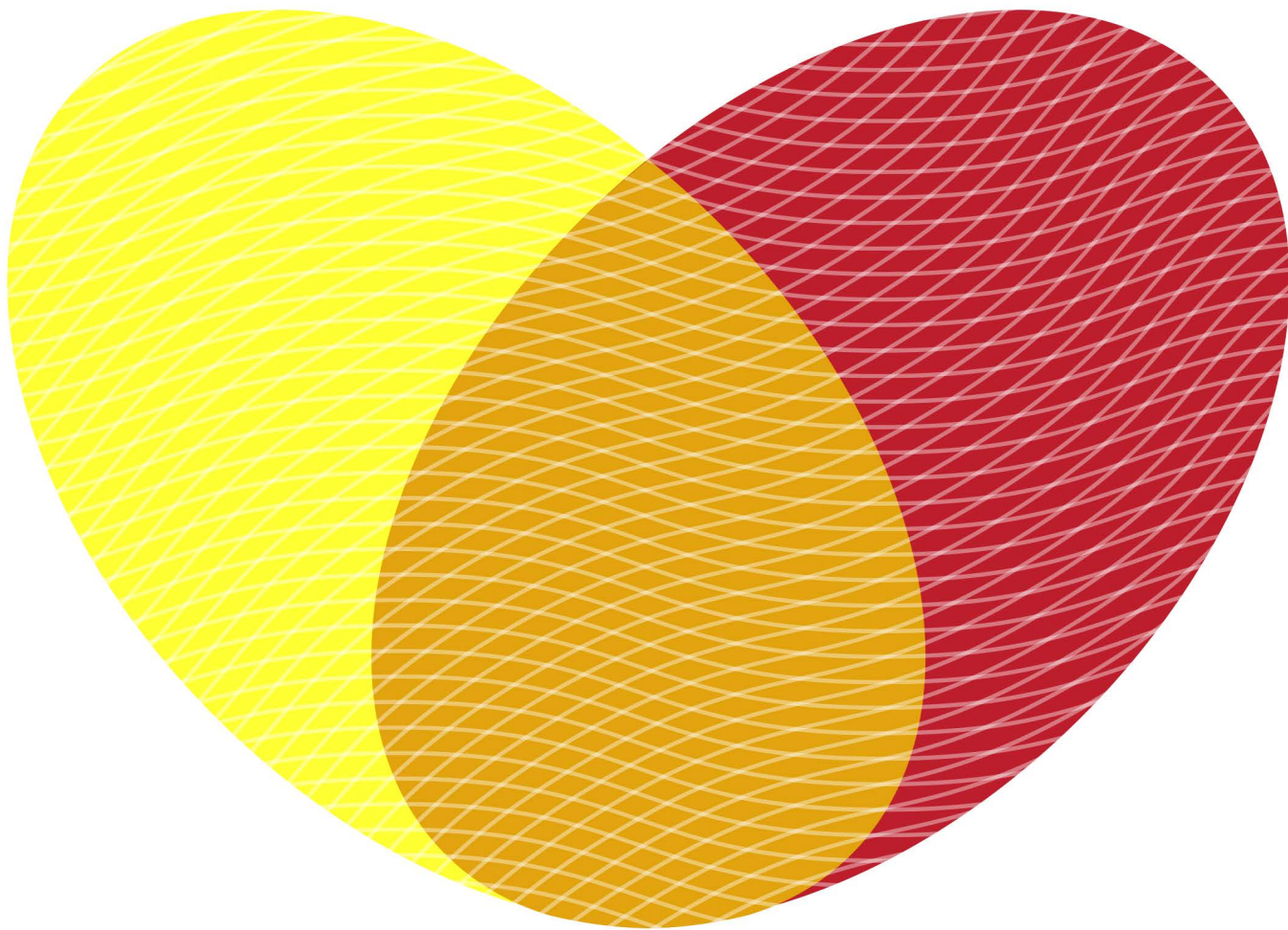


A Better-Angels Funder Practices What It Preaches

A Profile of the Einhorn Family Charitable Trust



Leap of Reason
AMBASSADORS COMMUNITY



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It's Not About 'Kumbaya'

The Einhorn Family Charitable Trust (EFCT) has a simple, five-word mission statement: "Helping people get along better." Trustee **David Einhorn**, the founder of hedge fund Greenlight Capital, freely acknowledges that this "sounds like the kind of thing you'd see on a poster in a third-grade classroom."

