

Grantee Perception Report®
and
Applicant Perception Report
prepared for
The Kresge Foundation
Summer 2007

11/21/07



THE CENTER FOR
EFFECTIVE PHILANTHROPY

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Background

- ◆ Since February 2003, the Center for Effective Philanthropy (CEP) has conducted surveys of grantees on their perceptions of their foundation funders both on behalf of individual foundations and independently. The purpose of these surveys is two-fold: to gather data that is broadly useful – forming the basis of research reports such as *Listening to Grantees: What Nonprofits Value in Their Foundation Funders* (2004), *Foundation Communications: The Grantee Perspective* (2006), and *In Search of Impact: Practices and Perceptions in Foundations' Provision of Program and Operating Grants to Nonprofits* (2006) – and to provide individual foundations with Grantee Perception Reports.
- ◆ CEP developed the Applicant Perception Report (APR) as a companion to the Grantee Perception Report.® Based on a separate, shorter survey, the APR allows foundations to understand the candid perspectives of declined applicants on a number of important dimensions.
- ◆ **The Grantee Perception Report® (GPR) and the Applicant Perception Report (APR) show an individual foundation its grantee and declined applicant perceptions relative to a set of perceptions of other foundations whose grantees were surveyed by CEP.**
 - Overall, assessing foundation performance is challenging and a range of data sources is required. The GPR provides one set of perspectives that can be particularly useful in understanding foundation performance
 - It is important to note that, on most questions, grantee and declined applicant ratings cluster toward the high end of an absolute scale.
 - Grantee and declined applicant perceptions must be interpreted in light of the unique strategy of the foundation.
 - The survey covers many areas in which grantees' perceptions might be useful to a foundation. Each foundation should place emphasis on the areas covered according to the foundation's specific priorities.
 - Low ratings in an area that is not core to a foundation's strategy may not be concerning to a foundation. For example, a foundation that does not focus efforts on public policy would likely receive lower than average ratings in this area if it is adhering to its strategy.
 - Finally, across most measures in this report, foundation structural characteristics – such as type, asset size, focus, and age – are not strong predictors of grantee or declined applicant perceptions, suggesting that it is possible for all foundations to attain high ratings from grantees.

Methodology

- ◆ The Center for Effective Philanthropy (CEP) has surveyed more than 40,000 grantees of 193 foundations since spring 2003. These foundations are diverse in size and focus and include Bill & Melinda Gates Foundation, Carnegie Corporation of New York, Charles Stewart Mott Foundation, The Cleveland Foundation, The John D. and Catherine T. MacArthur Foundation, The Rockefeller Foundation, W.K. Kellogg Foundation, and Robert Wood Johnson Foundation.
- ◆ This Grantee Perception Report® (GPR) contains data collected over the last three years, and includes almost 19,000 grantee responses of 132 foundations.
 - CEP surveyed 159 fiscal year 2006 grantees of The Kresge Foundation (“Kresge”) during June and July 2007. CEP received 122 completed responses, a 77 percent response rate. The average response rate for individual foundations is 67 percent.
 - The average and/or median rating for these respondents is shown throughout this report.
 - Grantees submitted responses via mail and the Web.²
- ◆ This Applicant Perception Report includes comparative data based on applicant perceptions of nearly 20 foundations.
 - CEP surveyed 315 declined applicants of The Kresge Foundation (“Kresge“) from the years 2003 to 2006 during June and July 2007. CEP received 182 completed responses, representing a 59 percent response rate, which is higher than typical for a survey of declined applicants. The average response rate for individual foundations is 48 percent.
- ◆ Kresge provided grantee and declined applicant contact information.
- ◆ Selected comments are shown throughout this report. This selection of comments highlights major themes and reflects trends in the data.

Key Findings

While the Kresge Foundation is rated positively by its grantees on several indicators, on others the Foundation is rated less positively than half or, in some cases, 75 percent of foundations whose grantees CEP has surveyed.

On two key measures of impact, impact on grantees' fields and impact on grantee organizations, Kresge is rated similarly to the median foundation (pages 6 and 8). However, on a key predictor of impact, understanding of grantees' goals and strategies, Kresge is rated below the 25th percentile (page 9).

Overall, Kresge's grantees are less satisfied with their experience with the Foundation than is typical (page 10). Kresge grantees rate the quality of their interactions with the Foundation – responsiveness and fairness of Foundation staff and grantees' comfort in approaching the Foundation if a problem arises – below the 25th percentile among foundations in the comparative set (page 11). Twenty-eight percent of suggestions from grantees concern interactions. In these suggestions grantees indicate that they would like more helpful and more frequent contact with Foundation staff.

The Foundation is rated above the 75th percentile for the clarity with which it communicates its goals and strategy to grantees (page 12). However, on the related measure of consistency of the information Kresge provides to grantees, the Foundation is rated below the median (page 13).

Kresge grantees receive less non monetary assistance than grantees of 75% of foundations (page 14). While the Foundation's reputation helps Kresge grantees receive funding from other sources (page 15), grantees receive very little active assistance securing funding from other sources.

Kresge grantees spend many more hours than grantees of the median foundation on both the selection and evaluation processes, although because Kresge is making such large grants, total dollar return on these administrative processes is still above the median (page 19). Grantees indicate that the selection process is more helpful than the selection process of the median foundation (page 16), however grantees with smaller operating budgets rate it as less helpful than grantees with larger operating budgets. The helpfulness of Kresge's evaluation process is rated similarly to the median foundation (page 18).

On a separate survey of applicants that were declined funding from the Foundation, Kresge's declined applicants report spending almost as much time completing the Foundation's proposal/selection process as Kresge's grantees. Fifty-one percent of Kresge declined applicants report receiving feedback on their applications, a lower proportion than typical. This feedback is viewed as positively as that provided by the median foundation in its helpfulness to nonprofits in strengthening future proposals to Kresge and other funders (page 17).

