

Grantee Perception Report™

Summary prepared for the

The William and Flora Hewlett Foundation



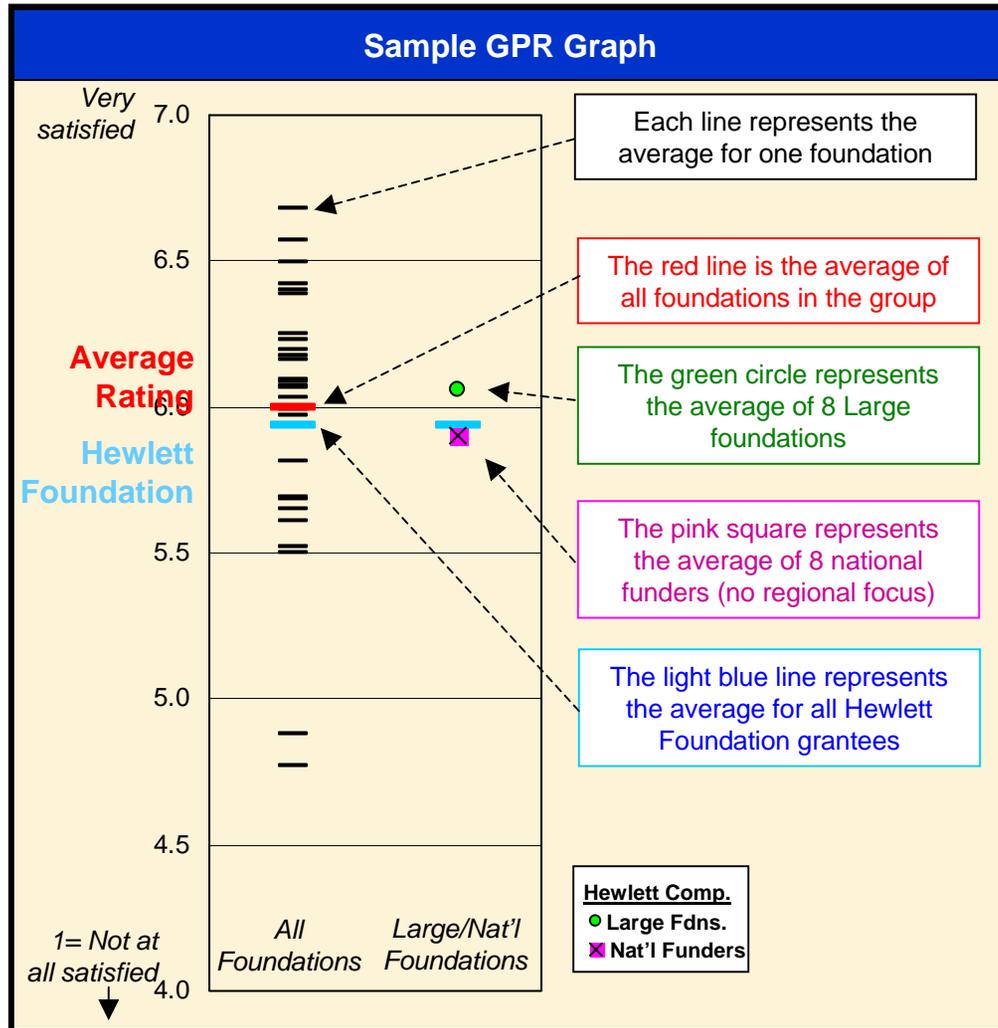
THE CENTER FOR
EFFECTIVE PHILANTHROPY

678 Massachusetts Avenue ♦ Suite 903 ♦ Cambridge, MA 02139
Tel: 617-492-0800 ♦ Fax: 617-492-0888 ♦ www.effectivephilanthropy.org

How to Interpret GPR Graphs (1)

Much of the grantee perception data, such as summary indicators, are presented in the format below. These graphs show aggregated *average* values of grantee responses *by foundation*, with each foundation shown as a line.

- ◆ In this sample chart, the average for *The Hewlett Foundation* is highlighted in blue, and the overall average is portrayed in red. Other averages, for national funders and for large foundations, are also depicted.



- ◆ CEP surveyed all organizations that were grant recipients of The William and Flora Hewlett Foundation during the calendar year 2002.
 - Some survey questions – for example, about interactions with the Foundation – focus on general impressions of the Foundation. The Center’s experience has been that grantees answer most survey questions with their current impressions of the Foundation, not solely past impressions.
- ◆ The survey was conducted from September 2003 – October 2003, as part of a survey of 5,337 grantees of 28 foundations.
- ◆ 367 Hewlett Foundation grantees were surveyed; 269 (73%) responded.
- ◆ Contact information for grant recipients surveyed was provided by the Foundation. Surveyed grant recipients represent the entire grantmaking program for the year 2002.
- ◆ Mean ratings (average ratings) were tested for statistical significance at $p < .1$. The average rating of Hewlett grantees was compared to the average rating for all respondents.¹ When the mean rating from Hewlett grantees is significantly different from the survey mean, this difference is noted with a blue star. This indicates that there is a less than 10% chance that the apparent difference in ratings is due to chance.

1: This is slightly different than the average presented in all charts, which is the average of individual foundation averages. However, in most cases the average of foundation averages and the average of all individual respondents are nearly identical.

Survey Methodology (2)

The following 28 foundations, with assets ranging from \$175MM - \$5.0B, were included in this survey round¹:

Albert & Bessie Mae Kronkosky Charitable Foundation

Barr Foundation

Carnegie Corporation of New York

Daniels Fund

Geraldine R. Dodge Foundation

J. A. & Kathryn Albertson Foundation

Jessie Ball duPont Fund

Longwood Foundation

Mathile Family Foundation

Missouri Foundation for Health

Nina Mason Pulliam Charitable Trust

Polk Brothers Foundation

Public Welfare Foundation

SC Ministry Foundation

Stuart Foundation

The Brown Foundation

The California Wellness Foundation

The Educational Foundation of America

The F.B. Heron Foundation

The Ford Family Foundation

The Goizueta Foundation

The McKnight Foundation

The Nathan Cummings Foundation

The Shubert Foundation

The Skillman Foundation

The William and Flora Hewlett Foundation

The William K. Warren Foundation

The William Randolph Hearst Foundations

1: A previous round of surveying was conducted between February and May of 2003 involving 30 foundations' grantees. Average ratings and ranges were comparable to this round across most survey questions.

The Hewlett Foundation is also compared to two subgroups of foundations throughout this report: “Large Foundations,” or those with assets of about \$800MM or more, and “National Funders,” those foundations whose geographic grantmaking focus is not primarily local.

Large Foundations (Asset Size¹)

Barr Foundation (\$800MM)

The Brown Foundation (\$1.2B)

The California Wellness Foundation (\$900MM)

Carnegie Corporation of New York (\$1.6B)

Daniels Fund (\$800MM)

The McKnight Foundation (\$1.9B)

Missouri Foundation for Health (\$800MM)

The William and Flora Hewlett Foundation (\$5.0B)

National Funders

Carnegie Corporation of New York

The Educational Foundation of America

The F.B. Heron Foundation

The Nathan Cummings Foundation

Public Welfare Foundation

The Shubert Foundation

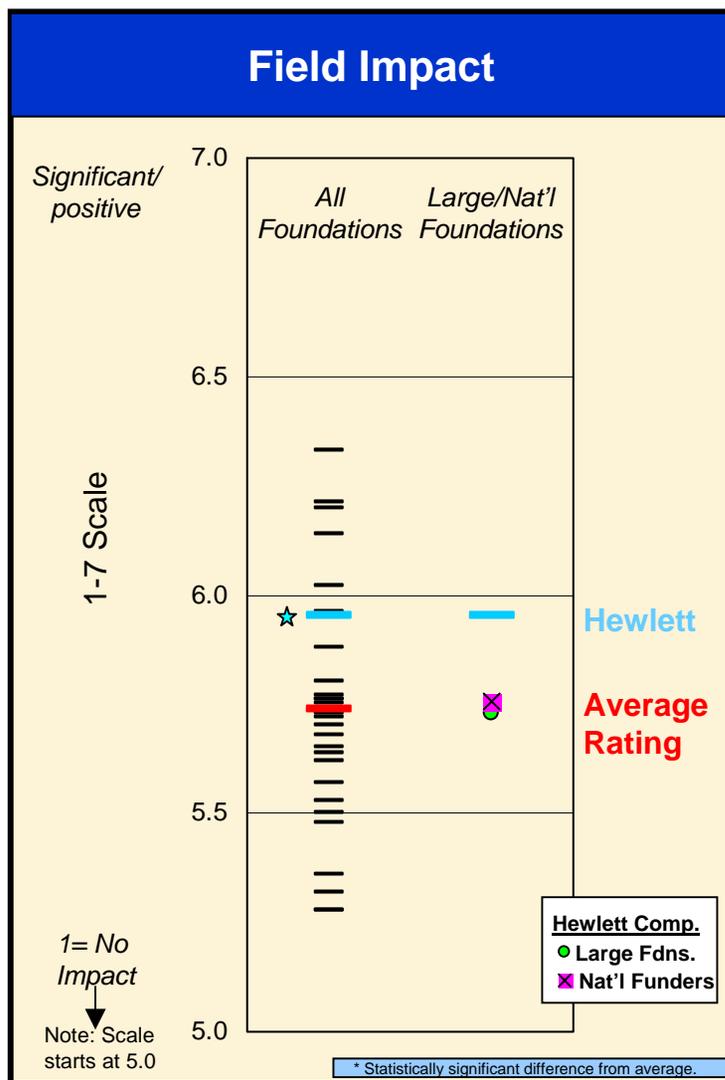
The William and Flora Hewlett Foundation

The William Randolph Hearst Foundations

1: From most current available 990-PF.