But the deceptively simple statement is about root causes, not about holding hands and singing "Kumbaya." Einhorn believes that helping people strengthen their empathy muscles, from the earliest stages of life through adulthood, is critically important for building a healthy, cohesive society capable of solving big challenges. "Our trustees believe, and the research confirms, that in order to solve big problems, people first need to have the skills to get along better," says Ira Hillman, who leads EFCT's Parenting and Early Childhood portfolio. "If we focus on giving people help and guidance across every phase of life ... we can make a noticeable dent. As David Einhorn has said, 'Once they're shouting or shooting, it's a lot harder.'"

When EFCT got its start in 2002, plenty of people questioned the importance of fostering empathy and civility. Today in these divisive times, the rationale for nurturing our collective "better angels" is quite clear.

Consistent in Content and Form

When you have a mission like "Helping people get along better" and you have the word "trust" in your organization's name, treating grantees with respect should be

standard operating procedure. That was the experience of **Itai Dinour**, who leads EFCT's Education portfolio, when he was an EFCT grantee.

"I joined the team because of the great experience I had with the trust when I was chief advancement and alumni officer at [City Year](#)," says Dinour. "I benefited from each interaction with the trust. Learning, expanding possibilities, and collaborative problem-solving were the norm in our regular conversations."

Even better evidence of EFCT's focus on strong relationships comes from EFCT's [Grantee Perception Report](#) (GPR), produced by the [Center for Effective Philanthropy](#) (CEP). To produce these reports, CEP asks every grantee of a foundation to provide anonymous feedback. GPRs are one of the few ways that nonprofits can speak truth to power.

Einhorn Family
Charitable Trust

The Einhorn Family Charitable Trust

Location: New York City

Year established: 2002

Staff: 7

Active strategic grantees*: 45

Average grant size: \$3 million

**strategic grantees are those that align with the foundation's mission*

“High performance is what makes it possible for [our partners]—and us—to achieve more impact in the world toward our shared vision and goals.”

Jennifer Hoos Rothberg
Executive Director, EFCT

EFCT’s results were an affirming pat on the back. For example, grantees ranked EFCT in the 97th percentile in understanding their challenges and 98th percentile for the helpfulness of the proposal process.

Although EFCT still has work to do to improve some aspects of communications with its grantees and its impact on the fields in which it works, it has clearly found a formula for building trust and respect. The following quotations are representative of the feedback EFCT received in its GPR:

- “EFCT has truly been wonderful and the ideal funder and partner.”
- “The staff are warm and personable and eager to proactively engage, and they care about you both as people and as partners.”
- “EFCT is one of the best partners we’ve had.... They deliberately make everything as easy as possible for us, and everything is clearly rooted in trust.”
- “To a person, they are thoughtful, smart, and dedicated to the mission of the trust. We always have so much to discuss and learn that we inevitably run out of time when meeting with them either by phone or in person. They are generous and supportive colleagues.”

Perhaps one reason EFCT has emphasized relationship-building is that all of its program staff, from its executive director on down, came to EFCT with experience working for grant-seeking organizations. Before becoming EFCT’s first full-time staff member and executive

director in 2007, **Jennifer Hoos Rothberg** served as the director of development for [Cornell Hillel](#). As stated earlier, **Dinour** came from City Year. **Hillman** joined EFCT after serving as the COO of the [National Breast Cancer Coalition](#) and managing director of [Round House Theatre](#). **Jon Gruber**, who leads the EFCT’s Campus and Community work, served as the director of education at [The Jewish Foundation for the Righteous](#) (prior to his work as a management consultant).

This isn’t an accident or coincidence. Rothberg made nonprofit experience a precondition as she was building out her team. “If you know what it’s like to be in constant need of resources, and what it actually feels like to ask for them, you can truly empathize with grantees,” she says.