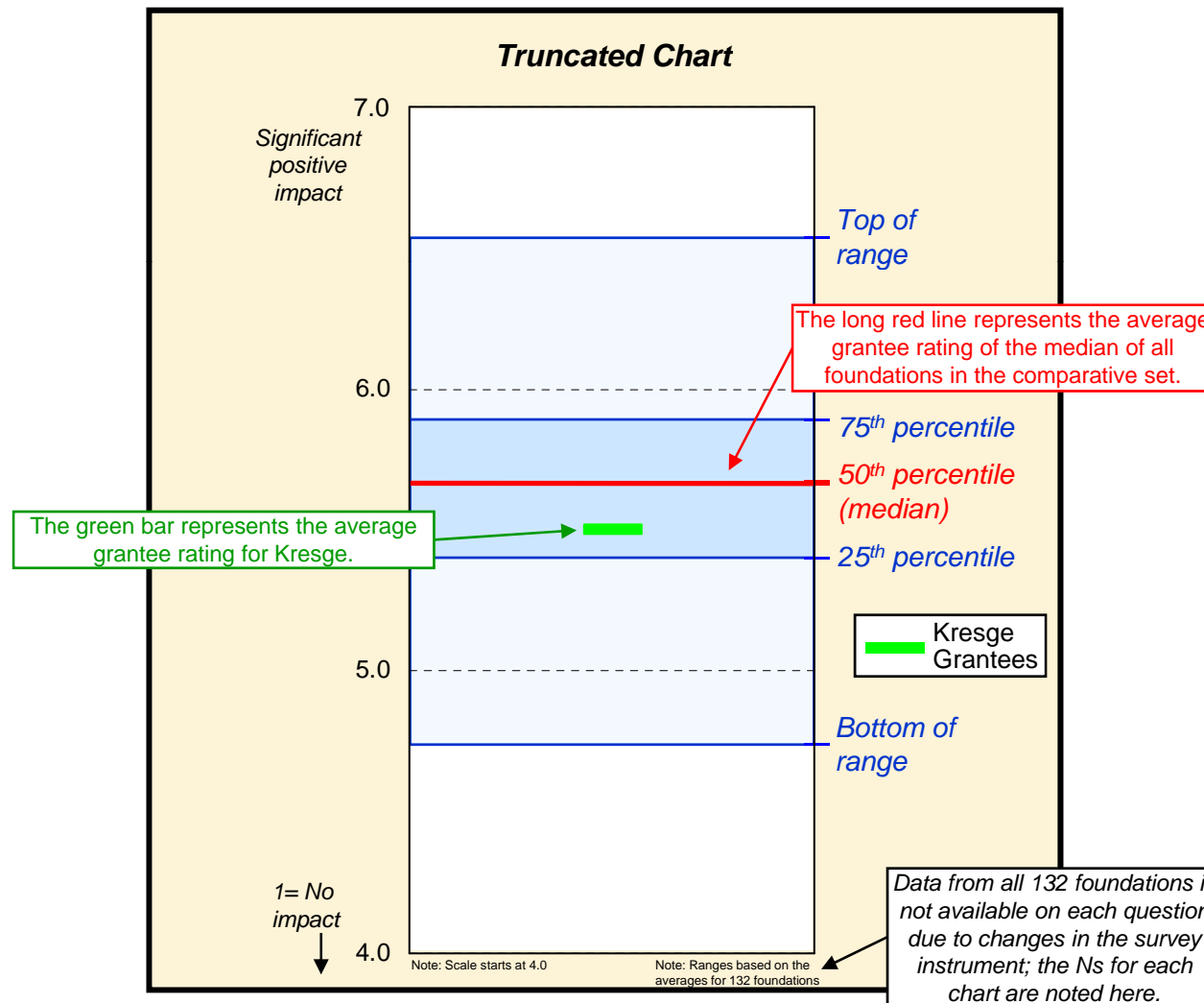
Review of Findings

Chart shows Kresge's (◆) percentile rank among all foundations in the comparative set.

Indicator	Percentile					Description
	0th	25th	50th	75th	100th	
Impact on the Field						Grantees were asked to rate the foundation's impact on their fields.
Impact on the Community						Grantees were asked to rate the foundation's impact on their local communities.
Impact on the Grantee Organization						Grantees were asked to rate the foundation's impact on their organizations.
Satisfaction						Grantees were asked to rate their satisfaction with their funder.
Interactions						This summary includes grantee ratings of foundation fairness, responsiveness, and grantee comfort approaching the foundation if a problem arises.
Clarity of Communication of Goals and Strategy						Grantees were asked to rate the clarity of the foundation's communication of its goals and strategy.
Non-Monetary Assistance						This summary includes the frequency of provision and ratings of helpfulness of 14 individual activities, including management and field-related assistance.
Assistance Securing Funding from Other Sources						This summary includes the frequency of provision of foundation assistance in obtaining funding from other sources, and ratings of the impact of those efforts.
Selection Process						Grantees were asked to rate the helpfulness of the foundation's selection process for their organizations.
Reporting and Evaluation Processes						Grantees were asked to rate the helpfulness of the foundation's reporting and evaluation processes for their organizations.
Dollar Return on Grantee Administrative Hours						This summary is calculated by dividing the dollar value of individual grants by the time required of grantees to fulfill the foundation's administrative requirements.

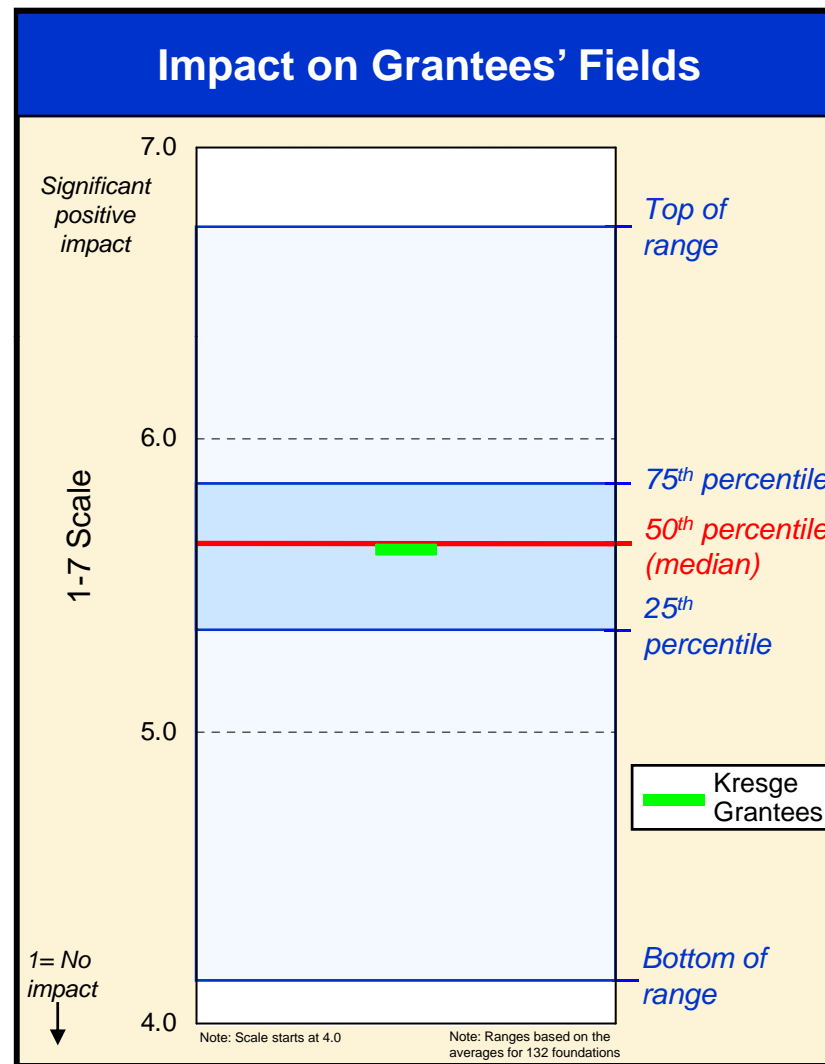
Reading GPR Charts

Much of the grantee perception data in the GPR is presented in the format below. These graphs show the average of grantee responses for Kresge, over a background that shows percentiles for the average ratings for the full comparative set of 132 foundations. **Throughout the report, many charts in this format are truncated from the full scale because foundation averages fall within the top half of the range.**



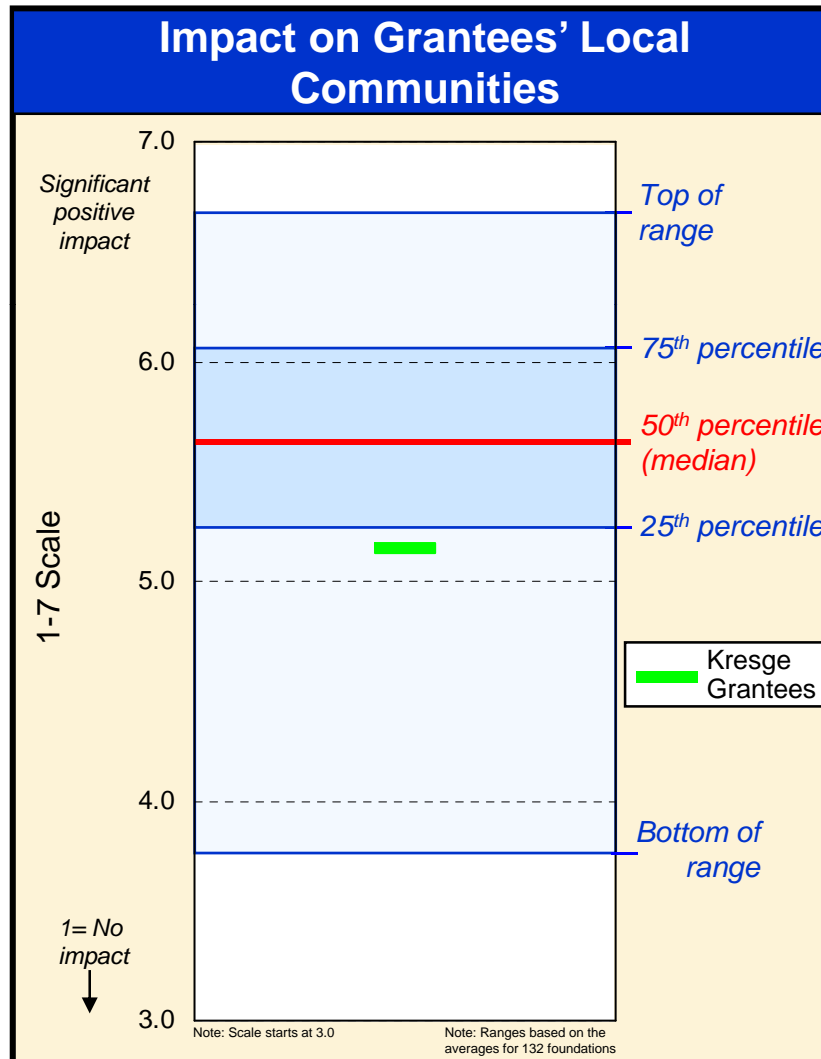
Impact on Grantees' Fields

Kresge's average grantee rating of the Foundation's impact on grantees' fields is similar to the rating of the median foundation.



