

Key Findings and Recommendations from The California Endowment 2022 Grantee Perception Report

Prepared by the Center for Effective Philanthropy

In September and October of 2022, The Center for Effective Philanthropy conducted a survey of The California Endowment’s grantees. The memo below accompanies comprehensive survey results from 409 respondents (a 44 percent response rate). This memo outlines CEP’s summary of key strengths, opportunities, and recommendations. The Endowment’s grantee perceptions should be interpreted in light of its goals and strategies.

In keeping with TCE’s focus on Trust-Based Philanthropy, CEP has structured this memo to explore key findings as they map to the six core TBP principles: Give Multi-Year Unrestricted Funding, Do The Homework, Simplify & Streamline Paperwork, Be Transparent & Responsive, Solicit & Act On Feedback, and Offer Support Beyond The Check. This memo also addresses TCE grantee feedback that speaks to TBP values of Centering Relationships and Advancing Equity. You can learn more about CEP and TBP’s shared roots [here](#). Additionally, CEP is grateful to John Esterle of the Whitman Institute who, with TWI’s grantees and board members, advised CEP on the creation of GPR survey questions related to Trust-Based Philanthropy.

Throughout this summary, TCE’s ratings are defined as higher than typical when it is rated above the 65th percentile in CEP’s overall dataset, lower than typical when it is rated below the 35th percentile, and typical when ratings fall in between those thresholds. Ratings described as “significantly” higher or lower reflect statistically significant differences at a P-value less than or equal to 0.1.

Overview

- ▶ This report depicts results from The California Endowment’s fifth Grantee Perception Report. Previous surveys were conducted before (2006) and during (2012, 2014 and 2017) the Building Healthy Communities initiative.
- ▶ Prior results in 2017 showed improvements across many areas. Results in 2022 remain mostly stable since 2017, though with declines in ratings of the quality of communications, and improvements in selection and reporting processes.
- ▶ The 2022 survey was fielded during the COVID-19 global pandemic, with requirements for remote, online engagement, as well as the Endowment’s ongoing strategic planning process. This process has resulted in many staffing and grantmaking changes, including the sunseting of the Building Healthy Communities program, the development of the Social Bond Fund, and an increased focus on racial equity and Trust-Based Philanthropy.
- ▶ As in 2017, grantees provide exceptional ratings for the Endowment’s impact on public policy. Grantees now report a significantly higher proportion of unrestricted grants, as well as higher than typical ratings on all measures related to advancing racial equity and justice.

- ▶ Other aspects of the grantee experience remain potential opportunities for improvement. Grantee perceptions are lower than typical on several measures related to interactions and communications. Grantees also report feeling higher than typical amounts of pressure to modify their organization’s proposal in order to receive funding.

TBP Value: Advancing Equity

Continued Strong Perceptions of TCE Impact

- ▶ Grantees continue to recognize The California Endowment’s strong impact on their fields, communities, and organizations, rating the Endowment in line with the typical funder in CEP’s dataset. In their open-ended comments, grantees describe TCE as a **“leader in the field,” “critical convener,” and “change agent.”**
- ▶ In particular, despite a decline since 2017, grantee ratings for the Endowment’s effect on public policy remain in the top 10 percent of CEP’s comparative dataset. In their open-ended comments, grantees specifically highlight TCE’s work on the Affordable Care Act and the Medi-Cal expansion to undocumented Californians.
- ▶ The Endowment’s grantees recognize its role in advancing racial equity and justice, providing ratings in the top quarter of CEP’s dataset on all four related measures, including for the extent to which TCE demonstrates an explicit commitment to advancing racial equity and justice in its work.
 - In a custom question about the Endowment’s strategy, grantees also agree strongly that TCE is committed to combatting structural racism to achieve health equity in California.
 - Furthermore, a higher than typical proportion (over 90 percent) of grantees report that their grant was primarily meant to benefit historically marginalized groups.
- ▶ Still, a substantial proportion of grantee suggestions (12 percent) relate to the Endowment’s approach to advancing racial equity and justice, with 21 grantees suggesting the Endowment further increase its commitment to racial equity and justice. Grantees ask the Endowment to **“deepen [its] focus on structural inequities,” and “increase funding across more grassroots organizations of color.”**
- ▶ CEP analyzed results by self-reported grantee demographic characteristics including gender, transgender, person of color, intersectional, and disability identities.
 - Grantees who identify as **women** rate significantly *lower* on over ten measures across the report. And though grantees who identify as women are significantly more likely to have been funded by TCE in the past, they report interacting with the Endowment less frequently than do grantees who identify as men.
 - Grantees who identify as a **person of color** rate significantly *higher* on over ten measures across the report. Respondents of color are significantly more likely to report receiving multi-year general operating support, a site visit, or non-monetary assistance. They are also significantly more likely to report an organizational budget under \$1M.