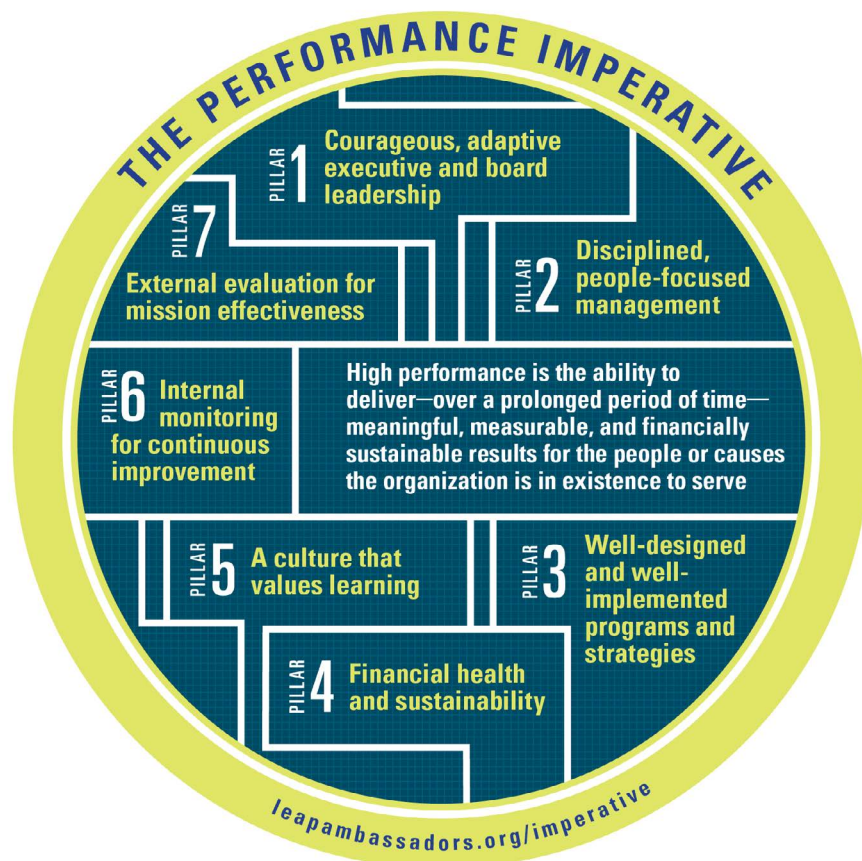
Relationships → Performance → Results

Beyond avoiding hypocrisy, why does it matter if EFCT’s grantee partners give it high marks for building strong relationships? Because EFCT has found that relationships and results are inextricably linked. “It’s all about relationships. Trusting, supportive, honest relationships are what make it possible for us to be true partners to organizations that are working to become higher-performing organizations,” Rothberg says. “And high performance is what makes it possible for

them—and, by extension, us—to achieve more impact in the world toward our shared vision and goals.”

EFCT has taken a “fewer, deeper, longer” approach to building its strategic-grant portfolio, which is made up of grants that are mission-aligned (as opposed to ones that flow from the Einhorn family’s personal interests). Its average strategic grant is \$3 million, much larger than those of other funders of its size. But this average is somewhat misleading,

because some of EFCT’s grants are modest ones to help early-stage organizations test new ideas or develop strategic plans. Larger organizations with strong track records can receive flexible, unrestricted gifts (“high-impact grants”), which can reach into the tens of millions of dollars and span more than five years.



The Performance Imperative “mandala,” featuring a definition of “high performance” and the seven organizational “pillars” that support it. Each of the pillars is spelled out in greater detail in this [complimentary download](#).



The explicit goal of all high-impact grants is to help organizations achieve higher performance. “Given that they’re a relatively new funder, it’s remarkable how invested Einhorn is in the performance of their grantees,” says philanthropist **Mario Morino**, whose book [Leap of Reason: Managing to Outcomes in an Era of Scarcity is a playbook for high performance](#). “You see it in their grant processes and staffing model. You hear about the sincerity and integrity of this work when you talk with their grantees. Everything they do is about helping their grantees build their infrastructure in a way that supports meaningful, measurable results over the long term.”