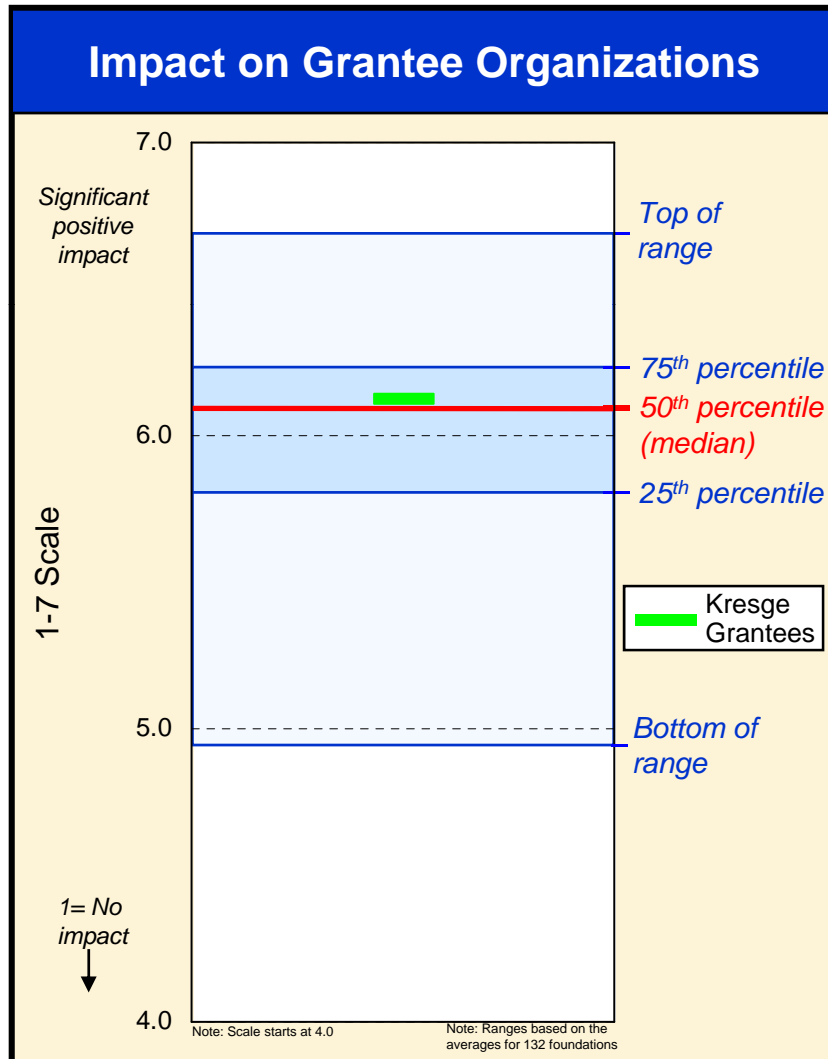
Impact on Grantees' Local Communities

Kresge's average grantee rating of the Foundation's impact on grantees' local communities is below the rating of the median foundation.



Impact on Grantee Organizations

Kresge's average grantee rating of the Foundation's impact on grantee organizations is similar to the rating of the median foundation.

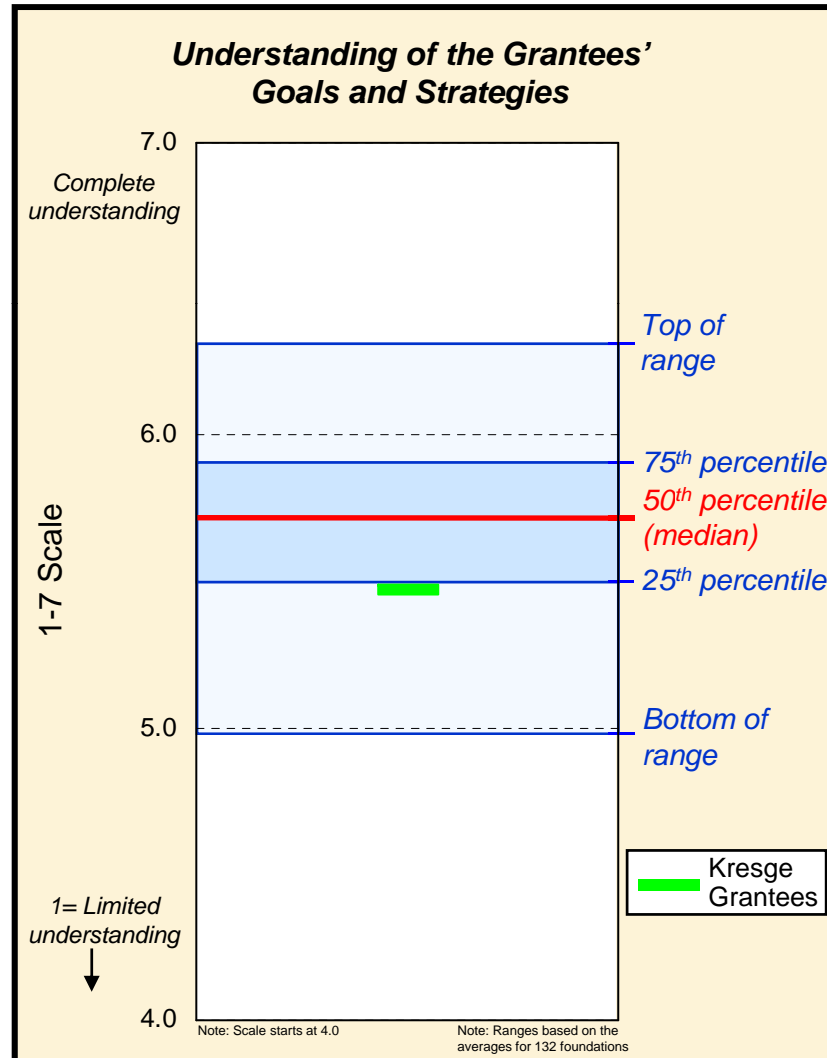


Selected Grantee Comments and Suggestions

- ♦ “The Kresge Challenge grant has encouraged us to increase attention, resources, etc. on our major gifts program – both research and cultivation. This infrastructure is helping to raise the caliber of our development efforts and will continue far beyond our critical campaign.”
- ♦ “Kresge’s emphasis on thorough planning and lots of financial details has helped expand capacity of many mid-size and larger organizations. It is my perception, however, that smaller, less-well-funded organizations have considerable difficulty getting their toes on the ladder.”
- ♦ “Consider the overall goals of the grant seeking organization and work as a partner with them to achieve those goals in a manner that is consistent with the mission and values of both organizations so that both organizations come out stronger in the end.”
- ♦ “Sometimes it feels as if the Foundation is too wedded to its processes and systems and unwilling to consider individual circumstances of grantee organizations. The questions during progress report conversations seem rote, rehearsed, as if the program officer is merely going over a checklist. I often wonder how much the program officer ‘hears’ about the process and the good efforts that are being made”

