



THE CENTER
FOR EFFECTIVE
PHILANTHROPY



FOUNDATIONS RESPOND TO CRISIS: A Moment of Transformation?

*The First in a Series
of Three Reports*

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AUTHORS

Naomi Orensten and Ellie Buteau

PROJECT TEAM

Ellie Buteau, Kate Gehling, Katarina Malmgren, Satia Marotta, Hannah Martin and Naomi Orensten

FOR MORE INFORMATION, CONTACT

Ellie Buteau, Ph.D.

Vice President, Research

617-492-0800 ext. 213

ellieb@cep.org

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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FORDFOUNDATION

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Introduction

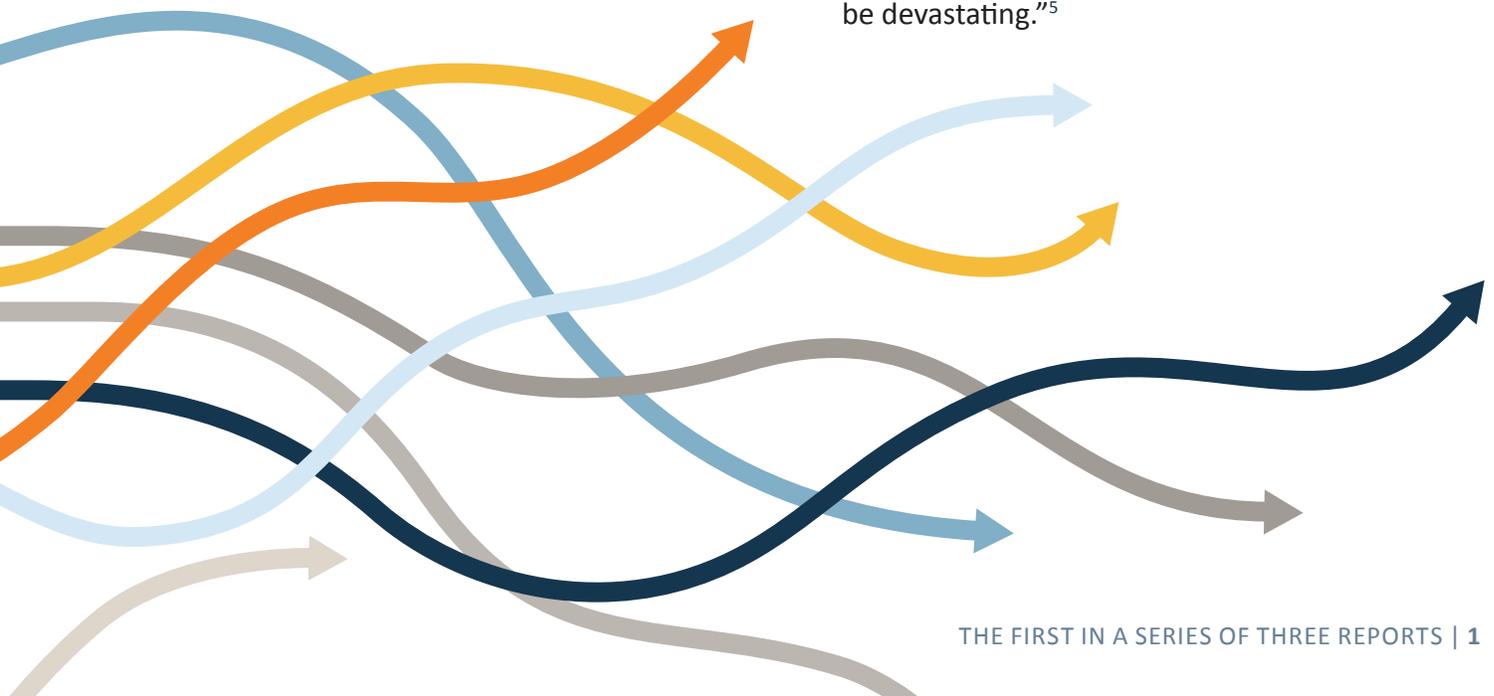
In early spring 2020, as the coronavirus pandemic worsened in the United States and as individual states implemented shutdowns, foundations began to respond. Recognizing that many nonprofits they support, especially direct service organizations, were facing the twin challenges of increased demand and decreased revenue, many foundations shifted resources and practices.¹

Within weeks, it became clear that the pandemic had not just laid bare but also exacerbated long-standing structural inequities. Black, Latino, and Native American communities have been suffering disproportionately because of COVID-19 and the corresponding economic downturn, as have low-income and working-class communities, immigrants and refugees, people with disabilities, and the elderly.²

Amid these crises have come numerous calls for fundamental changes in how funders approach their work, among them the importance of long-term, flexible funding, shifting of the funder-grantee power dynamic, and greater trust

in nonprofits.³ In late March, “A Call to Action: Philanthropy’s Commitment During COVID-19” (subsequently referred to by some as “the pledge”) launched on the Council on Foundations’ website. This pledge—spurred by leaders at the Ford Foundation and informed by those involved in the Trust-Based Philanthropy Project—charged funders to act with “fierce urgency to support our nonprofit partners, as well as the people and communities hit hardest by the impacts of COVID-19.” Nearly 800 signatories pledged to ease or eliminate restrictions on grants, reduce what is asked of grantees, support and uplift the voices of grantee partners, invest in the communities most affected, and more.⁴

Shortly after, a group of nine philanthropy-serving organizations—CEP included—challenged foundations to significantly increase their grant spending during this crisis. “What nonprofits need most right now is more money,” they argued. “Without rapid and meaningful infusions of additional resources, many organizations will have to dramatically pare back programs and services or fold their operations entirely—and the results for the economy, vulnerable populations, communities, and progress on crucial issues will be devastating.”⁵