The Field Impact Measure describes grantees' perceptions of a foundation's impact on the issues associated with the fields in which grantees operate.

- ◆ *Hewlett grantees believe it has an above average effect on its fields.*

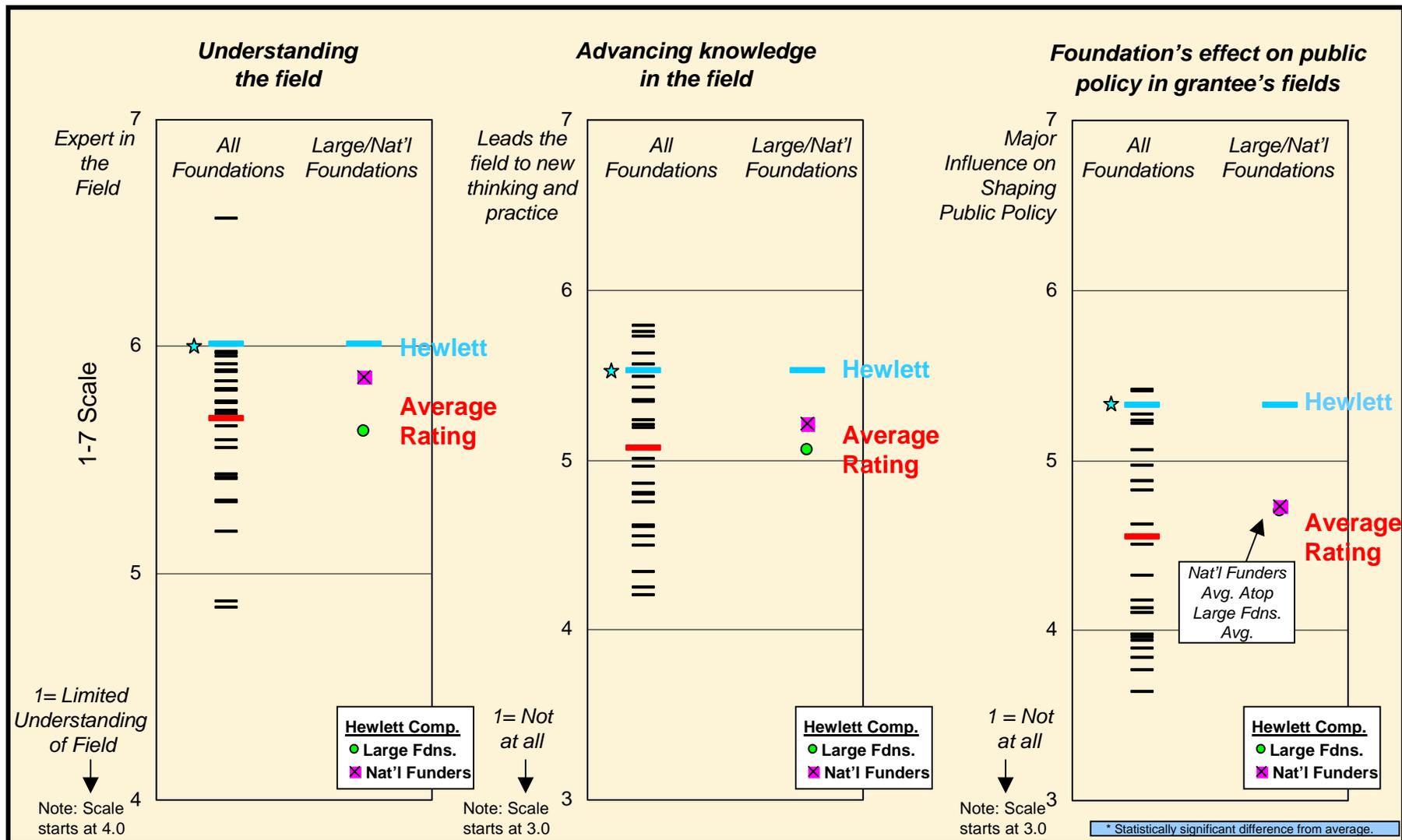


Selected Grantee Quotes

- ◆ *“When Hewlett talks, everyone listens. Hewlett has great potential to lead the foundation world into better practices, better behavior, and better outcomes.”*
- ◆ *“Our Program Officer is an acknowledged expert in the field and his strategic advice and ideas are a wonderful resource for us and others we work with.”*
- ◆ *“Through the expertise concentrated in its relevant program staff and its solid track record of funding high caliber, timely work on critical international policy issues, the foundation has contributed substantially to this field.”*
- ◆ *“The field would be 20 years behind if not for the foundation. The Foundation has funded new and creative efforts, supported the dissemination of knowledge across program and geographical borders and strengthened the organizations operating in the field.”*

Field Impact Measures

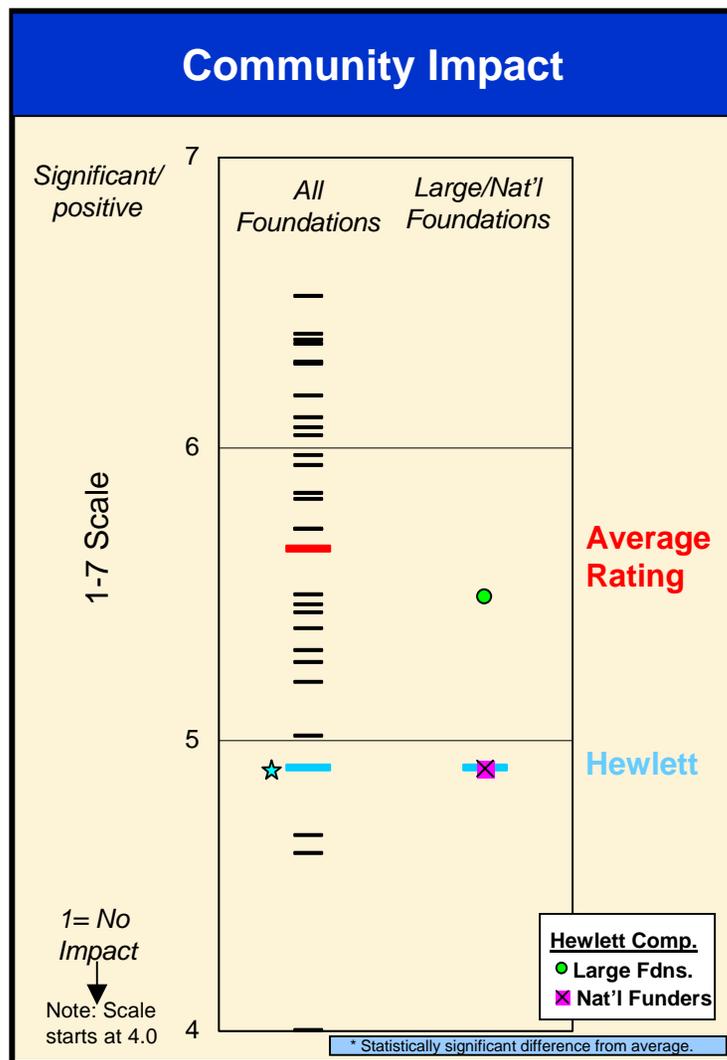
Grantees perceive Hewlett to have a very significant understanding of its fields of funding – the second highest rating in our survey sample – as well as an above average effect on public policy and advancing knowledge in the field.



Community Impact

This measure highlights grantees' perceptions of foundations' impact on their local communities.

- Similar to other nationally focused funders, Hewlett is not perceived by grantees to have as significant an impact on its community as other foundations.