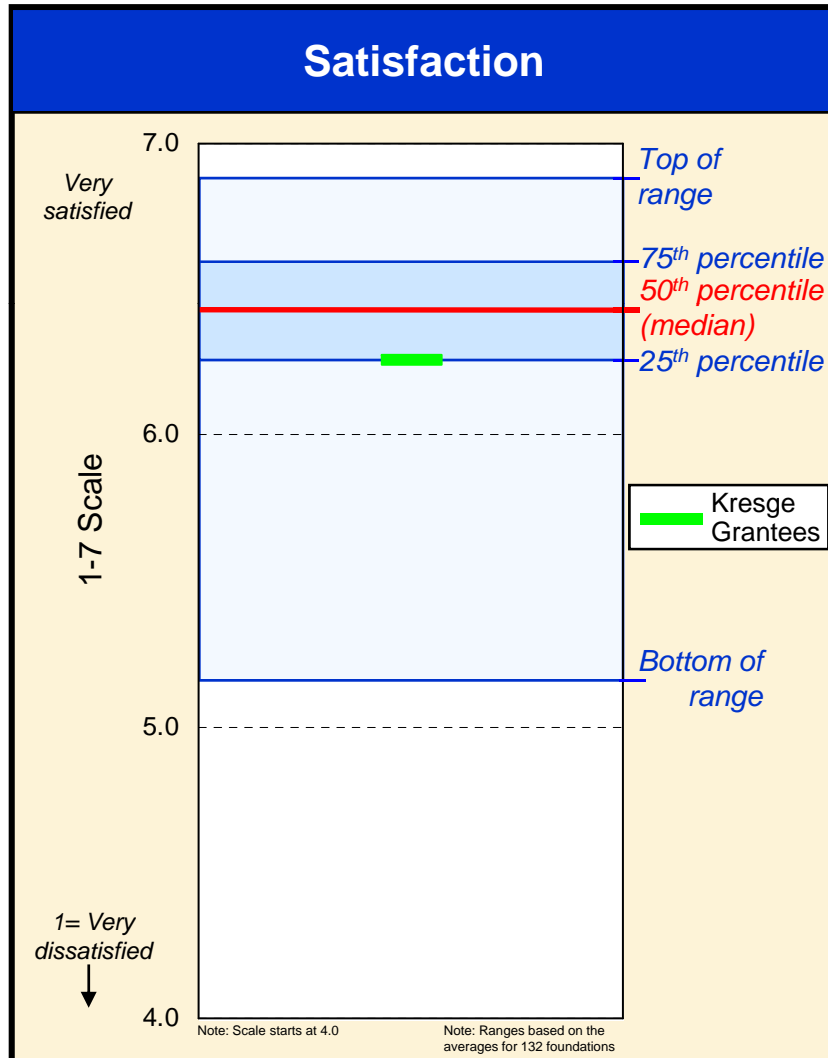
Understanding of Grantees' Goals and Strategies

Kresge's average grantee rating of the Foundation's understanding of grantees' goals and strategies is below the rating of the median foundation.



Satisfaction

Kresge grantees are less satisfied than the grantees of the median foundation.



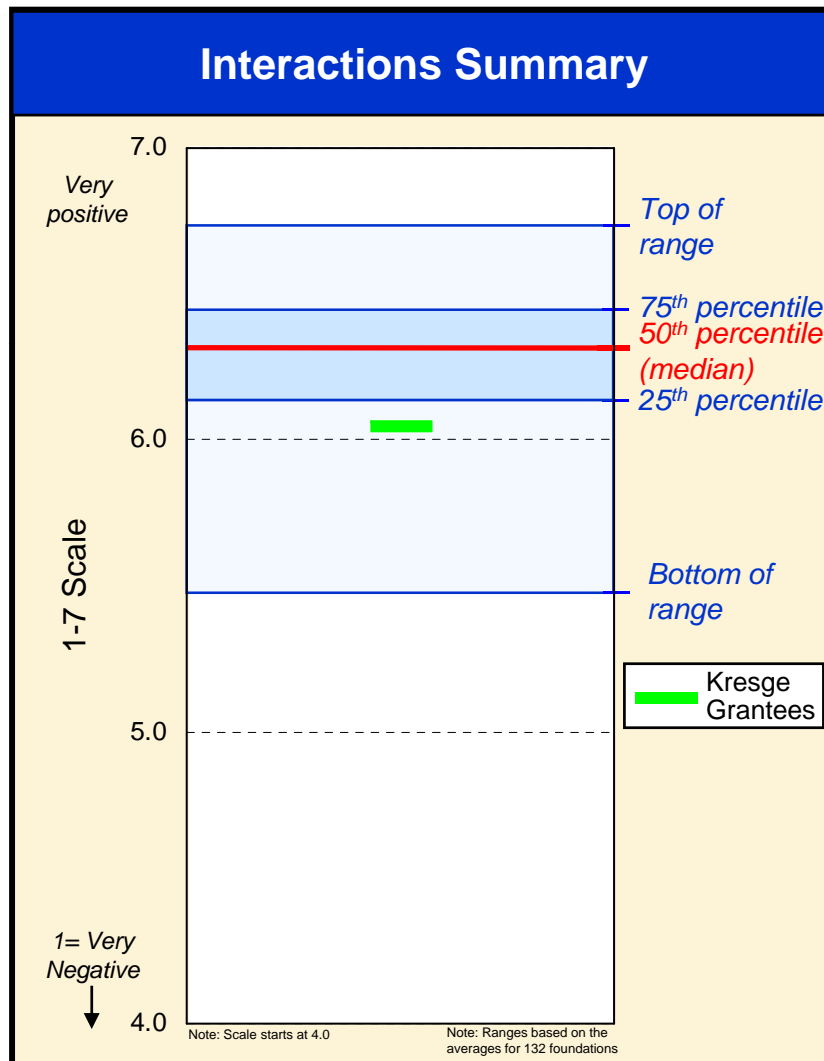
Selected Grantee Comments

- ♦ “I understand the diligence the Foundation seeks of grantees... I think it negatively impacts the ability of medium – sized organization to secure funding, thus funding large institutions that already have significant developed capacity. This seems a bit contrary to the Foundation’s stated intent to increase capacity.”
- ♦ “Communications were direct and clear, but could be somewhat intimidating. The processes were also clear but very time consuming especially for a small development office.”

Survey-Wide Analysis Fact: Three dimensions best predict grantee perceptions of satisfaction with their foundation funders: 1) *Quality of Interactions with Foundation Staff:* fairness, responsiveness, approachability; 2) *Clarity of Communication of a Foundation’s Goals and Strategy:* clear and consistent articulation of objectives; 3) *Expertise and External Orientation of the Foundation:* understanding of fields and communities of funding and ability to advance knowledge and affect public policy. For more on these findings and resulting management implications, please see CEP’s report, *Listening to Grantees: What Nonprofits Value in Their Foundation Funders.*

Grantee Interactions Summary

This summary includes grantees' comfort approaching the Foundation if a problem arises, responsiveness of Foundation staff, and fairness of the Foundation's treatment of grantees. Kresge is below the median foundation on this summary measure.



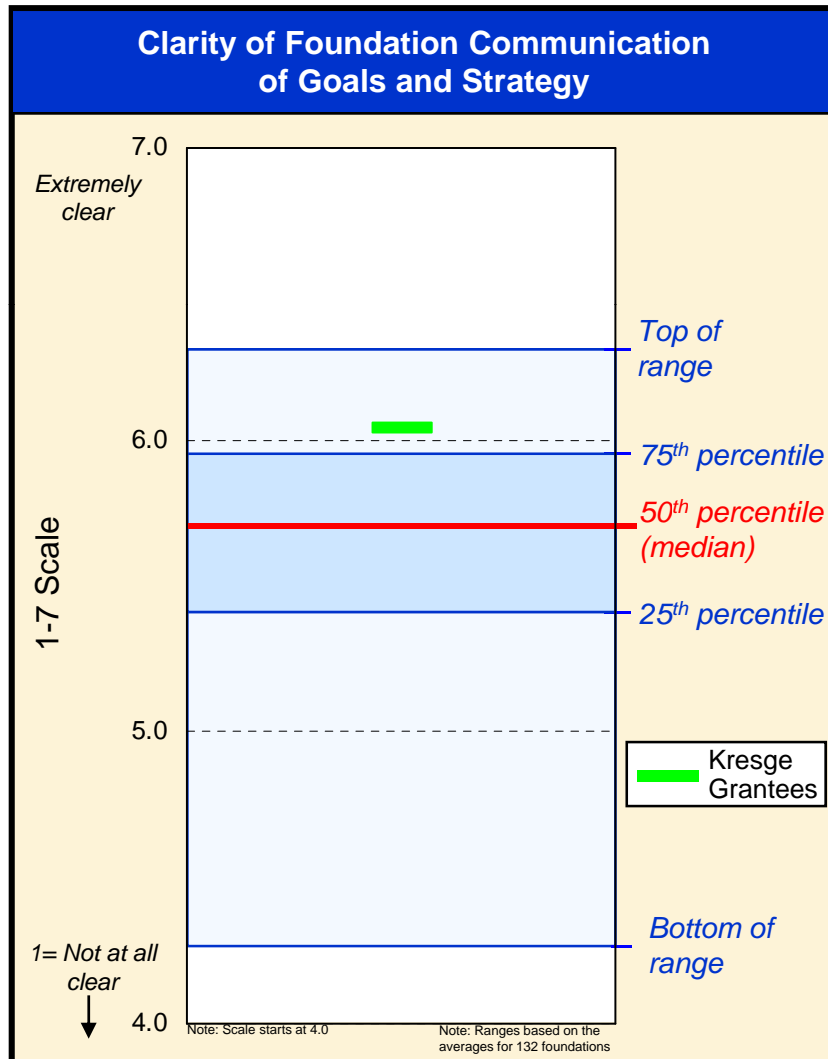
Selected Grantee Comments and Suggestions