Throughout the pandemic, and building on years of advocacy from some foundations and philanthropy-serving organizations, foundations have been increasingly urged to focus on equity and to incorporate a racial equity lens into their work.^{6,7} In late May, after the murder of George Floyd by police officers in Minneapolis and the nationwide protests that followed, many foundations were moved to reckon, in a deeper way than perhaps they had before, with anti-Black racism and what it means for their work now and in the future. Demands for foundations to step up intensified and, increasingly, more foundations took action.⁸ A statement from ABFE, signed by more than 60 Black philanthropic CEOs, said, “Our long-term goal is to free Black people from disparate treatment that result[s] in the racial disparities we see in COVID-19, police brutality and on almost every indicator of well-being. To get there, we must dismantle the structures (institutional policies and practices) that disadvantage and marginalize Black people.” The statement highlighted the critical role of philanthropy and said “All of us in philanthropy must be in it for the long haul.”⁹

Given all the requests for change, the question becomes, what’s actually changing in foundation practices and what does this mean for the long term? More specifically, this research effort sought to explore the following questions:

- ▶ 1 How are foundations responding to the crises of 2020? What high-level changes are they making?
- ▶ 2 How are foundation leaders responding to inequities exacerbated by the pandemic? How are they reckoning with racism?
- ▶ 3 In what specific ways are foundations supporting their grantees differently?
- ▶ 4 Will foundation leaders make these changes permanent or will they return to old practices over time? And what does this moment mean for the future of foundation philanthropy?

In this report—the first in a three-part series—we focus primarily on the first question, which considers how these crises are shaping the thinking and actions of U.S. foundations. The next report in this series will explore the second question: How are foundations supporting communities—Black, Latino, Native American, immigrant, low-income, and people with disabilities—hit hardest by the pandemic and how are foundations reckoning with racism? The final report will explore the third question: To what extent are foundations being more flexible and responsive, including loosening restrictions with grantees? While we will touch on the fourth question in this series, we will collect data about whether these practices are continuing when we undertake a second phase of this research next year.

The findings presented in this report are based on survey and in-depth interview data collected and analyzed by CEP. We based many of our questions on elements of the pledge. In July and August 2020, we surveyed more than 800 foundations.

- ▶ We received responses from 236 foundations —170 of which had signed the pledge and 66 of which had not.
- ▶ Additionally, 41 foundations that signed the pledge participated in hour-long in-depth interviews with CEP. (See Methodology for more information.)

What We Found

The crises of 2020 have catalyzed foundation leaders to reconsider their choices about how they conduct their work. They hope foundations will continue to build on the changes they are making rather than return to ways of the past.



Interviewees described how the events of recent months have prompted them to reevaluate—and quickly—how they approach their work and incorporate new or different practices with less of a focus on traditional norms. Said one leader, “This has been a wakeup moment for philanthropy.”

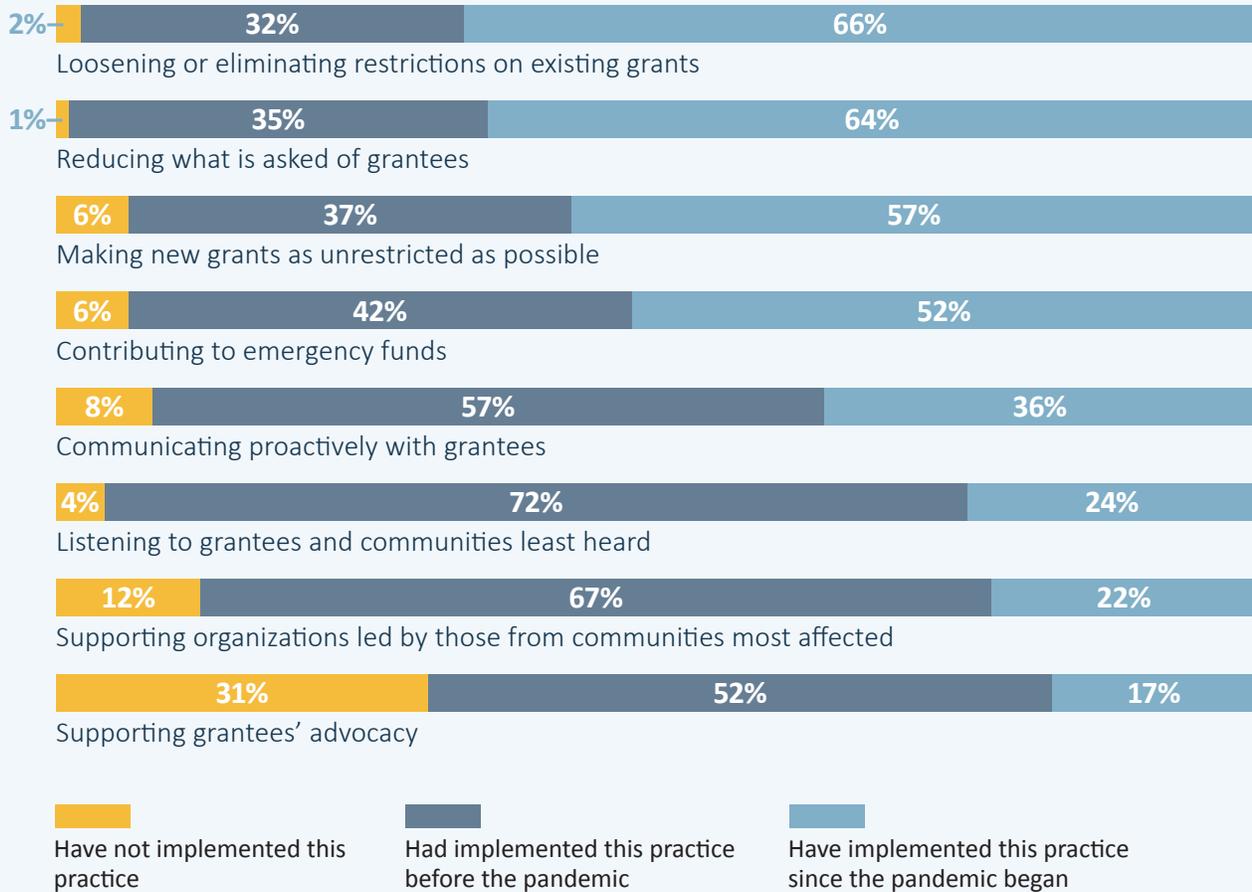
All interviewed foundations and almost all surveyed foundations made changes in how they go about their work. Among