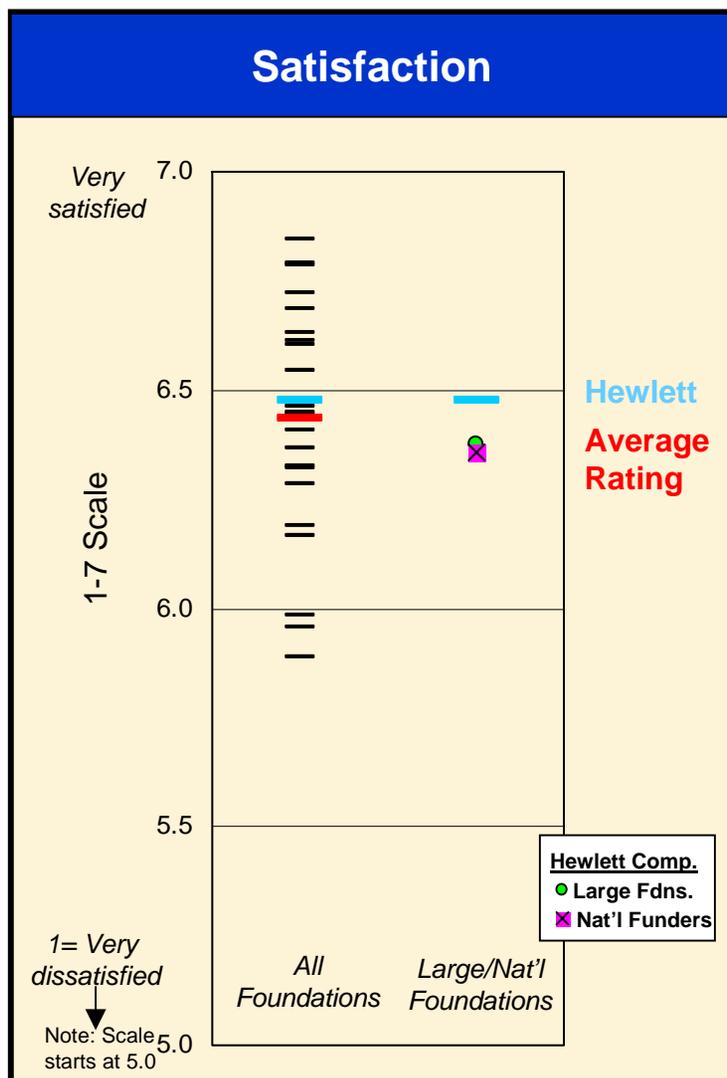


Selected Grantee Quotes

- “The Foundation is valued in the local Bay Area ... community and beyond [by those] who benefit from its largess. It is a major player at the local and national levels.”
- “By supporting community arts, the Hewlett Foundation has had a significant positive impact in the community and in the community arts field. Low-income community members have access to music that would otherwise be unavailable to them.”
- “The Hewlett Foundation provides critical support to Bay Area arts organizations of all sizes. The Foundation contributes greatly to the vibrancy of our community. Its impact is huge.”

Satisfaction with the Foundation

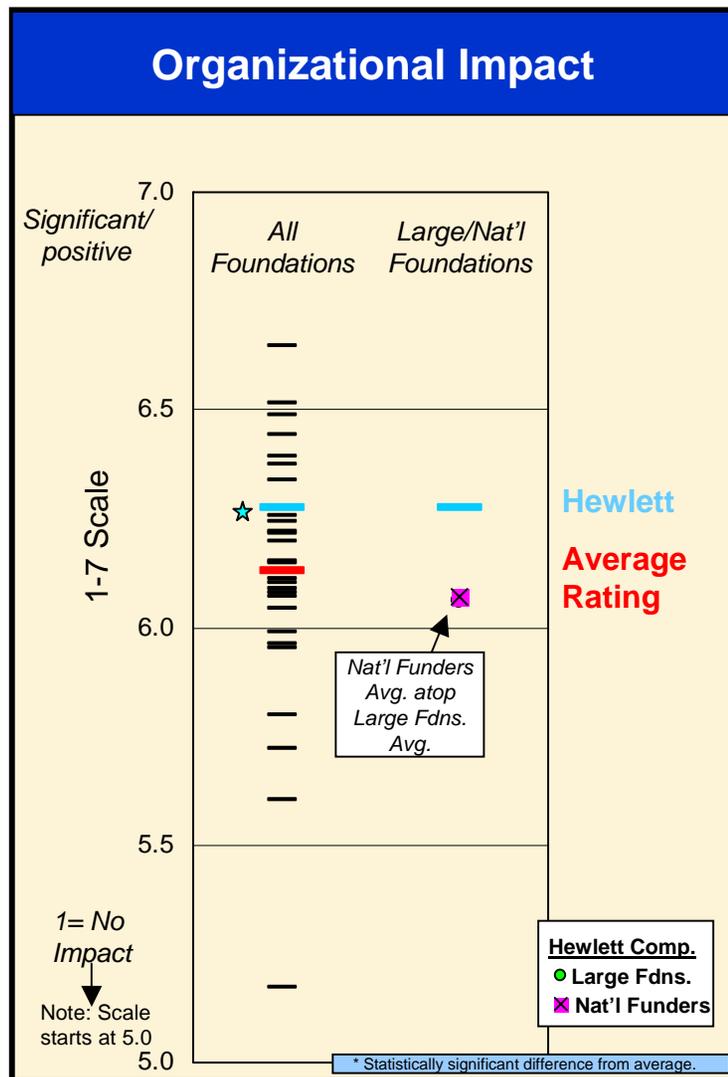
Hewlett's grantees are very satisfied with the Foundation on an absolute basis, and the Foundation is rated average relative to others. Compared to both large foundations and national funders, Hewlett is viewed as being slightly above average.



Selected Grantee Quotes

- ◆ *“Hewlett trusts grantees, honors their work, and respects their accomplishments.”*
- ◆ *“We consider the Hewlett Foundation a standard setter in philanthropy. It would be a pleasure to find their level of professionalism in other foundations.”*
- ◆ *“Hewlett is the best – no-nonsense, challenging but not micro-managing, understands the issues, and willing to make large and sustained investments.”*
- ◆ *“Hewlett . . . does not meddle or micromanage. Their support is that of an eager partner rather than a meddling master.”*
- ◆ *“This is a first-rate operation, with very sophisticated [staff] and an impressively coherent and multidimensional set of strategies for accomplishing Foundation goals.”*
- ◆ *“First-rate in all operations, especially with the foundation's senior staff.”*
- ◆ *“The Hewlett Foundation has been open and transparent. No mysteries, no difficulties.”*
- ◆ *“The Hewlett Foundation is likely the most organized and well-run foundation we deal with.”*

Hewlett grantees rate the foundation's impact on their organizations above average relative to other foundations.



Selected Grantee Quotes

- ◆ *“The Foundation staff engages our organization on the level of our overall vision, our impact on the field, the daily operations, and the overall strategic direction we are pursuing. This complete engagement creates a meaningful and helpful relationship.”*
- ◆ *“Their deep familiarity with the issues that affect the field has led them to make strategic investments; and to do so in a way that holds organizations accountable for both learning and results.”*
- ◆ *“The foundation's continued commitment to general operating funding and their respectfulness of our knowledge of our own field have been extremely meaningful to us.”*
- ◆ *“The impact cannot be overstated both regarding the financial and intellectual capital Hewlett provided.”*
- ◆ *“[Hewlett] changed our course of action in a direction where we have been able to play a much more significant role in our region, and to grow and develop further.”*

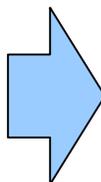
Grantee Interactions Summary

The Grantee Interactions Summary describes grantees' perceptions of their interactions with foundations.

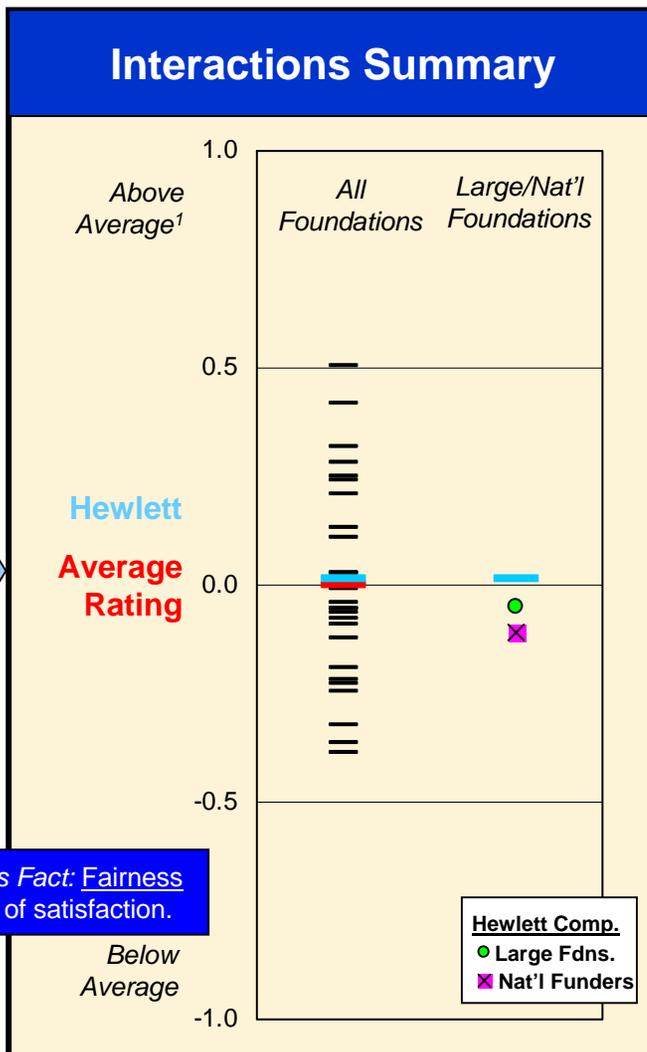
- ◆ Grantees perceive Hewlett staff to be average in the quality of their interactions.