- ◆ “Some Foundation staff need to be more proactive in their communication with grantees or prospective grantees.”
- ◆ “Kresge staff members were consistently helpful, courteous, and willing to discuss issues in detail.”
- ◆ “Between initial contact and application (3-4 months), we did not have a primary contact. It would have been more beneficial for us to have a specific person to contact rather than just the main office number.”
- ◆ “The Foundation’s processes and staff were professional, timely, effective and extremely helpful. Following the award, I would have appreciated an opportunity to communicate more with staff and strategize on how to publicize this prestigious award.”
- ◆ “The Kresge Foundation is not very approachable until you prove yourself to them. They are very abrupt and to the point until you receive a grant.”

Note: Index created by averaging grantee ratings of comfort approaching the Foundation if a problem arises, responsiveness of the Foundation staff, and fairness of the Foundation's treatment of grantees – ratings which are highly correlated.

Communication of Goals and Strategy

Kresge's average grantee rating of the clarity of the Foundation's communications of its goals and strategy is above the rating of the median foundation.

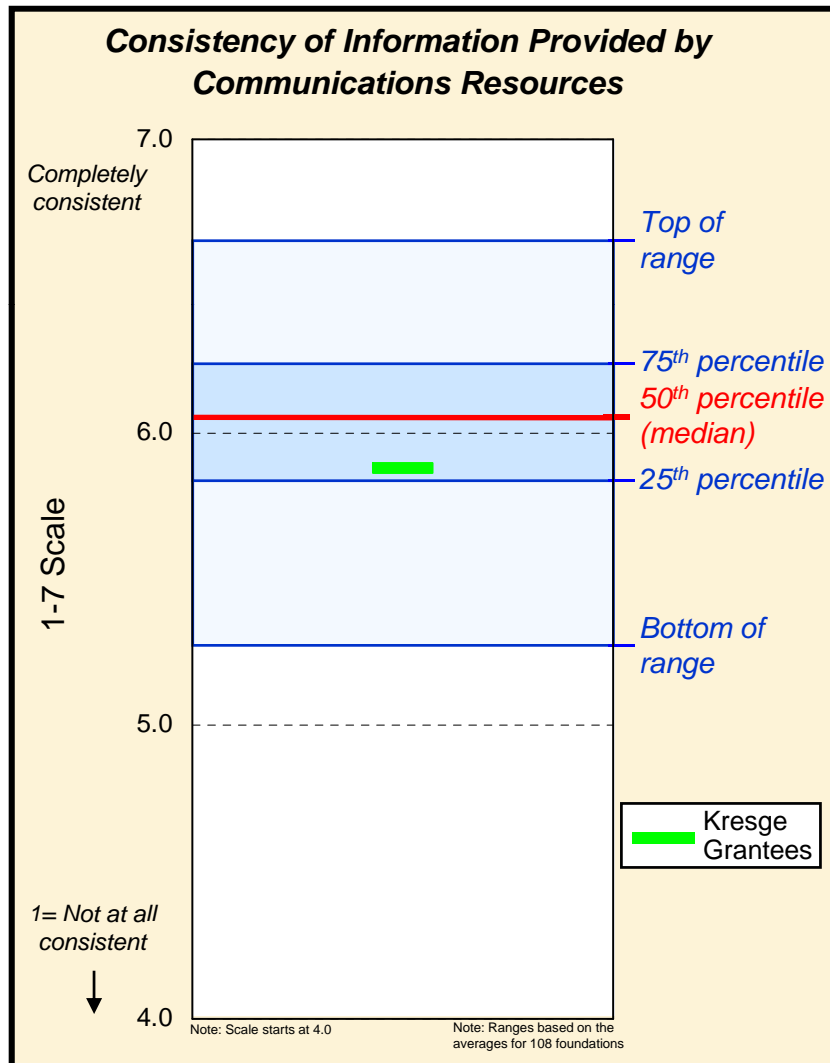


Selected Grantee Comments and Suggestions

- ♦ *“The Kresge Foundation has clear guidelines and operates without exceptions to these rules. Staff are professional and helpful, but it is clear that relationships and politics do not influence decisions.”*
- ♦ *“Extremely clear about process and expectations; very clear about Foundation’s ‘agenda’ vs. absolute requirements.”*
- ♦ *“Better communication with grant seekers, be more proactive and less mysterious about what makes a good grant.”*
- ♦ *“... The process really forces the applicant to strategize and think through the possible outcomes and potential of the campaign, and to plan accordingly. As a result the organization is strengthened and continues to strengthen well after the funding is complete.”*

Consistency of Communications

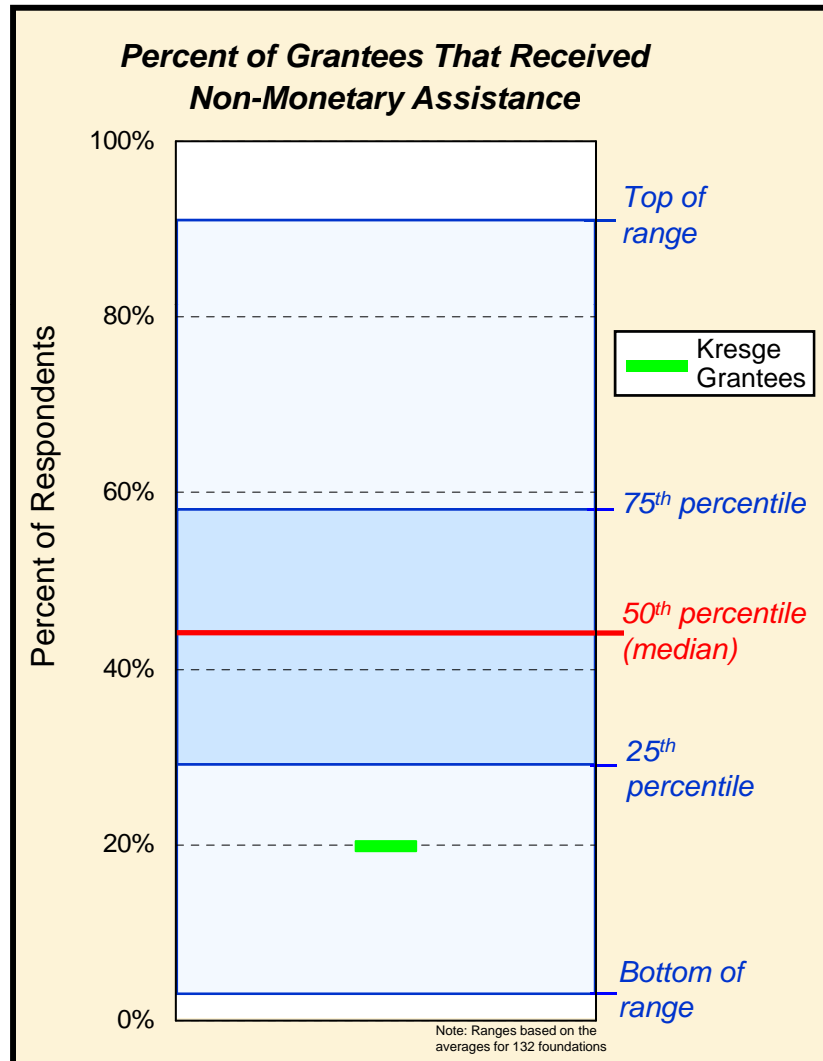
Kresge's average grantee rating of the consistency of the Foundation's communication resources, both personal and written, is below the rating of the median foundation.