the most frequent changes they made as a result of the pandemic were loosening or eliminating grant restrictions, reducing what is asked of grantees, and making new grants as unrestricted as possible. Figure 1 shows how many foundations have implemented the practices outlined in the pledge—before the pandemic and since it began. (These themes will be explored in more depth in the third report of this series.)

FIGURE 1.

Foundations' Implementation of Pledge Practices

(Number of respondents per item ranges from 225-236)



For many funders, though, the practices in the pledge were not new. More than half of survey respondents were implementing at least four of these eight practices before the pandemic. What these crises accelerated for many were efforts like providing unrestricted support, loosening restrictions, engaging in advocacy, and being better listeners. One leader summed it up like this, “As soon as COVID hit, we realized, ‘Oh, we need to make that change today.’ And so, it went from, ‘It’s something we need to work on’ to ‘It’s something we need to do today.’”

“
This has been a wakeup moment for philanthropy.
—FOUNDATION LEADER

Responses from foundation leaders suggest that it hasn't been particularly challenging to loosen restrictions and be more flexible with grantees.

The most frequent challenge, mentioned by about 20 percent of respondents who signed the pledge, has been navigating the intense pace and volume of the foundation’s crisis response amid an adjustment to a remote work context.

“While having multiple crises converge at one time has created a very stressful period, it has also created a generative, creative period where we are engaging more than we ever had around aspirations and what’s possible,” said one leader. When asked to share what the foundation has learned from engaging in these practices, the most frequent response, mentioned by about 20 percent of survey respondents who signed the pledge, was the ability to adapt, simplify, and be flexible with grantees. “We learned an enormous amount about how fast we can pivot, change, take risks, and innovate when we need to.” Another added, “When the will to make changes exists, we found we were able to make changes very quickly.”



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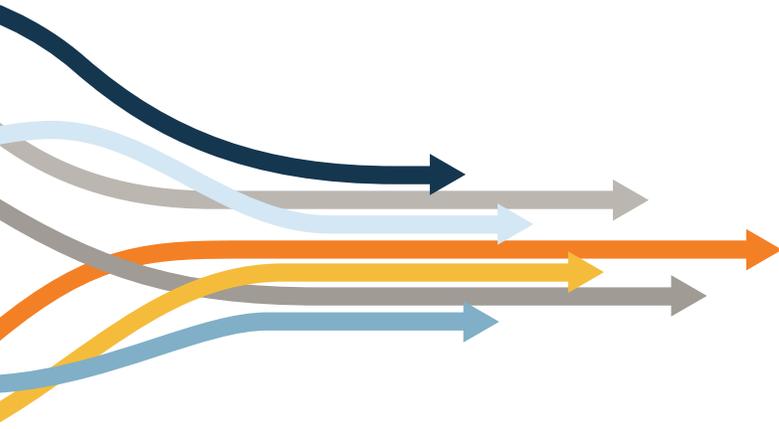
Beyond loosening restrictions, reducing asks of grantees, and providing more flexible funding, foundation leaders said they are also investing in communities hit hardest by the pandemic and doing more to address inequities, especially racial inequities. This will be the subject of the second report in this series. In summary, we found that:

- ▶ Most interviewed foundation leaders said they are making changes that incorporate racial equity into their grantmaking or programmatic strategies.

ACCELERATING CHANGE

About 60 percent of interviewees said the crises of 2020 pushed them to accelerate change efforts already underway.

- ▶ “Listening intently is in our DNA but got amplified because we wanted to make sure that any changes that we were going to make would be in response to what the community is telling us their needs are.”
- ▶ “We have greatly elevated our policy and advocacy work, with a very distinct focus on equity.”
- ▶ “COVID and the social, racial unrest have pushed us to expedite [our efforts] in racial equity, racial humility, unrestricted funding, and advocacy.”
- ▶ “We’ve been careful about only asking for things that we need and that we will use. We’re not going to ask you to write *War and Peace* when we only need you to write a one-pager on what happened. But it definitely reassures us that we’re going in the right direction. You should not have to be a professional grantmaker to apply for funding.”



“
The organizations we partner with need more. Foundations have been able to recover from past recessions. But some communities have not.
—FOUNDATION LEADER

- ▶ Almost 90 percent of foundations surveyed are making new efforts to support organizations serving communities adversely affected by the public health and economic consequences of COVID-19. This includes people of color, people with disabilities, people from lower-income communities, and undocumented immigrants. More specifically, more than three-quarters of foundations surveyed are making new efforts to support organizations serving communities of color.
- ▶ Compared to pre-pandemic practices, more than half of foundations surveyed are giving a higher percentage of grant dollars to organizations created and led by the communities most affected, including Black, Latino, and lower-income communities.¹⁰

Most Foundations Are Increasing Their Giving in 2020

These past few months have seen numerous calls for foundations to increase their payout, with a number of foundations significantly stepping up their giving in response to the needs of the moment.¹¹ The extent to which nonprofits are experiencing declines in earned revenue and individual giving, especially from everyday donors, has made increased foundation support crucial. Indeed, in a survey we conducted in May, nonprofits reported that foundation funding has been the most stable source of support.¹²

In July and August of 2020, when these surveys were administered, 21 percent of respondents had not decided whether they would change their grantmaking level in 2020. Among those that had decided, 72 percent said they had or will increase grantmaking in 2020 beyond what was previously budgeted for the year.¹³ One leader explained, “The organizations we partner with need more. Foundations have been able to recover from past recessions. But some communities have not.”