This composite measure includes:

- How comfortable grantees feel approaching the foundation if a problem arises
- Overall responsiveness of the foundation staff
- Overall fairness of the foundation's treatment of grantees



Survey-wide Analysis Fact: Fairness is the best predictor of satisfaction.



Selected Grantee Quotes

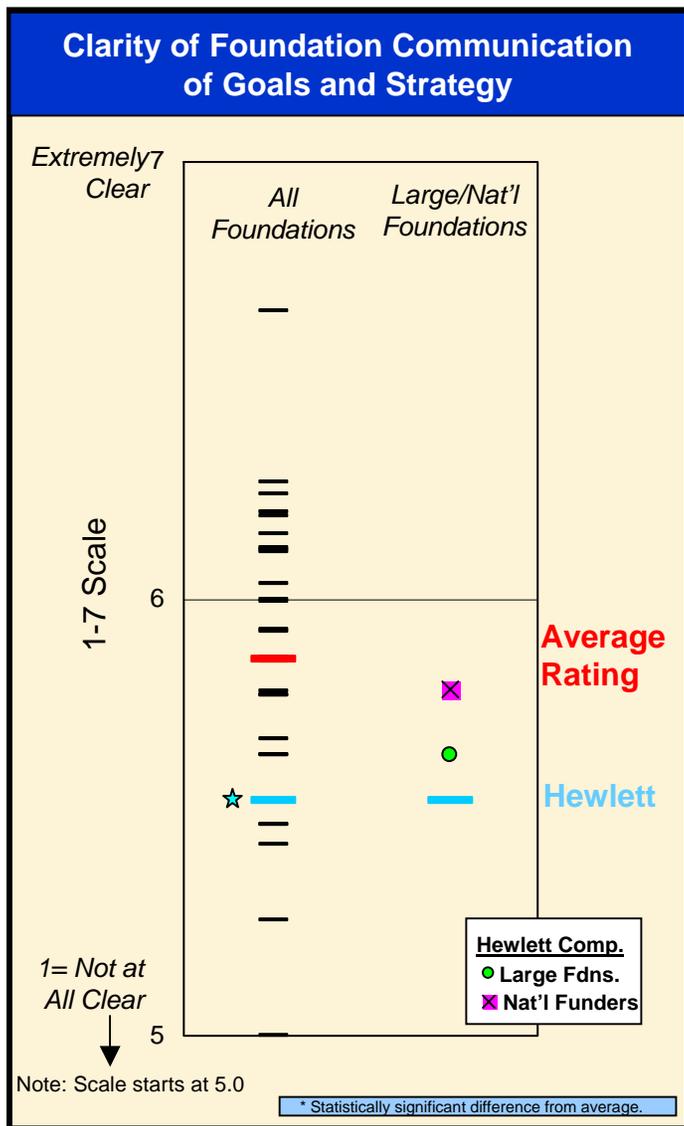
- ◆ "We appreciated the foundation staff's accessibility and responsiveness in helping us to prepare our application."
- ◆ "Provide a larger staff with broader resources commensurate with your mission. Your management model simply does not work with an entity as large as complex as the one you now have. It is unfair to the staff, and it is unfair to your grantees."
- ◆ "The Foundation's lean-staffing model is adversely affecting the Foundation's work, its staff interactions with grantees and others, and the accomplishment of its mission."

Note: Index created using factor analysis, a statistical technique useful in aggregating separate rating questions into one "rating" that represents the combination of unique variation from the inputs.

1: "Above" and "Below" average scores are units of standard deviation.

Communication of Goals and Strategy

Hewlett grantees report having a below average perception of Hewlett’s clarity of communications. Comments suggest that some grantees are confused by the Foundation’s description of its funding priorities.



Selected Grantee Quotes

- ♦ *“In general, the Foundation seems to have been changing its review process over the last few years on a regular basis, making it difficult to project what may be of interest to and/or required from the Foundation by a grant recipient.”*
- ♦ *“I would appreciate a little more clarity on whether the Foundation embraces a national strategy, a local strategy, or both.”*
- ♦ *“Provide a clearer sense of any changes in the directions of its work and the type of projects that it will support directly to its long term grantees along with a clearer sense of how our work might fit any new directions.”*
- ♦ *“Current staff seem overloaded and therefore difficult to engage in back-and-forth communication.”*
- ♦ *“Communications from and interactions with the program staff are excellent.”*

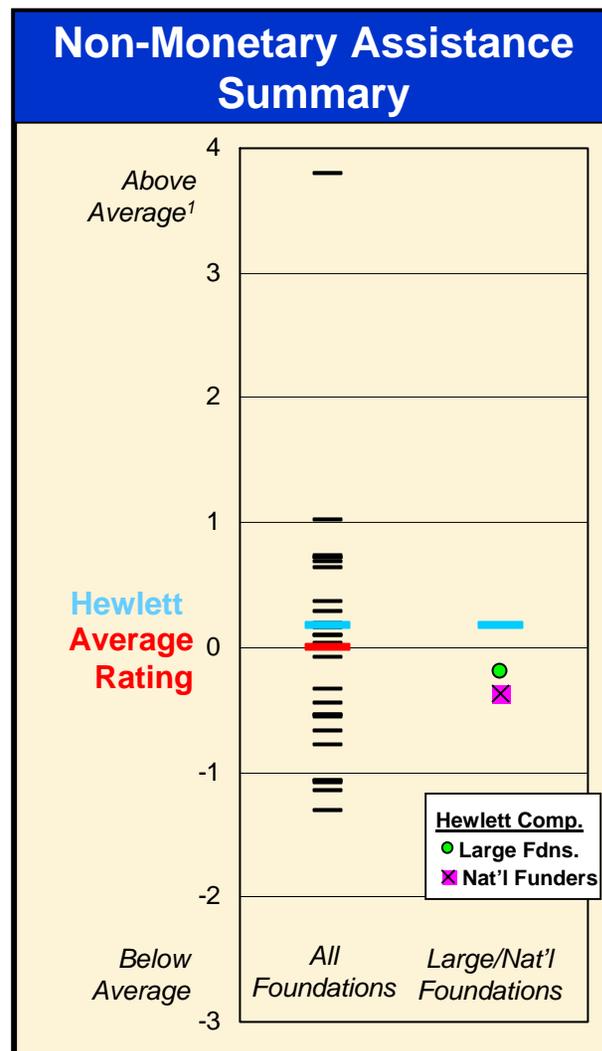
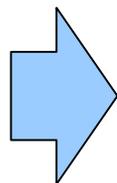
Non-Monetary Assistance Summary

The Non-Monetary Assistance Summary describes the frequency and value of a foundation's provision of assistance beyond the grant check.

- ◆ *The Hewlett Foundation is about average on this measure.*

This composite measure includes:

- *Whether grantees received assistance from the foundation*
- *How helpful that assistance was to them*



Selected Grantee Quotes

- ◆ *“The Foundation's impact has been enormous, both in terms of the support for the work and for making our work more strategic and effective through collaborating in strategic planning and networking.”*
- ◆ *“The Foundation sets a standard for operations and conduct with grantees to which I wish more foundations adhered. The knowledge and expertise of the program officers alone adds value to the proposal, but more important are their suggestions for operational [improvements].”*