*Survey-Wide Analysis Fact: Consistency of Communications, both personal and written, is the best predictor of grantee ratings of a foundation's clarity of communication of its goals and strategy. Other predictors are 1) Quality of Interactions with Foundation Staff: fairness, responsiveness, approachability and 2) The helpfulness of a foundation's selection and reporting/evaluation processes in strengthening grantees' programs and/or organizations – key moments that can reinforce or undermine foundation messages. For more on these findings, key resources most valued by grantees, and management implications, please see CEP's report, *Foundation Communications: The Grantee Perspective*.*

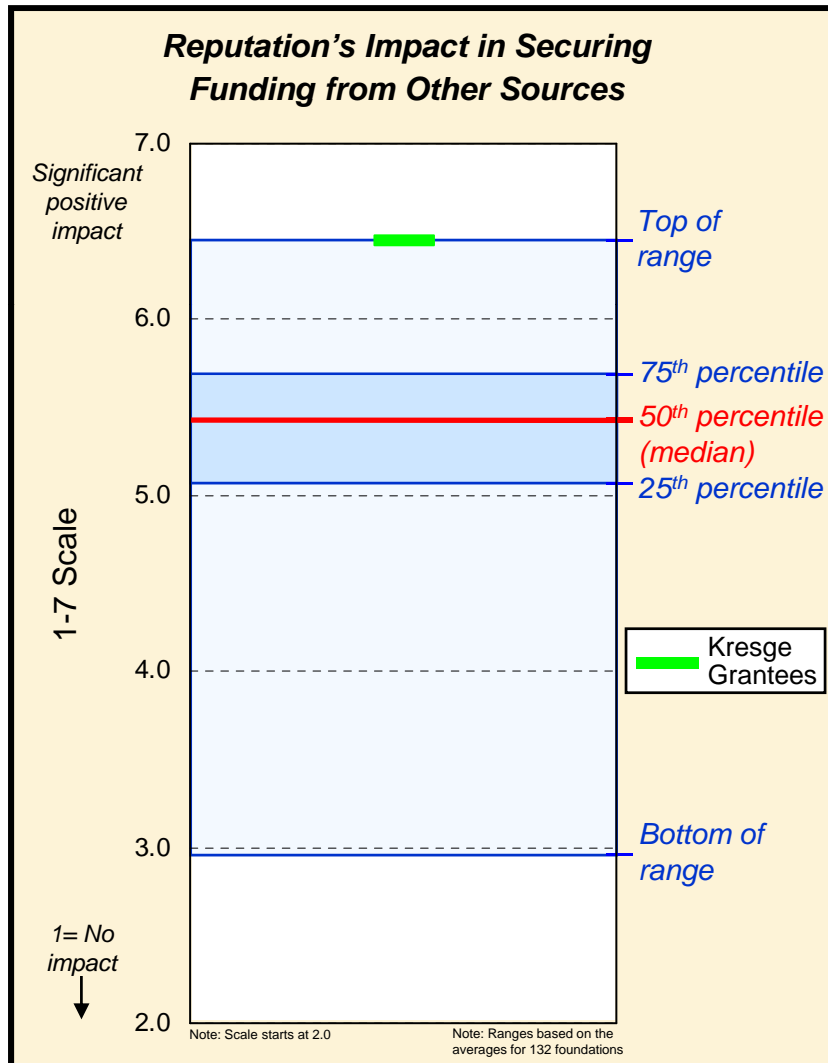
Non-Monetary Assistance

The proportion of Kresge grantees that report receiving non-monetary assistance is smaller than that of the median foundation.



Impact of Reputation in Funding Assistance

Kresge's average grantee rating of the impact of the Foundation's reputation on grantees' ability to secure funding from other sources is the highest of all foundations surveyed.

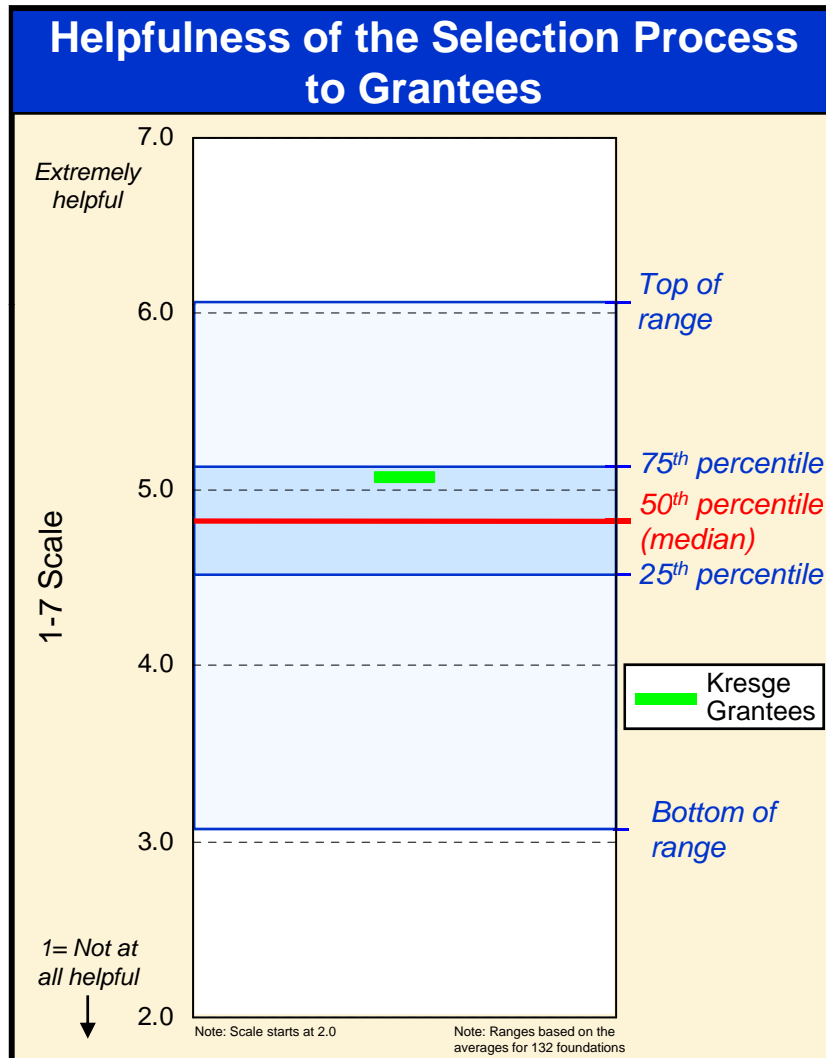


Selected Grantee Comments

- ♦ “Our campaign goal is a real ‘stretch’ for our organization and in our part of the country; the Kresge grant provided a tangible incentive – with real financial consequences – for our donors to ‘stretch.’”
- ♦ “The Kresge Challenge Grant gave us the equivalent of a ‘good housekeeping seal of approval.’ It gave momentum and credibility to our campaign and organization.”
- ♦ “As mentioned before, the prestige of receiving this grant elevated our community profile, expanded our donor base and enhanced our relationships with our top donors. It also increased our awareness to better serve underrepresented populations and to increase diversity in our leadership to be representative of the communities we serve.”
- ♦ “The honor of receiving a Kresge Challenge Grant will go far to impact the reputation of our organization. The fact that the grant made us take a hard look at the way we do business in raising funds. On how our best effort practices in raising funds and expanding donor base should always involve strong volunteer support.”
- ♦ “Extremely high impact. The challenge grant lent a level of credibility to our campaign that complemented and grew our fundraising efforts. It is the ‘carrot’ that we are able to use to galvanize support.”