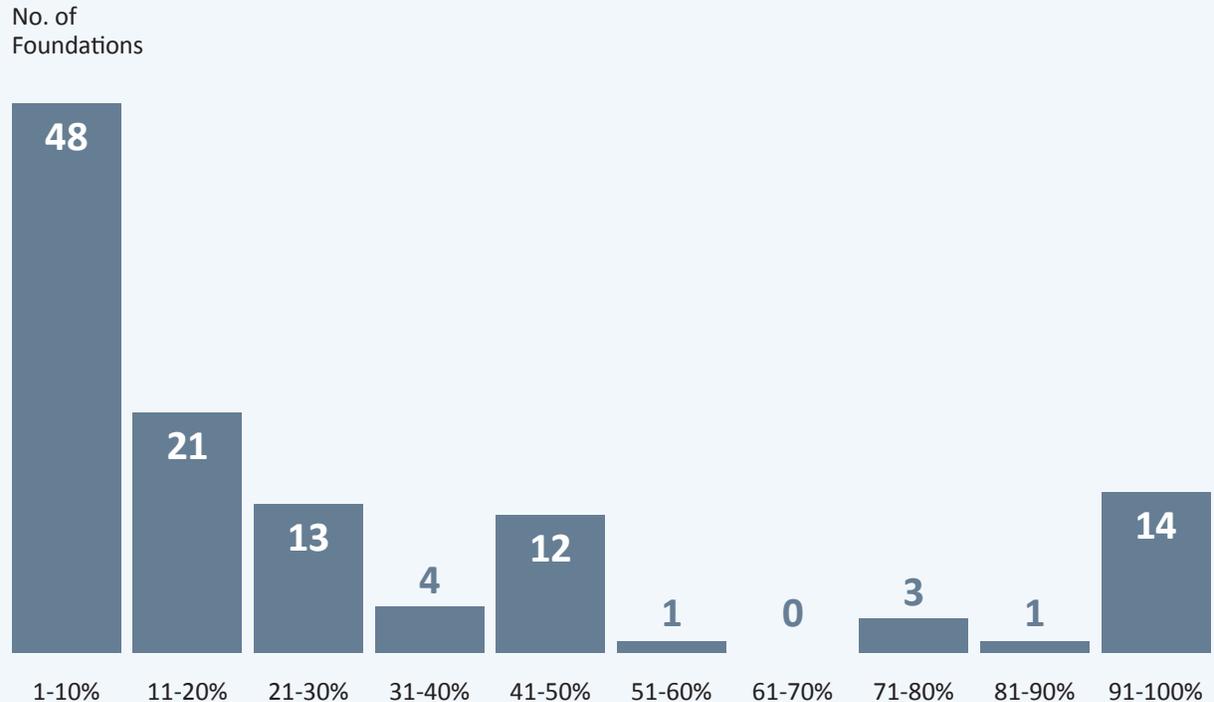
Leaders reported a range of increased spending levels, with some increasing spending modestly and others doubling their spending levels (Figure 2). Among foundations that will increase their grantmaking budget, 41 percent will do so by 10 percent or less.¹⁴

Half of interviewees believe that the urgency of this moment calls for funders to change not only how they give but also how much they give. They take issue with those foundations that are not increasing their spending at a time when they are positioned to help nonprofits meet growing needs and weather these crises. “We’re in a historical moment. Investments now are saving hundreds of thousands of lives, if it’s done properly, and if it’s led by the right people,” said one leader. Some of these funders directly connected a lack of spending back to issues of funder power and control. One said, “There is work to be done right now. And we’re sitting on cash. We’re just sitting on it. You don’t have to

FIGURE 2.

Percentage Increase in Grantmaking Budget

Relative to what was previously budgeted—among foundations that have increased or will increase their 2020 grantmaking budget. (Number of respondents = 117)



spend it all, but you can spend more. I wholeheartedly believe that we can all increase our payout. Period.”

Not all funders see it this way, though. Said one, “Foundations have been hit, too. Like others, we lost some of our endowment. It’s a challenge to continue to support our grantees. We committed not to cut any grantees in 2020 and committed to renew all our grants, but that put a squeeze on us.”

Looking ahead to 2021, especially as nonprofits that received forgivable loans through the federal Payment Protection Program spend down that funding, the question of whether foundation

grantmaking levels will stay stable, increase, or decrease looms large—and we will track that in a subsequent survey next year.

“

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—FOUNDATION LEADER



CHANGING DONOR ENGAGEMENT AT COMMUNITY FOUNDATIONS

Almost all of the 16 community foundation leaders we interviewed described how they are working differently with their donors during this time of crisis. They described changes to donor engagement and education, and more direct solicitation of donors, including requests of donor-advised fund (DAF) holders to quickly “step out of their normal giving patterns” and provide more funding to nonprofits. No interviewees described negative outcomes resulting from these changes.

One community foundation CEO said, “We are being intentional and proactive in encouraging our fund holders to distribute from their funds. We’re communicating with them about specific needs in the community and asking for them to help meet those needs.” One leader said:

I sent a letter to all of our donors. I said to them, ‘I do not have the right to ask you to follow this pledge. But I want you to know, [we have] signed onto it. And here’s what we are doing. And if you believe in the principles outlined in that pledge, it would be great. If you need our help executing any of those principles, we’ll work with you.’ We can pinpoint to the day they got that letter because, all of a sudden, everything shifted with them. I can’t even think of one donor who put any restriction on a grant.