- ▶ CEP also analyzed grantee ratings based on several grant and grantee characteristics. No group consistently rates higher or lower than others when grantees are segmented by Region, Department, Program Area, or whether their organization is BIPOC-Led, or received a Tie-Off, COVID-19, CEO Reserve, PRI or SBF grant.
 - Across all grant characteristics, CEP only found statistically significant differences between groups of grantees who received different types of funding. Grantees who received Direct Charitable Activity rate significantly higher than those receiving Small Grants on a few measures across the survey, including funder-grantee relationship measures.



“The Endowment is viewed as a civic leader with a clear and strong commitment to advancing racial equity, transforming the quality of life for youth, particularly BIPOC in our region, and advocating for policy and system changes that would foster healthy communities. The Endowment influences other philanthropic entities and civic stakeholders to tackle these issues.”



“TCE’s investment in and commitment to racial equity and racial justice has had a profound effect on our community - amplifying the voices of local leaders and providing resources for leadership development to a wide range of residents.”

TBP Value: Centering Relationships

Room to Grow

- ▶ Grantees provide ratings in line with the typical funder for the extent to which TCE exhibits trust in their organization’s staff and compassion for those affected by their work.
- ▶ However, in an area of opportunity for the Endowment, grantees provide lower than typical ratings on most measures of their interactions with TCE, including for the candor the Endowment exhibits in its interactions with grantees.
- ▶ And, TCE grantees continue to report feeling more pressure than typical to modify their organization’s priorities in order to create a proposal that was likely to receive funding. Grantees who report experiencing lower amounts of pressure rate higher across the report.

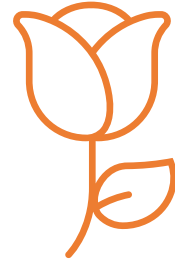


“Having to create very specific outcomes and activities at the proposal stage can feel like grantees are being locked into strategies far too early to reflect how policy and advocacy work unfolds. It creates a sense that if work changes and shifts (usually in ways that are positive), we will need to explain these shifts as potential challenges or failures to meet specific outcomes.”

Give Multi-Year Unrestricted Funding

Increased Provision of General Operating Support

- ▶ CEP's broader research finds that relatively large, multi-year, and/or general operating support grants are associated with the most positive perceptions of impact on grantee organizations.
 - TCE grantees report receiving typically large grants (\$166K at the median), as well as a typical proportion of multi-year grants. TCE grantees who report receiving multi-year grants rate significantly higher on many measures.
 - A larger than typical proportion (almost half) of TCE grantees now report receiving unrestricted funding, an increase since 2017.
 - Still, the largest proportion (nearly a fifth) of grantee suggestions relate to TCE's grantmaking characteristics; 22 grantees request that the Endowment increase its provision of unrestricted funding, and 21 grantees request longer grants.



"TCE is a great partner. It would be helpful to have a 3-5 year commitment; during the past couple of years, it has been a one-year commitment at a time. I understand covid and shifting priorities have caused some of this, but... a longer funding commitment would help us plan better."

Do The Homework

Solid Understanding of Community Needs

- ▶ Grantees provide ratings in line with the typical funder, and similar to 2017, for the Endowment's understanding of the needs of the people and communities grantees serve.
 - Ratings are also typical for the extent to which TCE's funding priorities reflect a deep understanding of these needs.



"TCE is knowledgeable about community issues and needs and has a good understanding of the nonprofit ecosystem where we operate.... TCE has attempted to keep grantees informed of the outcomes from their strategic planning process, however the effort has been sporadic and still somewhat opaque."

Simplify & Streamline Paperwork

Streamlined Grantmaking Processes

- ▶ TCE grantees receive a higher than typical dollar return per hour of required TCE processes, placing TCE in the top 15 percent of CEP's dataset. This is a result of larger than typical grants and lower than typical process requirements. Grantees now spend fewer hours on the Endowment's grantmaking processes than in any previous survey year.
- ▶ Grantees find the selection process to be a helpful opportunity to strengthen the efforts funded by their grants, rating significantly higher than in 2017 and placing the Endowment in line with the typical funder.
- ▶ Grantee ratings have improved significantly for the relevance and adaptability of TCE's reporting process, now placing TCE in line with the typical funder. In their open-ended comments, grantees describe the reporting process as **"user-friendly," "simple," and "straightforward."**
 - A typical proportion of TCE grantees (almost 70 percent) report exchanging ideas with the Endowment regarding how the results of their work would be assessed. Grantees who report this exchange of ideas rate higher for most measures across the report.



"The Endowment's processes have been streamlined which make it less daunting to submit a proposal and reporting when one is funded."