Helpfulness of Selection Process

Kresge's average grantee rating of the helpfulness of the Foundation's selection process is above the rating of the median foundation.

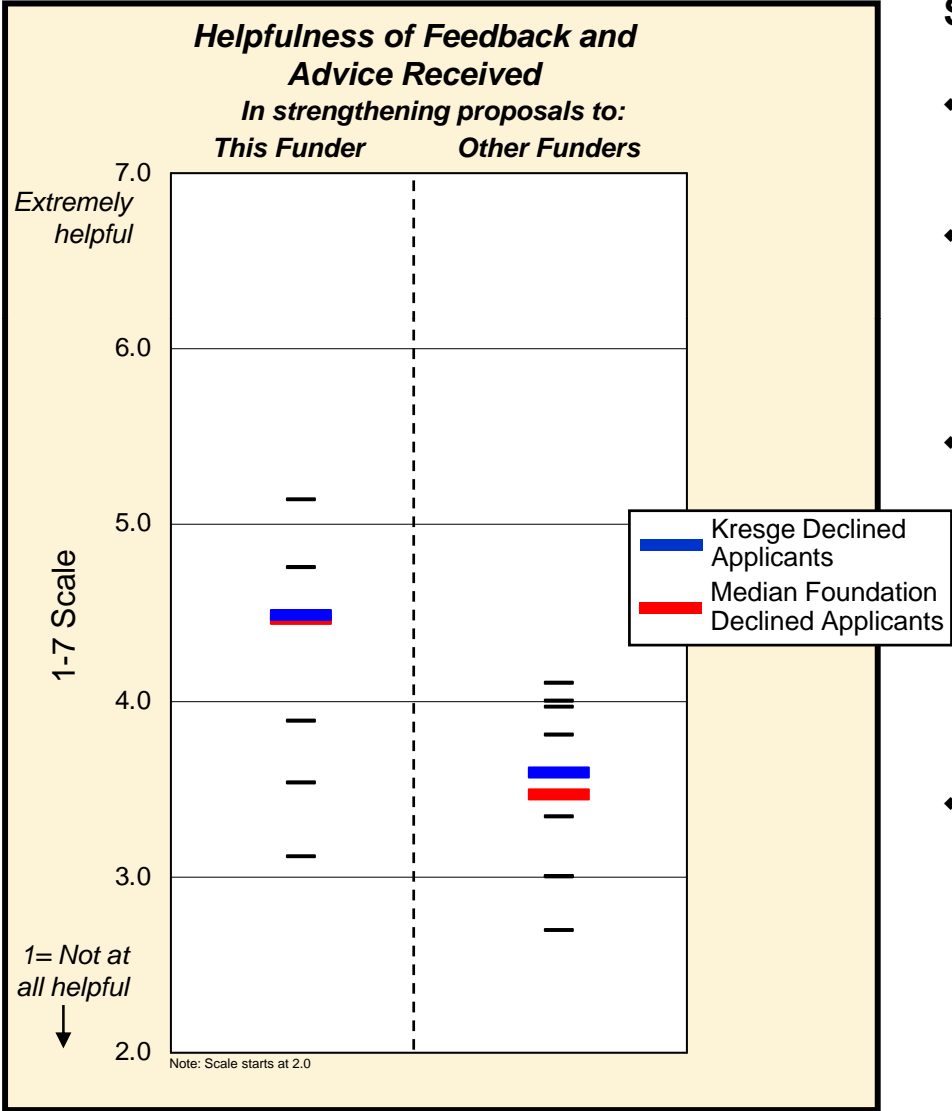


Selected Grantee Comments and Suggestions

- ♦ *"I believe that the application process is a bit onerous and could be made much more streamlined."*
- ♦ *"Thought and planning process for submitting the grant was extremely helpful in our capacity building."*
- ♦ *"Given the range of organizations the Foundation funds, a bit more flexibility in the application process might be needed ... I wonder how smaller, understaffed organizations manage the process. The financial forms and reports tend to be directive and designed to condense all institutions' data into a concise picture. Is this realistic?"*
- ♦ *"The timing mechanism/restraints (how much the applicant is required to raise before approaching Kresge) is difficult to manage. We had to wait until we reached a certain dollar amount before we could apply to Kresge and then we suddenly almost had too much in pledges to apply."*

Helpfulness of Feedback to Declined Applicants

Fifty-one percent of Kresge’s declined applicants reported receiving feedback on their applications. Relative to other foundations in the sample, Kresge declined applicants perceive the feedback and advice they received to be as helpful as typical in strengthening future proposals to the Foundation and in strengthening future proposals to other funders.

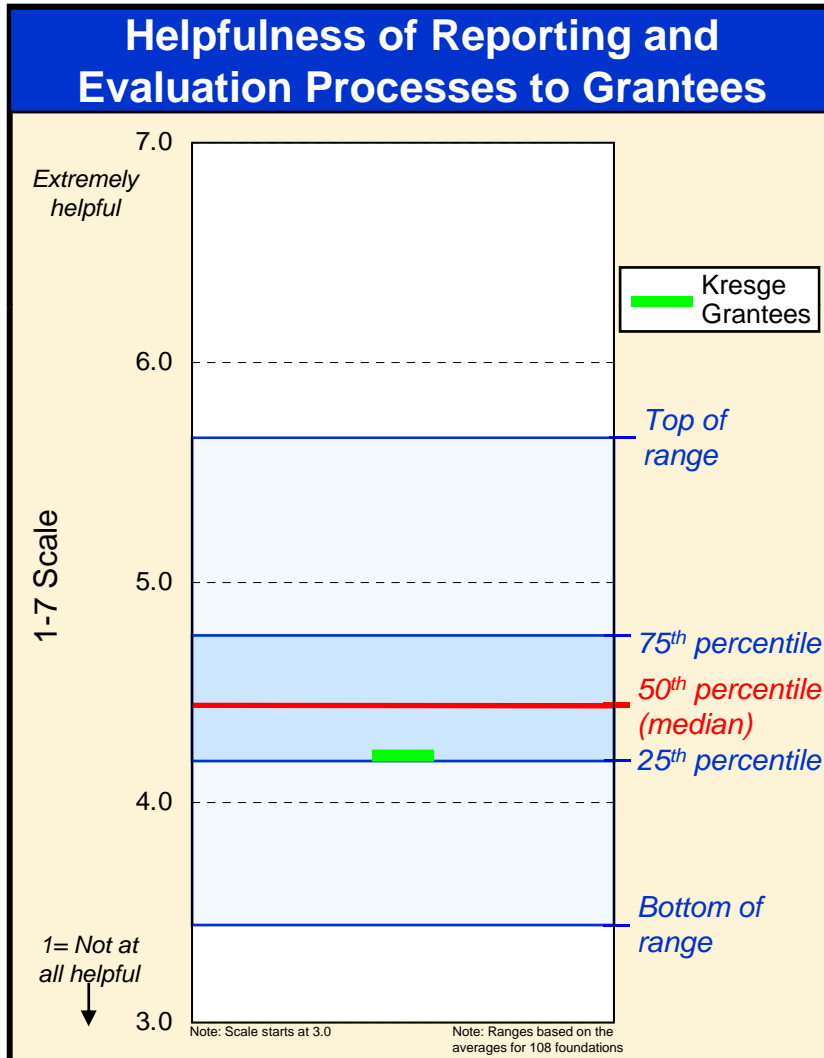


Selected Declined Applicant Comments and Suggestions

- ♦ “The information we received eventually about why we did not receive funding was honest, I believe, and has been extremely useful to our organization.”
- ♦ “Ours was not selected because other projects were better staffed, showing a commitment by their leaders to a consistent annual fund that ours did not show ... This constructive feedback has been extremely useful to our organization.”
- ♦ “I would have liked to have spoken in detail about our request, and received feedback as to why ours was not funded, other than funding capabilities. Just the knowledge of knowing why others were chosen ahead of ours would have been nice to know. Was the proposal written badly? Was it not enough information? Was the proposal good, and maybe next year apply again, and funds might be available ... etc.”
- ♦ “I had great hopes that Kresge would help us. We were encouraged by them and then were just blown away at their invalid reasons for declining our request. We had very good communication with them all along. It was all very helpful and going well. Had their reasons been valid/honest we would have understood – but they were not valid or honest.”