These leaders also described much more direct conversations with donors about race and racism. One, for example, described sending their DAF holders a call to action. “It’s a statement about structural racism and white supremacy, and it encourages DAF holders to focus on racial justice in their grantmaking. That was a new and proactive move to communicate directly with donors about what they should be doing.”



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—FOUNDATION LEADER

Another added, “We’ve had a couple of board members say, ‘Oh my gosh, wow, inequities really do exist. I mean, look at the communities of color that are disproportionately impacted by this disease.’ They are starting to question systems that have contributed to this. It’s actually given us a unique window of opportunity for education and communication with our board and donors.”

BEYOND CRISIS RESPONSE: REBUILDING AND REIMAGINING

About 40 percent of interviewees underscored the need for philanthropy to be willing to address the many long-term needs that will arise in the post-crisis recovery. “The real expensive, difficult problems occur in recovery. There’s got to be capital for recovery and rebuilding,” said one leader.

Others spoke about the opportunity to re-envision a new normal. Said one leader,

“We have spent probably more time on the reimagining side than we have on the reacting side. We want to do what is necessary now, but we also want to take advantage of the moment to ask ourselves, ‘What should an equitable system look like, and how do we build toward that?’ I don’t want that to get lost.”

Listening to Grantees & Communities

Foundation leaders said listening to grantees and the communities they serve has a newfound importance. Relatedly, leaders we interviewed emphasized the need for funders to be more mindful of how they use their power.

Most leaders said that listening to grantees and the communities least heard was part of their pre-pandemic practice (Figure 1). Among respondents whose foundations began this practice in response to the pandemic, 85 percent say that they will continue to do so permanently. As one leader summed it up, “How can we be effective without truly understanding?”

Listening more to grantees and their constituents was emphasized by three-quarters of those we interviewed. They described how the pandemic has pushed them to do more and deeper listening. One reflected, “We’ve always been very grounded in community, and COVID has made us almost hyper-focused on community.” They also said that listening will have a more prominent role in their post-pandemic practice. Said one leader,

“We’re listening to grantees more. I believe this will be an increased role for our program officers, to be far better partners with our grantees. It’s going to dramatically change the way we approach grantmaking and partnerships with our grantees.” Another reflected, “We’re really just beginning to learn how to develop the culture and practices to listen more effectively to communities least heard and most affected by inequity. As we look ahead, it’s going to be critical for our organization.”

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Some connected the practice of listening to the importance of getting proximate to, and being guided by, the needs and contexts of grantees and constituents. This is particularly the case, they said, in Black, Latino, and other historically disinvested communities. “Philanthropy is going to have to become more inclusive, so the few aren’t making decisions for the many, so the intended beneficiaries of philanthropy are included in the process of distributing those funds in a way that makes sense and works for that community. That’s going to be more of a change moving forward, and a welcome one,” said one leader. Another added, “As funders, we need to be having conversations in the communities that know what the issues are and know how to address them.” Another said that these crises “lift up the importance of us incorporating community perspective into how we develop our strategies.”

Mitigating against the inherent funder-grantee power differential and changing how foundations use their power and control was also emphasized by half of foundations interviewed. As one leader summarized: “We have to check our power and check our assumptions.” Some described new efforts to relinquish some control, such as providing more flexible funding, simplifying processes, and being more guided by those they serve. Said one leader,

Philanthropy, on one hand, is amazing. But on the other hand, there are really old ways of doing things that don’t make sense, that are the opposite of the spirit of community and giving. I’m hoping [this moment] inspires foundations to look internally. We put so much scrutiny on our partners and our people applying for funds. I hope that it inspires us to think critically about ourselves and the practices that we hold dear.

Leaders See Opportunity for These Crises to Change Philanthropy for the Better

Interviewees were hopeful that these crises will catalyze funders to change how they do their work going forward. They shared a sense that this is a vital moment for philanthropy to change for the better. Two-thirds expressed a hope that foundations won’t return to their past practices after the pandemic. As one leader said,

“The commitments in the pledge need to be the new status quo. That’s easy, right? We did it in a couple of months. We can keep it that way.” One added:

I think philanthropy has stared itself in the face and asked, ‘Have we behaved in a way that is truly in partnership with the field? Have we created burdens that are unnecessary? Are we flexible enough? Rather than lead, do we listen?’ And let us not forget the racial justice lens that has become so apparent. This is leading to a recalibration in philanthropy about how we go about our work. I feel like we’re at a pivotal moment of real change.

Some hoped for more transformative shifts in how funders do their work. Said one leader, “The pledge was really a baseline. All of these things

should be part of philanthropy. This hopefully will transform philanthropy. But if this is as far as philanthropy’s going to go, then I don’t think we’re stepping up to the moment.”



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THE IMPORTANCE OF WORKING TOGETHER

Foundation leaders have long emphasized the importance of collaboration, even as they acknowledge the need for more and better collaboration.¹⁵ The importance of working together was emphasized by half of those we interviewed. To address the interconnected, systemic challenges laid bare by the pandemic in a meaningful way, they said, foundations need to be less siloed and better coordinate, collaborate, and partner with other funders, grantees, and across sectors. Good collaboration, they said, yields valuable learning and connections, information sharing, and opportunities for complementary work that reduces unnecessary duplication of efforts.

Some leaders described new and more effective collaborative efforts as a result of the 2020 crises. One said, “The thing that we have done more than ever before—not that we weren’t doing it before, but we realized we had to do it now—is more intentional communication and more tangible, action-driven coordination.” They also hoped this practice continues post-pandemic. Said one foundation leader, “This crisis has really encouraged knowledge sharing and partnership among different funding partners in our community. I hope that sticks.”