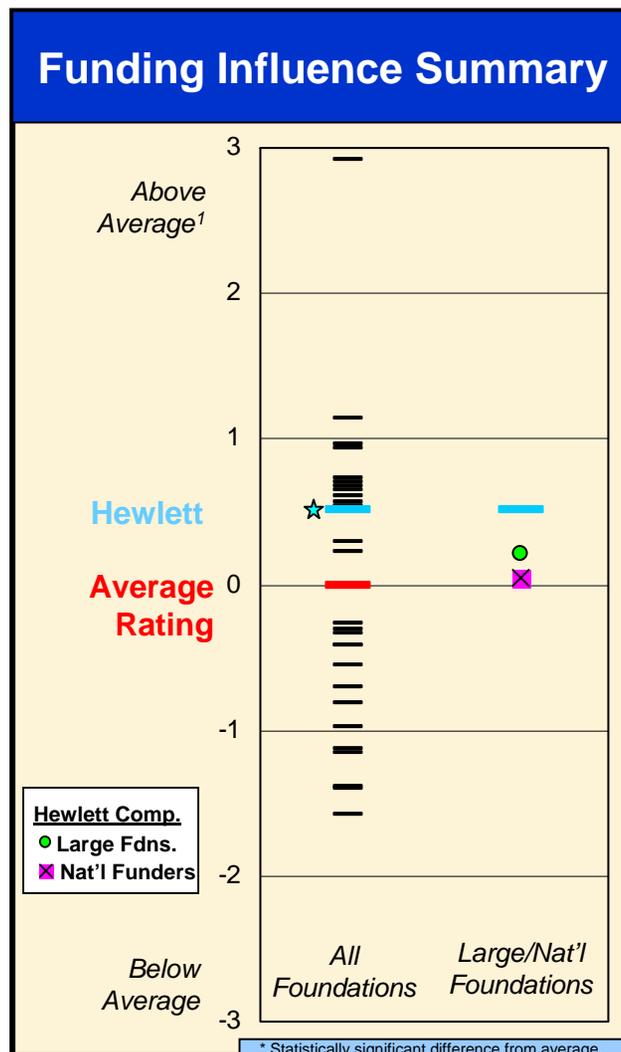
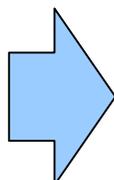
Funding Influence Summary

This summary highlights grantees' perceptions of foundations' help in securing additional funding.

- ◆ *The Hewlett Foundation provides more assistance in securing other funding to grantees than the average foundation.*

This composite measure includes:

- Frequency of foundation assistance in obtaining additional funding
- The impact of those efforts

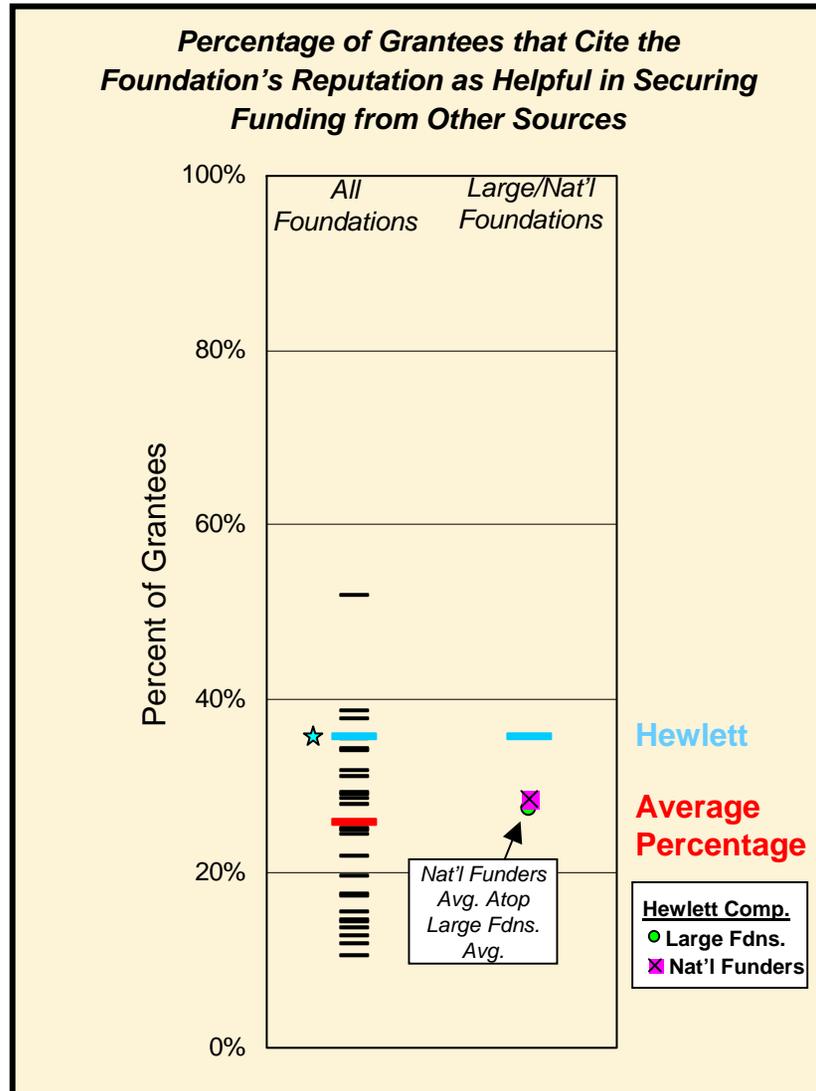


Selected Grantee Quotes

- ◆ *“Senior Foundation staff make themselves available to questions, meetings, and requests for information from additional funders.”*
- ◆ *“The Foundation has twice showcased our work to groups of philanthropists interested in defining their philanthropic goals.”*

Foundation's Reputation in Securing Other Funding

Compared to grantees of other foundations, Hewlett grantees much more frequently cite the foundation's reputation as key in helping to gain other funding.



Selected Grantee Quotes

- ◆ *“In addition to the actual funds from the foundation, it has been extremely important to our broader fund-raising efforts to have other potential funders know of the support of the foundation for our project.”*
- ◆ *“The fact that Hewlett funds us encourages others to realize that we are worth supporting.”*
- ◆ *“The foundation's reputation as a thoughtful funder of international programs strengthened our standing, particularly in seeking other support.”*

* Statistically significant difference from average.

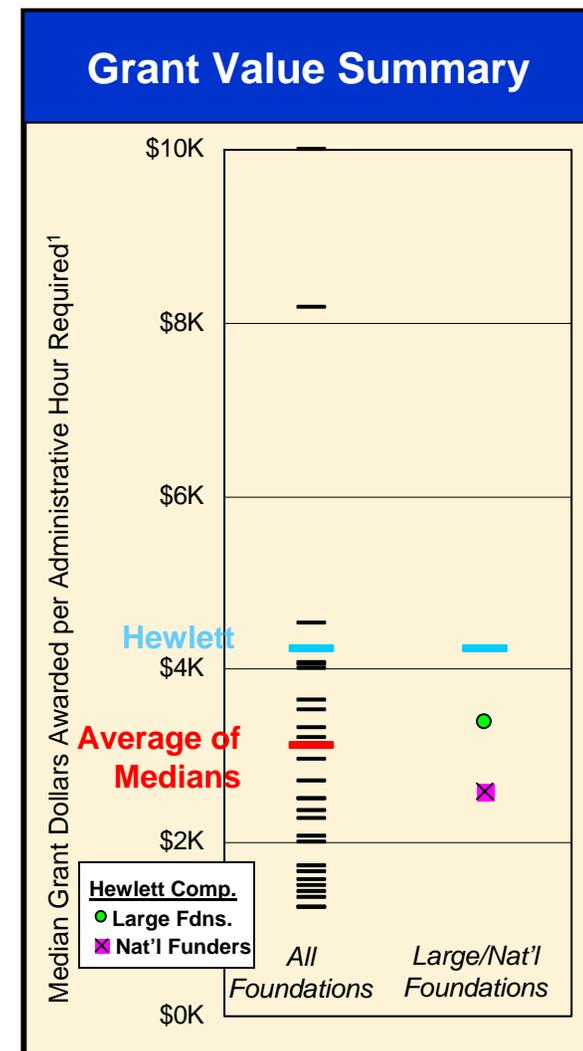
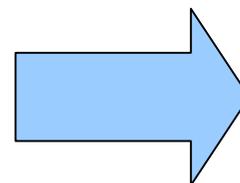
Grant Value Summary

The Grant Value Summary describes grant dollars awarded to grantees in comparison to administrative requirements on grantees.