Helpfulness of Reporting and Evaluation Processes

Kresge's average grantee rating of the helpfulness of the Foundation's evaluation process is below the rating of the median foundation.



Selected Grantee Comments and Suggestions

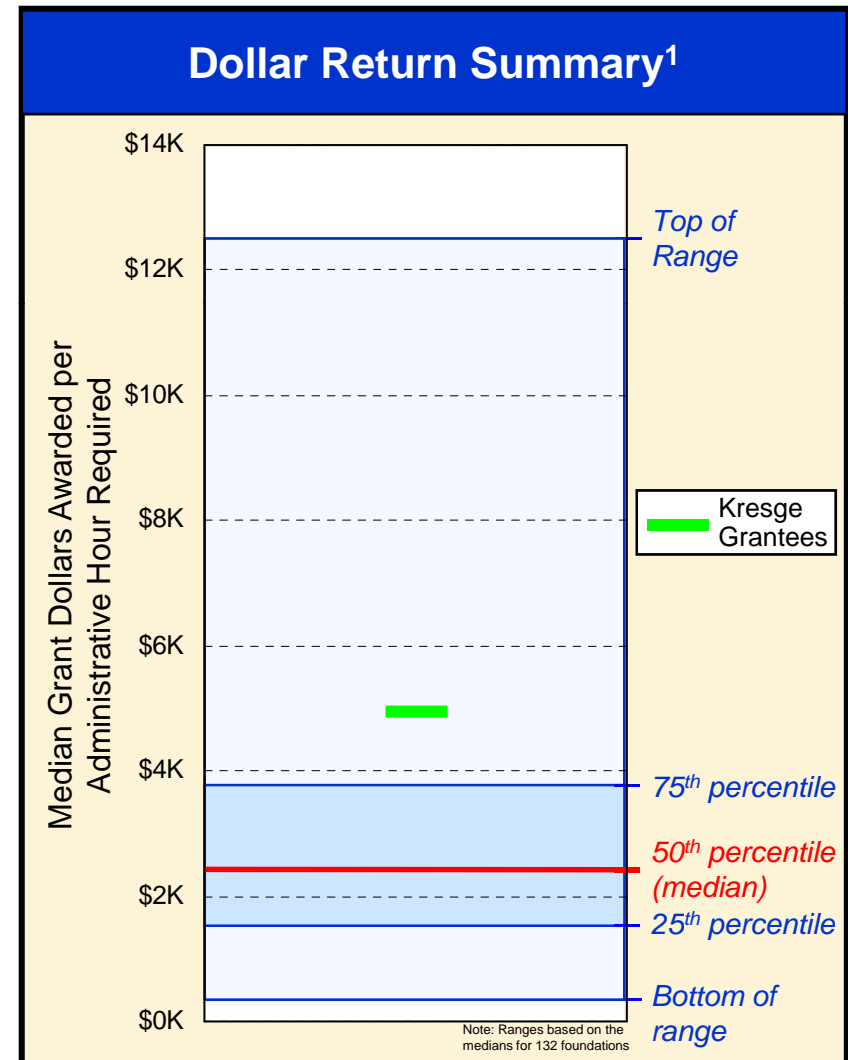
- ♦ “Work with institutions so that there is more alignment with systems, especially as related to reporting. (It is difficult to fit into a given mold if that is not how your organization operates – especially related to reporting documents, such as the compliance report.)”
- ♦ “My only criticism is that several of the requests for data were unclear about the form that it should be presented and did not always match with how the data was available to be presented.”
- ♦ “More consistency in the reporting process. I understand that there was a reorganization, but it seemed that the staff was confused about the procedures themselves.”

Dollar Return Summary

The median number of dollars awarded to Kresge grantees per hour of administrative time spent by grantees is larger than that awarded to the median foundation's grantees.

This summary includes:

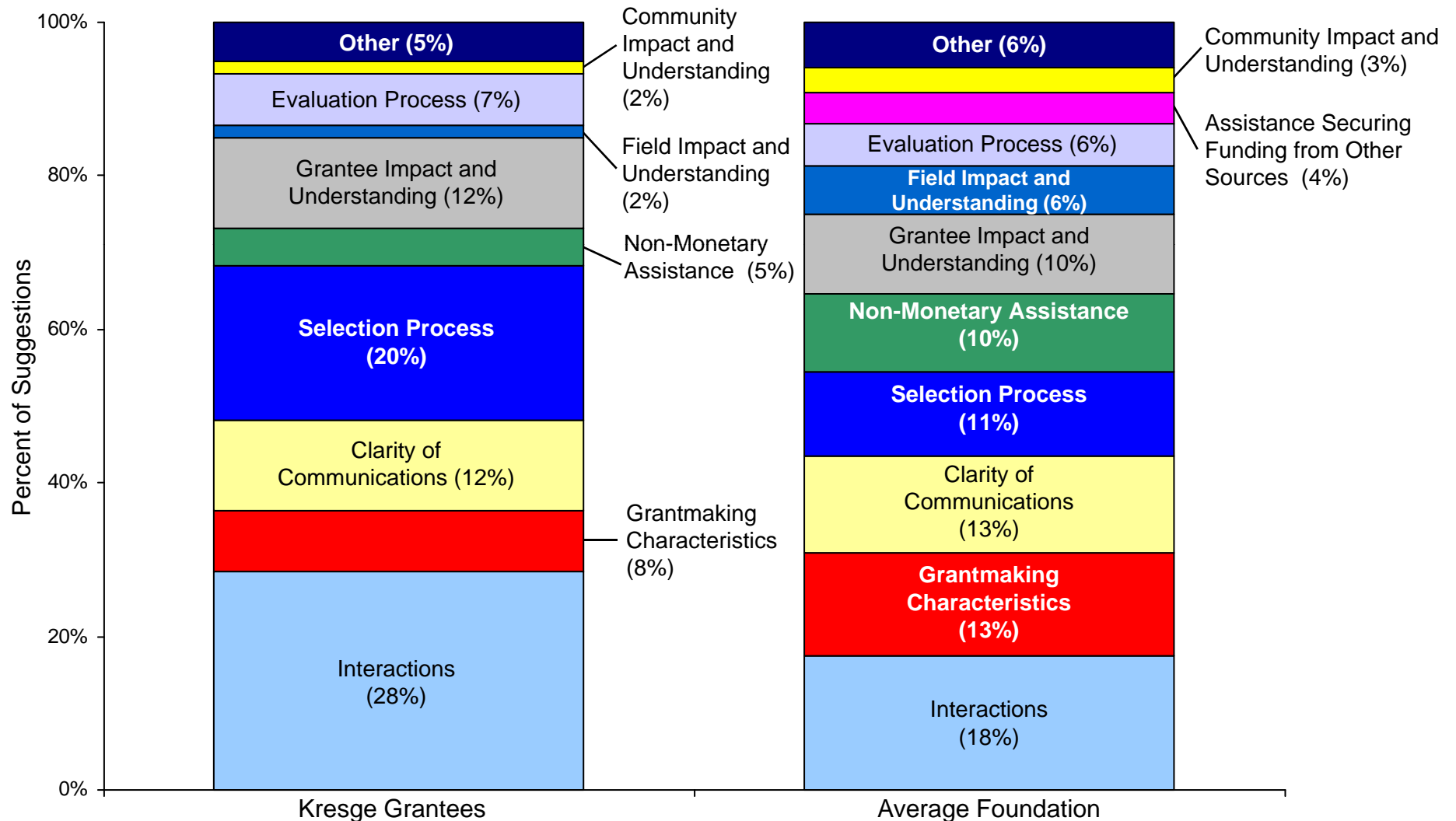
- *The total grant dollars awarded*
- *The total time necessary to fulfill the administrative requirements over the lifetime of the grant.*



Grantee Suggestions for the Foundation

Grantees were asked to provide any suggestions for how the Foundation could improve. A larger than typical proportion of Kresge's suggestions concern the selection process and general interactions with the Foundation.

Topics of Grantee Suggestions



Contact Information

- ◆ This report was produced for The Kresge Foundation by the Center for Effective Philanthropy in November 2007.

- ◆ Please contact CEP if you have any questions:
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