Conclusion

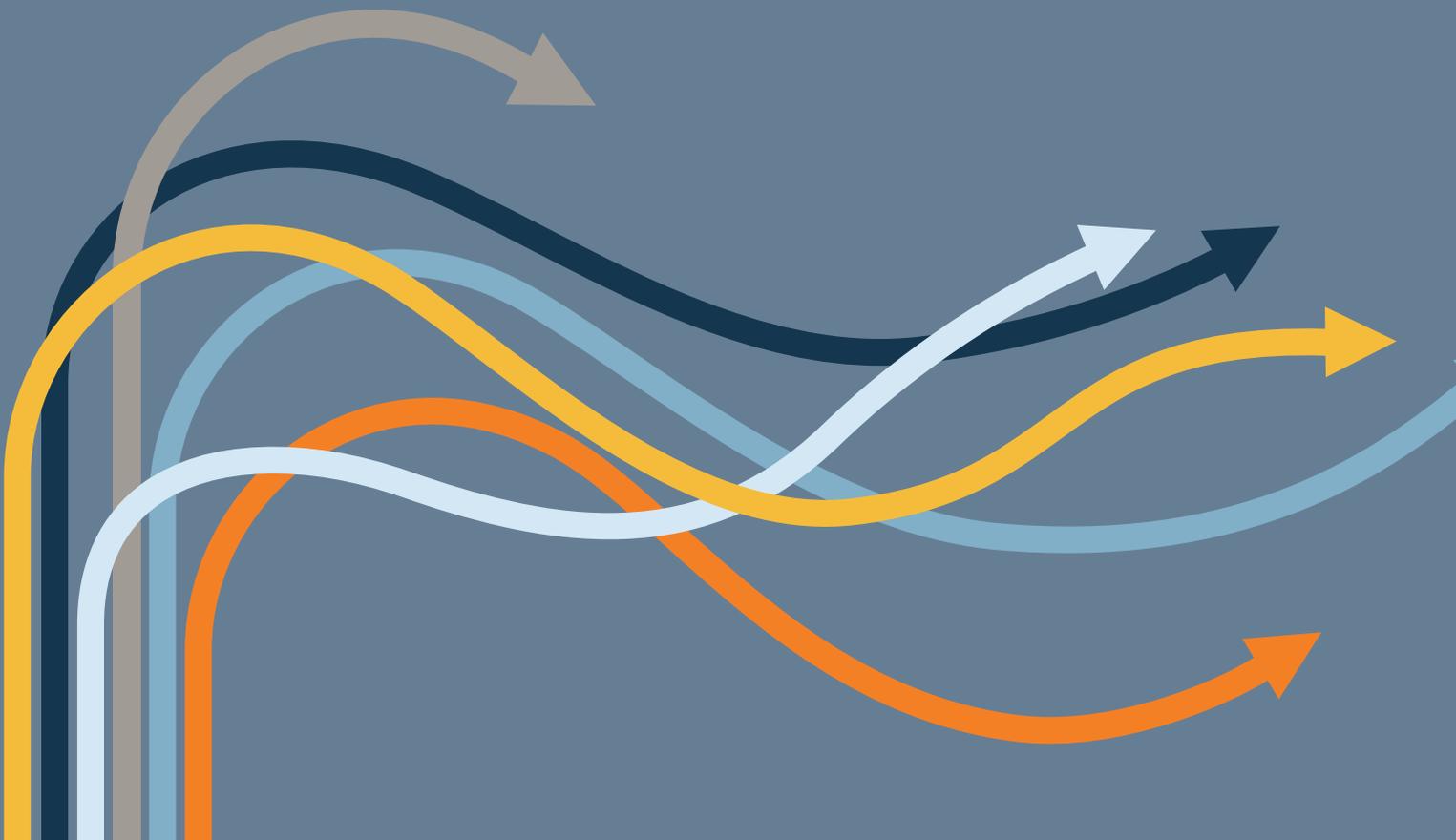
Even before the crises of 2020, foundation leaders were well aware that they could be doing their work differently, in ways that would lead to greater impact. As we reported back in 2016, “While few [CEOs] believe foundations are currently reaching their potential, much of what CEOs see as standing in their way is under their control to change.”¹⁶

The data we recently gathered from surveys and interviews, though, suggest that foundations—institutions often perceived as notoriously process-heavy and resistant to change, sometimes rightfully so—are making significant changes in response to the crises of 2020. They are working differently and trying new things, getting more grant dollars out the door, and being more flexible with—and tuned into the needs of—nonprofits. They are more focused on

addressing inequities, especially racial inequities, and ensuring that their work is informed by those closest to the issues.

In the next report in this series, due out in the coming weeks, we will focus on how foundations say they are supporting those hit hardest by the pandemic and responding to our country’s reckoning with racism. We will also note where foundation practice has not yet changed, or not changed enough.

Many of those we interviewed view these changes as long overdue and hope that they continue after the current crises fade. Whether that occurs, of course, remains to be seen. Given the lack of change for so many years prior, only time will tell if these changes are permanently incorporated into foundations’ practices.



Methodology

The findings presented in this three-part report series are based on data collected, analyzed, and interpreted by CEP. In total, 236 foundation leaders and 191 nonprofit leaders completed surveys. Additionally, 41 foundations participated in in-depth interviews. Information detailing the process for collecting and analyzing the data is below.

Survey Methodology

Survey Populations

FOUNDATIONS THAT SIGNED THE PLEDGE (SIGNED SAMPLE)

The Council on Foundations provided CEP staff with a list of all organizations that had signed the pledge as of July 7, 2020. Foundation CEOs whose organizations had signed the pledge by this date were invited to participate in a survey examining their implementation of its elements. CEOs were eligible for inclusion in this research study if the foundation they worked at was

categorized as an independent foundation, health conversion foundation, public charity, regrantor, corporate foundation, or community foundation by Candid's Foundation Directory Online or CEP's internal contact management software; and

had annual asset and giving information available through Candid's Foundation Directory Online.