- ◆ *Hewlett confers more dollars per administrative hour required of grantees than other foundations in our survey.*

This composite measure includes:

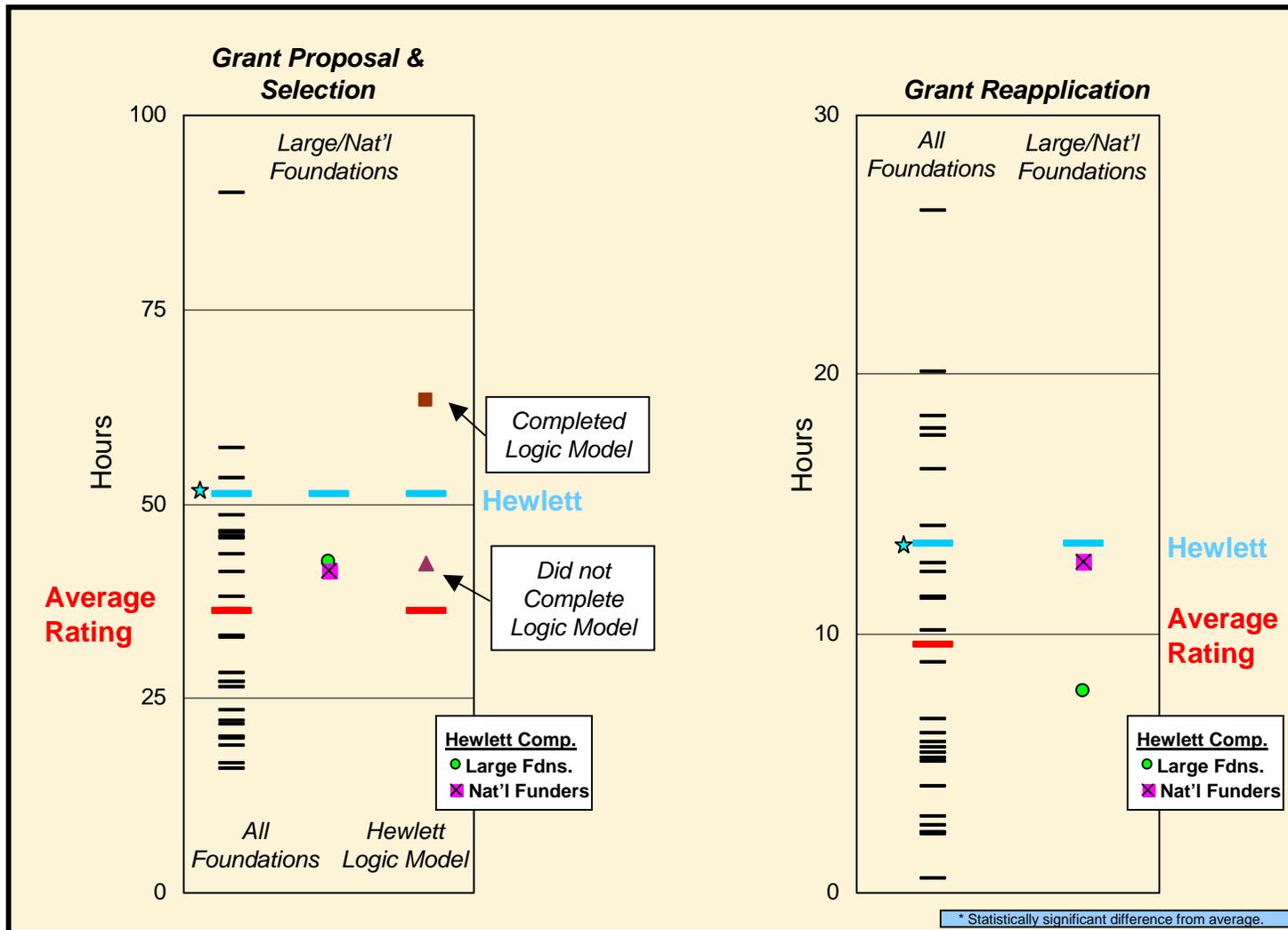
- *The total value of the grant awarded*
- *The total time necessary to fulfill the administrative requirements of the grant.*



1: Grant value calculated using total grant proposal creation, evaluation and monitoring hours spent over the life of the grant; each of these events did not necessarily occur for each individual grantee
Note: Statistical significance not assessed – not possible for median measures.

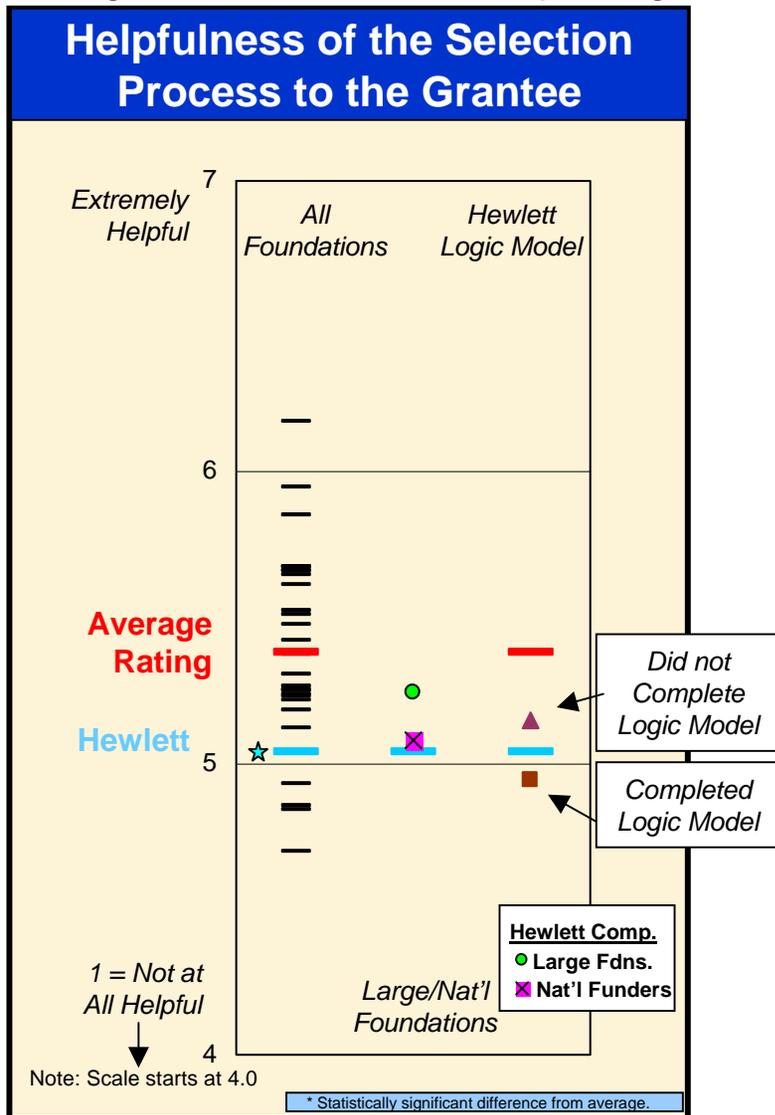
Administrative Time – Selection

The application process requires significantly more time for Hewlett grantees than the survey average. Reapplication takes much less time than the initial application. Grantees that complete a logic model report a larger investment of time into preparation of funding proposals.



Helpfulness of Selection Process

Participating in the selection process at Hewlett is seen as less helpful to the grantee than participation in the selection process of other foundations, although some grantees cite the rigor of completing Hewlett's logic model as useful in improving their own strategy and operations.

