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Upfront

Foundations' Double Standard How funders flout their own rules

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GRANTEE RELATIONSHIPS

Foundations' Double Standard

How funders flout their own rules

Many foundations do not follow practices that they themselves consider important to their effectiveness, according to a recent report by the Urban Institute's Center on Non-profits and Philanthropy. The study, based on a survey of nearly 1,200 grantmaking foundations, reveals that many of the nation's best-endowed foundations routinely break their own rules.

Hypocrisies abound. Among foundations that say it's very important to collaborate with external groups, 41 percent had not participated in a formal co-funding arrangement in the past two years. Forty-two percent had not met with government officials and 34 percent did not bring in people from outside the foundation for discussion.

Of those that consider it vital to respond to social needs identified by grant applicants, only 30 percent had solicited feedback from them.

Among those that say effectiveness depends on a strong organizational infrastructure, 30 percent have never or rarely provided formal opportunities for staff development and training in computers and technology; 45 percent never or rarely offered training in internal management; and 29 percent never or rarely provided opportunities for training in grantmaking.

Out of those that cite strengthening their local community or region as a key priority, only 30 percent had conducted needs assessments.

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evaluations of funded work, 33 percent don't do it (although 9 percent say they planned to start next year).

"These statistics clearly show that

one of the most basic and immediate steps that any foundation can do to strengthen its own effectiveness is to review its practices in relation to its stated priorities and values for consistency," wrote Francie Ostrower, author of the study and a senior research associate with the Urban Institute.

Larger foundations demand more in return from their grantees than smaller foundations, the study found. The larger the foundation, the more it tended to require formal evaluations and outcome measurements. Perhaps as a result of their more elaborate evaluation processes, the largest foundations were more likely to rate their grant quality as very high. And perhaps similarly related, these foundations reported the lowest satisfaction with the quality of their relationships with their grantees. Only 34 percent rated their relations with grantees as excellent, as compared with 44 percent of the smallest foundations.

—Sheila Kaplan

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