FOUNDATIONS THAT DID NOT SIGN THE PLEDGE (UNSIGNED SAMPLE)

CEOs of foundations that did not sign the pledge but that would typically be invited to participate in CEP's research (i.e., community and independent foundations that give at least \$5 million annually in grants), were invited to participate in a survey examining their responses to the COVID-19 pandemic. These CEOs were eligible for inclusion in this research study if the foundation they worked at

was based in the United States;

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

provided \$5 million or more in annual giving, according to information provided to CEP from Candid in June 2019.

Furthermore, to be eligible for inclusion in either the signed or unsigned sample, CEOs leading eligible foundations must have 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

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

NONPROFITS

Nonprofit perspectives on the support foundations are providing during the pandemic were collected from CEP's panel of nonprofit leaders, *The Grantee Voice: Feedback for Funders*. For more information on the current panel, please click this link: <https://cep.org/portfolio/foundations-respond-to-crisis1/>.

Survey Sample Characteristics

FOUNDATIONS

After meeting the criteria above, in July 2020, 446 CEOs of signed foundations and 437 CEOs of unsigned foundations were invited via email to complete their respective surveys. The survey instructions invited CEOs to pass the survey along to other senior leaders at their foundation if those people were better positioned to complete it.

While the surveys were fielded, 14 signed foundation CEOs and 13 unsigned foundation CEOs were removed from the sample due to invalid emails or responses showing them to be ineligible. Two foundation CEOs were removed from the unsigned sample and added to the signed sample because new information showed that they had signed the pledge since our sample was created. One foundation CEO was removed from the signed sample and added to the unsigned sample because new information showed that it had not signed the pledge.

Completed surveys, defined as having completed at least 80 percent of crucial questions displayed, were received from 158 signed foundation leaders and 62 unsigned foundation leaders. Partially completed surveys, defined as being at least 50 percent complete, were received from 12 signed foundation leaders and 4 unsigned foundation leaders (Table 1). Of the 236 total responses received from foundations, 166 came from CEOs/executive directors or equivalent, 32 came from vice presidents of programs or equivalent, 6 came from directors of strategy or equivalent, 19 came from other senior leaders, and 13 came from respondents who did not indicate their role.

NONPROFITS

In July 2020, the 590 nonprofit leaders who comprise the *2019-2021 Grantee Voice Panel* were invited via email to complete their survey. While the survey was fielded, 9 nonprofit leaders were removed from the panel as they had left their respective organizations or provided information indicating that they were ineligible to be part of the panel. Completed surveys were received from 190 leaders, and a partially completed survey was received from one leader (Table 1).

TABLE 1. Sample Characteristics and Response Rates

SURVEY SAMPLE	SURVEY PERIOD	NUMBER OF ELIGIBLE RESPONDENTS	NUMBER OF COMPLETED/PARTIAL RESPONSES	SURVEY RESPONSE RATE
Signed foundations	July to August 2020	434	170	39%
Unsigned foundations	July to August 2020	425	66	16%
Nonprofits	July to August 2020	581	191	33%

Survey Administration

All three surveys were fielded online for a four-week period from July to August 2020. Foundation and nonprofit leaders were sent a brief email including a description of the purpose of the survey, a statement of confidentiality, and a link to the survey. Leaders were sent up to eight reminder e-mails.

Survey Respondent Demographics

FOUNDATIONS

Foundation respondents from both samples represented foundations that varied in type, assets, and giving (Table 2).

TABLE 2. Survey Respondent Sample—Foundation Characteristics

FOUNDATION CHARACTERISTIC	TOTAL SAMPLE	SIGNED SAMPLE	UNSIGNED SAMPLE
Type of foundation			
Independent	53%	49%	61%
Health conversion	6%	4%	11%
Community	34%	36%	29%
Public charity	5%	6%	0%
Regrantor	1%	1%	0%
Corporate	2%	3%	0%
Assets			
Range	~\$188K to ~\$11.4B	~\$188K to ~\$9.9B	~\$18M to ~\$11.4B
Median Value	~\$140M	~\$95M	~\$240M
Giving			
Range	~\$4K to ~\$430M	~\$4K to ~\$430M	~\$5M to ~\$365M
Median Value	~\$8M	~\$5.6M	~\$15.8M

NONPROFITS

Nonprofit respondents represented organizations that varied in expenses and staff size (Table 3).

TABLE 3. Survey Respondent Sample—Nonprofit Characteristics

NONPROFIT CHARACTERISTIC	RANGE	MEDIAN VALUE
Expenses	~\$100K to ~\$77M	~\$1.6M
Staff	1 FTE to 540 FTE	15 FTE

Response Bias

FOUNDATIONS

Responses to both foundation surveys were examined for response bias. Signed foundations with leaders who responded to this survey did not differ from non-respondent signed foundations by geographic region, annual giving, or asset levels. Leaders from signed foundations that have used CEP's assessments were slightly more likely to respond to the survey than those from signed foundations that have not used a CEP assessment.¹⁷ Leaders from signed independent foundations were slightly more likely to respond to the survey than those from signed community foundations.¹⁸

Unsigned foundations with leaders who responded to this survey did not differ from non-respondent unsigned foundations by geographic region, annual giving level, or foundation type. Leaders from unsigned foundations that have used CEP's assessments were slightly more likely to respond to the survey than those from unsigned foundations that have not used a CEP assessment.¹⁹ Leaders from unsigned foundations at or above the asset median split were slightly more likely to respond to the survey than those from unsigned foundations below the asset median split.²⁰

NONPROFITS

Nonprofits with leaders who responded to the survey did not differ from non-respondent nonprofits by annual expenses, staff size, or geographic region.