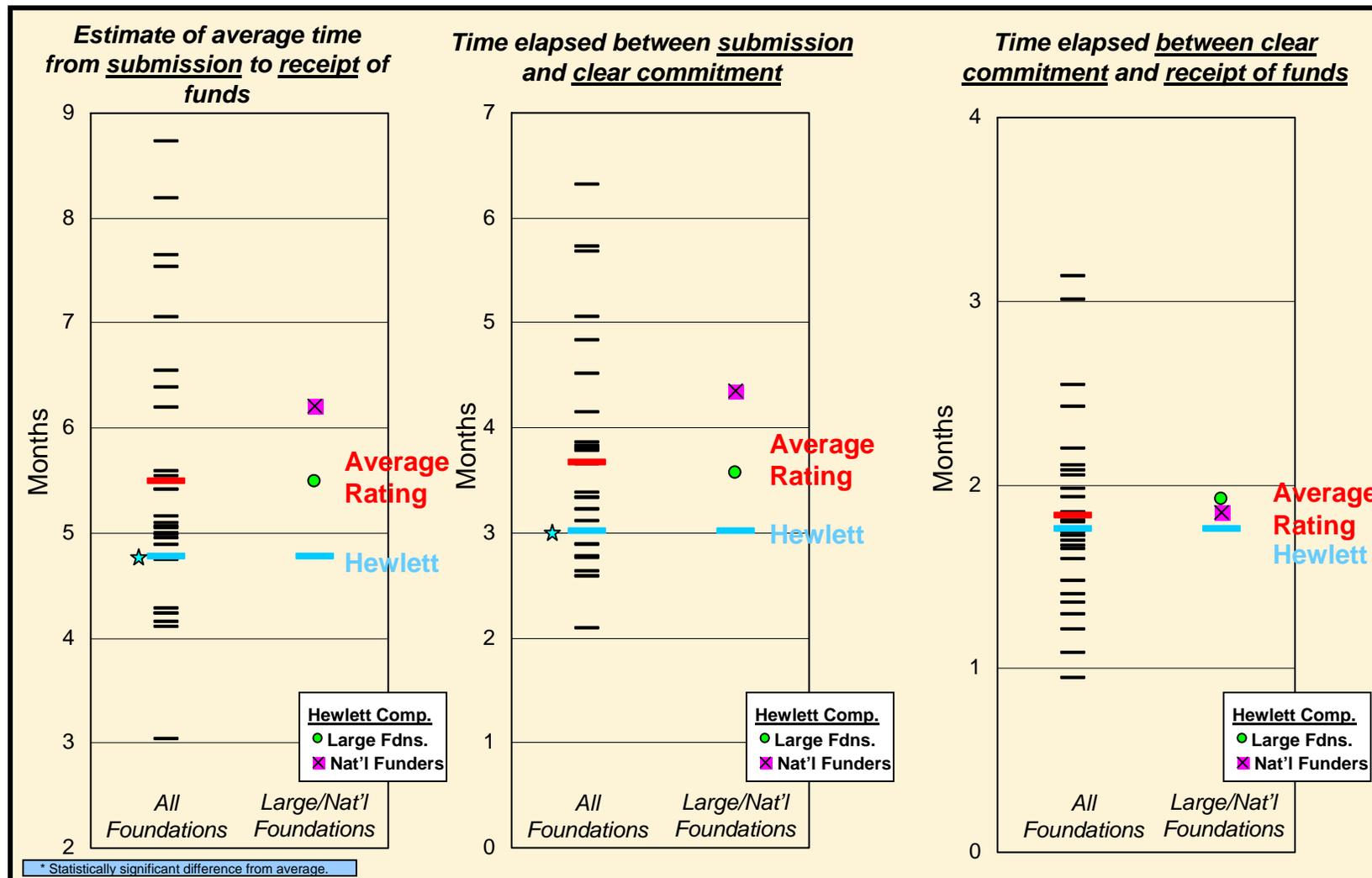


Selected Grantee Quotes

- ♦ “The Foundation has been very helpful in that its high expectations of performance during the application process forced our new organization to think harder and longer about specific aspects of the short and long term planning for both our programs and the organization.”
- ♦ “The causal model is time consuming and not best suited to describe fully the impact of our work.”
- ♦ “All processes are extremely thoughtful. Staff is very helpful. New guidelines and logic methodology meant a new way of approaching the application process, causing some anxiety.”
- ♦ “The logic model for the proposal presents some difficulties when trying to quantify outcomes for non-service oriented organizations.”
- ♦ “The development of this application, particularly the logic model, was extremely helpful to our project by forcing us to re-evaluate how we were trying to reach our goals.”
- ♦ “The proposal guidelines were very helpful. We used the Hewlett Proposal as the base case for several subsequent proposals.”
- ♦ “Perhaps less emphasis on numerical targets and outputs, etc. While tangible results are always to be applauded, policy-related research will always involve some subjectivity and gray areas. The outputs that are measurable may not be the most important things.”

Length of Selection Process

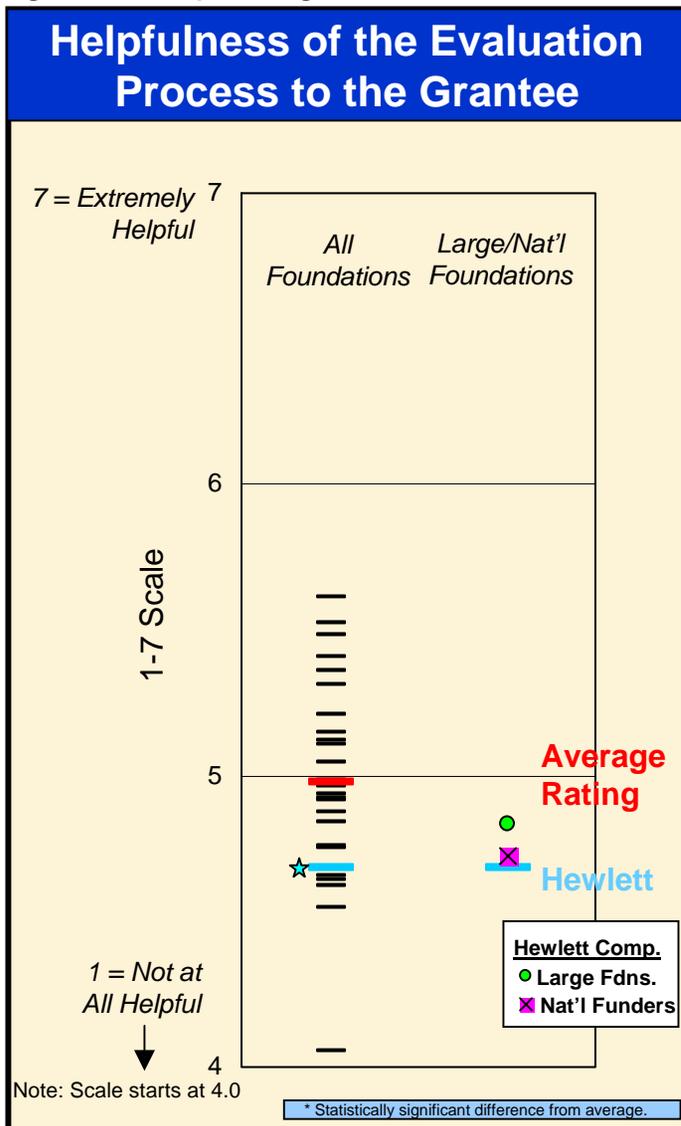
The selection process at Hewlett appears to be relatively standard in length, and shorter than other foundations – driven by a shorter time between proposal submission and indication of commitment.



Note: Grantees who complete a logic model report the same time elapsed during the selection process as those who do not complete a logic model.

Helpfulness of Evaluation Process

Hewlett Foundation's 'evaluation'¹ process is reported to be less helpful to grantees, on average, relative to other surveyed foundations. These ratings include a wide variety of evaluation activities, including basic reporting and formal evaluations.



Selected Grantee Quotes

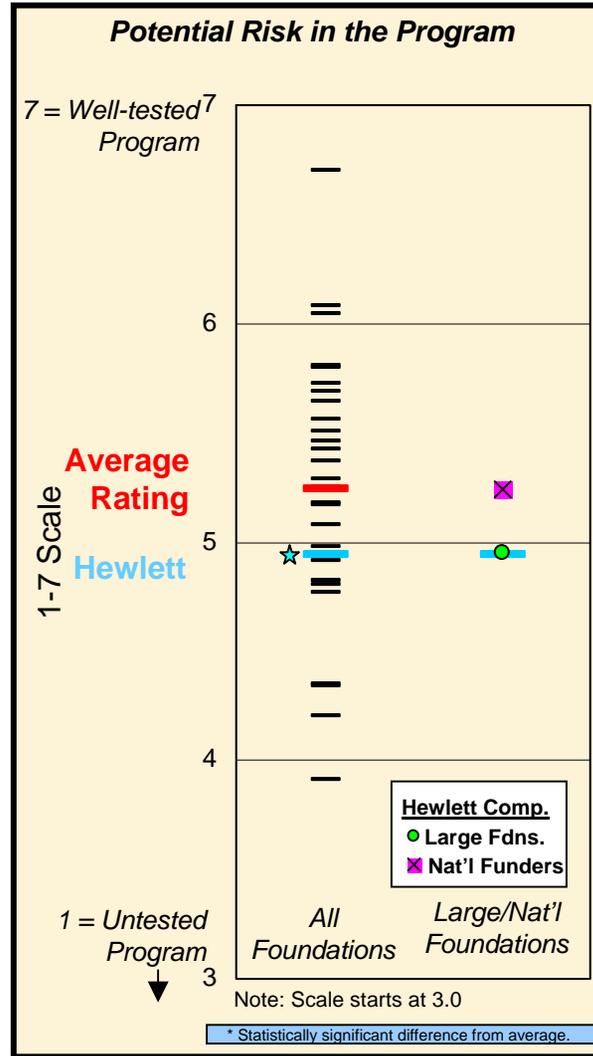
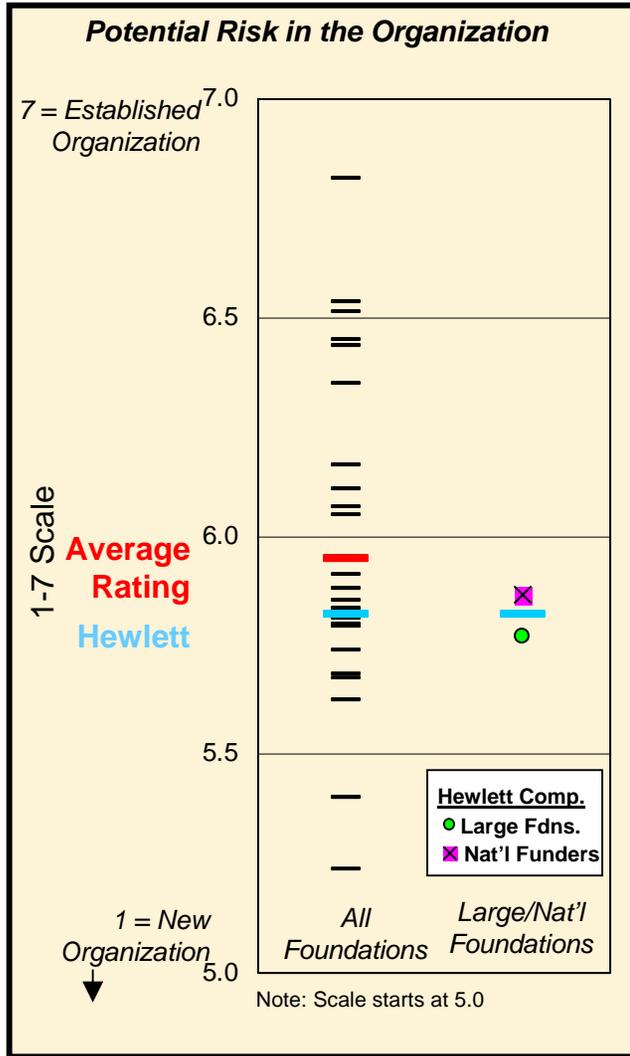
- ♦ *“The research being conducted by the Foundation and external evaluation process provide useful information to our organization on a formative basis.”*
- ♦ *“I hope the Foundation can make use of the logic model without losing touch with the more intuitive, qualitative, and hard to measure kinds of impacts [that organizations create].”*
- ♦ *“The Foundation continues to serve as a leader in the field. An interim report or formal interim contact with the foundation may help grantees more in their efforts to convey information relevant to the project.”*

Survey-wide Analysis Fact: This is evaluation as defined by grantees. Grantees consider 'evaluation' to include all types of reporting for the foundation – not just evaluation as the foundation might define it.

