported “some” or “significant” change in the area of funder functioning.</p>		

In general, CEP’s case studies are considered less influential on funders’ thinking than research publications. While the research publications scored 4s and into the 5s on the influence scale, case studies consistently received mean scores in the 3s.

Impact of CEP Programming and Communications

As mentioned previously, CEP conducts its own evaluations of programming. Results from the 2010 study reveal that the CEP communication resources affecting the greatest impact on thinking related to funder effectiveness are: CEP staff member presentations (mean=5.0); the CEP newsletter (mean=4.1); and the CEP blog (mean=4.1). When asked to what extent CEP and its resources inform online and media exchanges, on average respondents indicated that CEP influenced this area “to a moderate extent.”

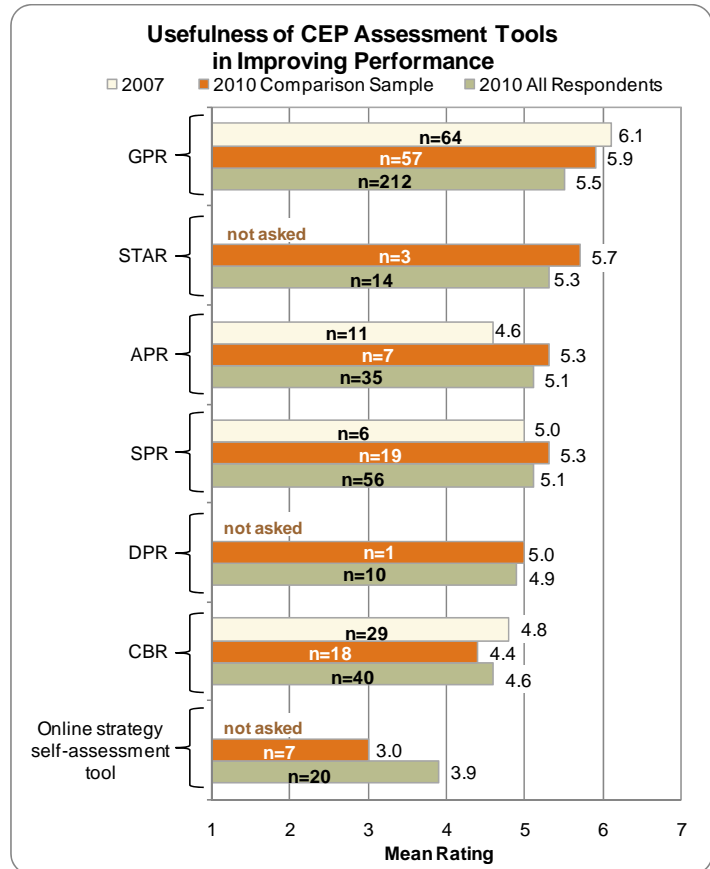
Of the 63 respondents providing open-ended comments about the impact of CEP’s programming and communications: 44% indicated CEP had influenced their thinking with respect to funder strategy, goals or performance indicators; 22% reported an increased understanding of philanthropic effectiveness; 22% improved assessment and evaluation processes; and 19% improved interaction with grantees through enhanced communication or a change in attitude.

Impact of CEP Assessment Tools

Respondents who used a tool more than once, compared to those who used it once, reported that the tool was more useful in improving performance. One of the goals of this evaluation was to assess the impact of non-GPR or APR tools; for respondents using a given tool more than once, mean usefulness ratings rose from significantly from 4.8 to 6.0 for the SPR ($p < .01$), from 4.5 to 5.0 for the CBR, and significantly from 3.4 to 5.5 for the online strategy self-assessment tool ($p < .1$).

In open-ended comments, 59 respondents identified areas of impact of CEP's assessment tools. The greatest areas of impact included: improved interaction with grantees (i.e., enhanced communication or change in attitude) (22% of 59 responses); improved grantmaking processes (22%); improved assessment or evaluation processes (19%); and influencing thinking with respect to funder strategy, goals or performance indicators (19%).

Of the 122 respondents providing open-ended comments regarding barriers to improving performance based on assessment results, 43% identified staff capacity and time as a top barrier, 30% named organizational culture, 25% pointed to staff leadership and management, and 23% reported that cost (lack of funds and the economic downturn) was a main impediment to improving performance based on assessment results.



How CEP Resources Contribute to Progress in Areas of Change Specified in CEP's Logic Model

LFA examined the effect of CEP's resources on each of CEP's three high-level outcomes in CEP's logic model—1) clearer goals; 2) more coherent, well-implemented strategies; and 3) more relevant performance indicators—among respondent organizations to assess the extent to which aspects of CEP's work have contributed to change in these areas. This analysis revealed that **use of CEP assessment tools significantly contributes to funders establishing clearer goals, more coherent, well-implemented strategies, and more relevant performance indicators.** We also found that **participating in CEP programming significantly contributes to more relevant performance indicators.**