Survey Instruments

FOUNDATIONS

The two foundation surveys assessed foundation leaders' experiences responding to the COVID-19 pandemic and the ensuing health, economic, and social crises. The signed foundation survey, which contained 70 items, examined foundations' implementation of the elements of the pledge and the additional ways they are supporting their nonprofit partners during the pandemic. The unsigned foundation survey, which contained 66 items, similarly assessed the extent to which foundations that did not sign the pledge were implementing practices consistent with the pledge's elements, such as loosening grant restrictions, and the additional ways they are supporting their nonprofit partners during the pandemic. The surveys were designed to be comparable, with items and response options in the unsigned survey being amended to remove reference to the pledge.

NONPROFITS

The nonprofit survey consisted of 29 items and included questions about leaders' awareness of the pledge, their foundation funders' commitment to the pledge, and how actions taken by their foundation funders that had signed the pledge during the pandemic have affected their organizations.

Copies of all survey instruments and protocols can be found on our website.

Quantitative Analysis Of Survey Data

The quantitative survey data from foundation and nonprofit leaders were examined using descriptive statistics and a combination of correlations, independent sample t-tests, paired samples t-tests, chi-squares, logistic regressions, and analyses of variance. 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. Unless otherwise noted, only analyses with medium or large effect sizes are reported.

Qualitative Analysis Of Survey Data

Thematic and content analyses were conducted on the responses to the open-ended survey items in the foundation and nonprofit surveys.

A codebook was developed for each open-ended item by reading through all responses to identify common themes. Each coder used the codebook when categorizing responses to ensure consistency and reliability. One coder coded all responses to a survey question and a second coder coded 15 percent of those responses. An average interrater reliability level of at least 80 percent was achieved for each codebook.

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

Interview Methodology

Interview Population

Of the foundations included in the signed foundation CEO sample, 80 were randomly selected and invited to be interviewed from June to August 2020. To ensure that our interview group was representative of the type, geographic region, and size of foundations that have signed the pledge, signed foundations were stratified by the following variables:

Type of foundation (independent, community, or corporate foundation)
Geographic region (Midwest, Northeast, South, or West)
Assets (over or under the median of signatories at the time, which was approximately \$127M)

Foundation CEOs were then randomly selected from each of the stratified groups to ensure that a representative sample was invited to participate in interviews.

Ultimately, 41 foundations participated in interviews. CEOs were invited to include staff members who helped to implement the pledge elements at the foundation in their interviews. Of the 41 interviews, 20 were with the foundation CEO, 16 were with the CEO and other staff members, and seven were with foundation staff interviewing in the CEO’s stead.

Sample Demographics

Interviewees represented foundations that varied in type, geographic location, and asset size (Table 4).

TABLE 4. Interviewee Sample—Foundation Characteristics

FOUNDATION CHARACTERISTIC	PERCENTAGE
<i>Type of foundation</i>	
Independent	51%
Health conversion	2%
Community	39%
Corporate	7%
<i>Geographic location</i>	
Northeast	27%
Midwest	22%
South	29%
West	22%
<i>Assets</i>	
Range	~\$1.67M to ~\$2.32B
Median value	~\$136M

Interview Protocol

An interview protocol was developed and three pilot interviews with leaders of foundations that signed the pledge were conducted to test the clarity, relevance, and utility of the interview protocol. The interview protocol was edited based on the feedback from the pilot interviewees and results of the pilot interviews. Pilot interviews were excluded from the analysis.

Every interview protocol began with an introductory script describing the purpose of the study and the confidentiality of the conversation. At the start of the conversation, interviewees were asked to provide permission for the interview to be recorded and transcribed.

The interview protocol consisted of 19 questions for the interviewee(s) about why their foundation signed the pledge, how their foundation has implemented the elements of the pledge, actions the foundation has taken beyond the pledge, how the foundation has responded to our country's reckoning with racism, and their thoughts, more broadly, on what these compounded crises mean for the philanthropic sector going forward.

Data Collection

From June to August 2020, 41 interviews were conducted by two CEP staff members. Interviewers discussed the interview process and worked together to establish consistency in style. Interviews lasted approximately one hour. All interviewees were promised confidentiality.

Data Analysis

Interview recordings were professionally transcribed and thematically coded by members of CEP's research team. Several transcripts were reviewed by three coders, and common themes were identified and used to create a codebook. The codebook was used to code all subsequent transcripts and ensure consistency across all coders. An 80 percent level of pairwise interrater reliability agreement was achieved for all codes.

Descriptive statistics were conducted to examine the prevalence of common themes in each interview. Quotes that were representative of these themes are included throughout the report.

Endnotes

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13. There are no significant differences by foundation assets or giving with regard to increasing 2020 grantmaking.

14. Survey respondents were able to indicate an increase in 2020 grantmaking by up to, but not more than, 100 percent.

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17. A chi-square analysis was conducted between whether leaders of signed foundations responded to our survey and whether those foundations have used a CEP tool. A statistical difference of a small effect size was found (0.109).

18. A chi-square analysis was conducted between whether leaders of signed foundations responded to our survey and foundation type. A statistical difference of a small effect size was found (0.168).

19. A chi-square analysis was conducted between whether leaders of unsigned foundations responded to our survey and whether those foundations have used a CEP tool. A statistical difference of a small effect size was found (0.192).

20. A chi-square analysis was conducted between whether leaders of unsigned foundations responded to our survey and whether those foundations were above or below the asset level median split. A statistical difference of a small effect size was found (0.116).



THE CENTER
FOR EFFECTIVE
PHILANTHROPY

675 Massachusetts Avenue
7th Floor
Cambridge, MA 02139
(617) 492-0880

131 Steuart Street
Suite 501
San Francisco, CA 94105
(415) 391-3070

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