1: “Evaluation” comprises activities considered by grantees to be part of an evaluation, and may not correspond to foundation definition.

Approach to Risk

Relative to other foundations, Hewlett takes risks in funding less well-established organizations and less well-tested programs than typical of other surveyed foundations' grantees and funded programs.

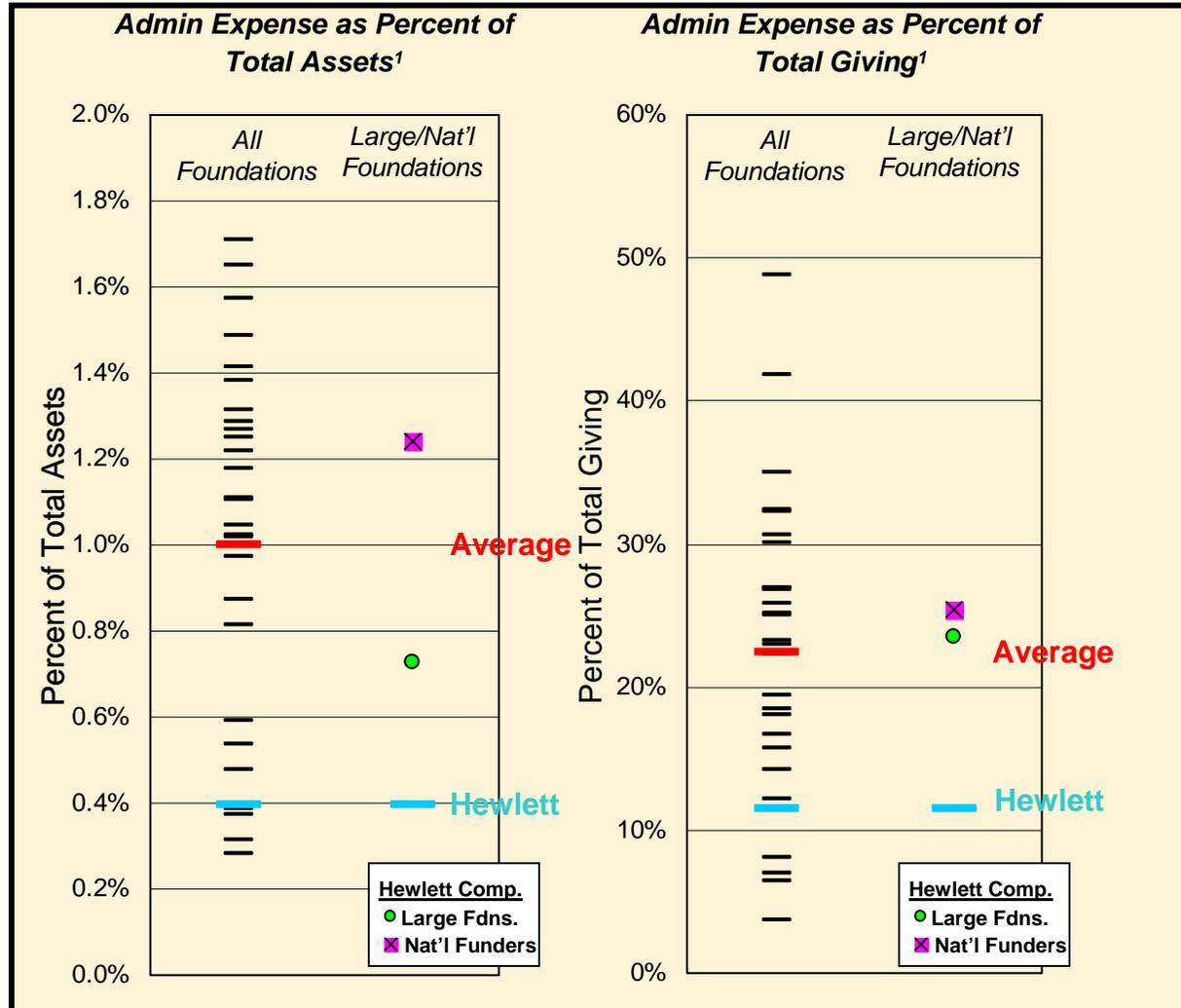


Selected Grantee Quotes

- “Highly professional, interactive, candid, risk-taking focus on learning even when things don’t go well. Big ideas for big impact.”
- “The funds provided by Hewlett Foundation are frequently associated with the highest risk projects that we do. It is a relief to work with a donor that understands that risk is a part of growth, and failure is a stop on the road to success.”

Administrative Costs

Hewlett spends less on administrative expenses as a percentage of assets and giving, a finding also true compared to other large and national funders.



1: Total administrative expense is line 24a on the 990-pf; qualifying administrative expense is line 24d, and total giving is line 26d.

All data is from most recent tax filings available (2001 and 2002). Hewlett data is from the 2001 990-pf.

◆ Impact on the Field

- Hewlett is seen by its grantees to be making a significant impact on its chosen fields. It is especially highly rated in understanding of these fields, advancing knowledge, and influencing public policy.
- Program officers' valuable expertise – and willingness to share it – is mentioned very frequently (relative to other foundations) in open-ended comments.

◆ Grantee Interactions

- Review of open-ended comments from grantees reveals an unusually frequent number of comments related to a perception that the Foundation is under-staffed relative to the amount of work it is trying to accomplish.
- This perception may be in part responsible for the Foundation's only average ratings on this dimension relative to other foundations.

◆ Clarity of Communications of Goals and Strategy

- The clarity of Hewlett's communication of its goals and strategy is rated well below average.
- During the period in which grantees were surveyed, the Foundation's programs were undergoing changes in their strategic plans, which put a particular burden on communications.
- In the Center's experience surveying grantees, foundations that have recently implemented significant changes in their priorities, processes, or staff tend to be rated lower in terms of communications. Foundations in general may under-communicate change to grantees, who have a vested interest in a foundation's predictability.
- The Foundation may wish to review and increase its communications of goals, both overall and by program area, and consider measures to simplify and clarify.

◆ Selection Process / Logic Model

- In 2002, the Foundation introduced the first iteration of the logic model. Hewlett's selection process is perceived to be much more rigorous and quite distinct from others with which grantees have experience.
- The Foundation's selection process is seen as less helpful than average (for both those who used the logic-model process and those who did not).
- However, a number of comments indicated that participating in the logic model had been a productive, even enlightening, experience for grantees. Several mentioned the benefits of "goal re-evaluation," "simplification," and "clarification" of their ideas and message. Others noted the "encouragement of strategic planning" associated with preparation of the logic model.
- While the Foundation is seen to communicate well during the selection process, and turns around grants relatively quickly, it is quite time-intensive (though relatively low per grant dollar) from the grantee perspective and, for some grantees, not seen as particularly helpful in improving grantees understanding of their own work. On the other hand, the Foundation's grants are comparatively large – meaning that the value of the grant per hour spent preparing the proposal by a grantee is quite high.
- The new selection process utilized by the Foundation may provide significant enough value to the Foundation and some grantees to offset the facts that it is seen as less helpful and more burdensome. The Foundation may wish to consider whether there are ways to improve the process' helpfulness to grantees – and/or streamline the process – without compromising its value to the Foundation in its decision-making.

◆ Reporting, Evaluation, and Feedback

- In general, grantees appreciate a response from the foundation to all reports submitted – as grantees tend to view these reports as assessments of their success. However, Hewlett discusses only 50% of evaluations with grantees, an average proportion.
- The Foundation may wish to review its evaluation practices and standardize expectations for responsiveness to grantee report submissions, especially with an eye toward understanding what could make the reporting/evaluation process more accurate and helpful from the grantees' perspective.