Be Transparent & Responsive

Room to Improve

Opportunity to Increase Clarity and Transparency

- ▶ Despite the streamlined process, grantee ratings are lower than typical for the clarity and transparency of selection process requirements, timelines, and the criteria used to select which grantees would be funded.
- ▶ And, grantee ratings are lower than typical for the clarity and consistency of the Endowment's communications overall, a significant decrease since 2017.
- ▶ In a custom question, a third of TCE grantees report not understanding how the Endowment is developing its next strategic funding priorities (rating a 4 or lower on a 1-7 scale).
- ▶ In their open-ended suggestions, 25 grantees ask for increased communication clarity, especially around the Endowment's strategic changes. One grantee asks for a **"clearer understanding of future goals and how to remain relevant and funded as a grantee."**

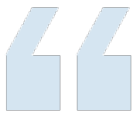


Requests for More Responsive, Frequent Interaction with Grantees

- ▶ Grantee ratings are lower than typical for the responsiveness of Endowment staff. Ten percent of grantee suggestions relate to interactions with the Endowment, with 15 grantees asking for more frequent interactions and four grantees asking for improved responsiveness.
- ▶ Almost a quarter of the Endowment’s grantees report interacting with their program manager only yearly or less often, a larger proportion than in previous years. Grantees who report having more frequent interactions –interacting with their program manager at least every few months–rate higher across the report.
- ▶ A larger than typical proportion (more than a fifth) of TCE grantees report experiencing a contact change within the last six months. Grantees who experienced a contact change rate lower for most measures across the report.
 - Further, a third of grantees who experienced a contact change were not satisfied with it (rating a 4 or lower on a 1-7 scale). The most common reasons indicated were the challenge of developing a relationship with a new program manager (N=14), and the lack of clarity regarding who grantees’ new program manager was under the Endowment’s new structure (N=11).



“The past 3-4 years have felt like a long, drawn-out transition for the Endowment, which often left us in a limbo space of not knowing whether funding would continue. We’re still in that limbo space.”



“Once I found the right person... communication has been good. However, before that happened, I had a hard time finding the right person to talk to. An old contact I had at [TCE] didn't respond to my emails and there wasn't clear messaging on the website in terms of whom to reach out to and how.”

Solicit & Act on Feedback

Opportunity to Increase Approachability

- ▶ Grantees provide ratings in line with the typical funder for the extent to which TCE is open to ideas from grantees about its strategy.
- ▶ In an opportunity for improvement, grantees provide lower than typical ratings for their comfort approaching the Endowment if a problem arises.
- ▶ In committing to regularly repeating the Grantee Perception Report, TCE has shown fidelity to the TBP practice of soliciting feedback. CEP looks forward to supporting TCE in considering how the Endowment can act on this feedback and close the loop with grantees.



Offer Support Beyond the Check

Requests for Additional Assistance

- ▶ A lower than typical proportion of TCE grantees (about a quarter) report receiving non-monetary assistance beyond the grant check. But, of those TCE grantees who do report receiving this type of support, almost 90 percent rate the support they received as a moderate or major benefit to their organization or work.
 - Grantees who report receiving non-monetary assistance rate higher on most measures across the report.
 - In a custom question, grantees rate TCE nurturing leadership within their organizations and introductions to leaders in the field as the two most helpful types of non-monetary support.
 - And more than half of grantees report they're interested in assistance from TCE with raising funds from other sources.



CEP Recommendations

Based on its grantee feedback, CEP's broader research, and Trust-Based Philanthropy values and practices, CEP recommends that The California Endowment consider the following in order to build on its strengths and address potential areas for improvement:

- ▶ Celebrate and reflect on continued strong ratings regarding the Endowment's impact on public policy, its role in advancing racial equity and justice, as well as the increased proportion of grantees who report receiving general operating support.
- ▶ Consider ways to increase the Endowment's provision of multi-year grants, especially for longstanding grantees, to align with grantee suggestions.
- ▶ Honor and acknowledge the progress the Endowment has made in the relevance and adaptability of its reporting process. Building on this progress, examine grantees' higher ratings for the pressure they experienced during the Endowment's selection process, and seek opportunities to increase the adaptability of this process.
- ▶ Taking into account grantee ratings and feedback regarding their interactions with the Endowment, identify opportunities to:
 - Incorporate more frequent touchpoints with grantees throughout the duration of the grant, in particular seeking to increase the proportion of grantees who interact with the Endowment multiple times per year.
 - Given lower ratings by grantees who had recently experienced a contact change, as well as grantee feedback regarding their contact changes, examine practices for transitioning and maintaining strong grantee relationships when an Endowment contact change occurs.

- Work to close the gap in experiences for grantees who identify as women, particularly in areas related to clear, transparent communications that convey the Endowment’s openness and approachability.
- ▶ As the Endowment’s strategic direction changes, seek to more clearly and consistently communicate the Endowment’s goals for impact and how grantees fit into this strategy.
- ▶ Identifying the areas of feedback that are most relevant to TCE’s goals, strategy, and values, make concrete plans for how to act on grantees’ feedback and close the loop with grantees.

Contact Information

Amber Bradley

Director, Assessment and Advisory Services

amberb@cep.org

Nina Groleger

Analyst, Assessment and Advisory Services

ninag@cep.org