Skeptics → Evangelists

When EFCT started making many more high-impact grants and expanding the team, Rothberg searched for materials that she could use to create a shared vision and vocabulary around high performance. She first found *Leap*

of Reason, which she read cover to cover in one sitting. “It was like someone had finally articulated what I felt so clearly in my bones: There’s another way to do this!” she says.

Continuing to follow Morino’s work, she then discovered the [Performance Imperative](#) (PI), a resource created by the [Leap Ambassadors Community](#) for nonprofits and funders that believe that high performance is critical for achieving high impact.

Rothberg appreciated the PI’s concise definition of high performance: The ability to deliver—over a prolonged period of time—meaningful, measurable, and financially sustainable results for the people or causes the organization is in existence to serve. And she saw that the PI’s “pillars”—the seven organizational disciplines that enable organizations to achieve high performance—could give the perfect structure to EFCT’s grant-making approach. “The PI was exactly what we needed,” says Rothberg. “It took the philosophy and theories beautifully articulated in *Leap of Reason* and turned them into something we could implement immediately. I put the PI poster on my wall and started sharing the tool with my whole team.”

But not everyone on the team was sold on the PI’s value for grantee partners. “At first some members of our team looked at me like I was crazy when I suggested fully adopting and integrating the PI into every facet of our work. I read it, and I was ready to use the tools directly with our partners

the next day, especially the partners who are receiving larger, multi-year investments,” Rothberg says. But some team members were concerned that using the PI could add more process and burden for grantees.

So they decided to try it out with a few receptive partners. Over the course of a year of testing the PI, “Jenn’s thing” became “everyone’s thing.” “Now some of my colleagues who were the most skeptical have become the biggest evangelists,” Rothberg says. “We needed to see that this wasn’t just value-add to us. It needed to add value, first and foremost, for our partners.”

As the EFCT team introduced the PI to additional partners and integrated it into other aspects of the grantmaking approach, the team was intentional about living Pillar 5—“A culture that values learning”—throughout the rollout. “As we tested different ways to incorporate the PI,” Gruber says, “we gathered frequent feedback from our partners. This enabled us to identify in real time what was working and what wasn’t and then make incremental tweaks along the way. And we’re still improving these tools. It’s an ongoing process.” For example, EFCT added a cross-pillar field to the reporting framework template after grantees noted that there were insights that straddled more than one pillar.

A Value-Add for EFCT and Its Partners

One of Rothberg’s first PI converts was Hillman, the leader of the Parenting and Early Childhood portfolio. “I like structure.

When we first got the PI, it just made my life easier.... Wrapping up all of these critical components into one framework—leadership, management, program, finances, culture, continuous monitoring, and external evaluation—provides a succinct, easy way to view and understand an organization.”

I would have loved to have [the PI and PIOSA] in my two decades of work in nonprofit operations.

Ira Hillman, Director
Parenting & Early Childhood portfolio,
EFCT

In addition to sharing the PI with partners, Hillman has recently started introducing partners to a follow-on resource from the Leap Ambassadors Community: the [Performance Imperative Organizational Self-Assessment](#) (PIOSA). While the PI outlines the organizational pillars and principles that undergird and support high performance, the PIOSA goes one level deeper. For each of the PI’s principles, the PIOSA presents one or more specific practices or behaviors that represent manifestations of that principle in action. The Leap Ambassadors Community calls these specific practices “proof points.” Each proof point is a prompt to help users assess and share insights on their organization’s progress and lay out their improvement steps.

“Now that we have the PIOSA to illustrate what the PI’s principles look like on the ground—we have the complete package,” Hillman says. “I would have loved to have [the PI and PIOSA] in my two decades of work in nonprofit operations.”

We asked EFCT program staff to share their 20/20-hindsight reflections about their work to support partners' pursuit of performance. Here are their top five lessons, with an emphasis on ways other funders might start to integrate high performance into their processes.

EFCT's Lessons for Other Funders

1. Walk Before You Run: Meet grantees where they are, and help them focus initially on the pillars that most demand attention. You don't have to do it all at once! The same is true for funders: Pilot the PI with several partners that are the best match and then expand to more of the portfolio as you learn what works.

2. Transactional → Transformational: If grantees use PI tools once a year to satisfy a donor, that won't accomplish much, if anything. Engage openly and honestly with grantees, creating the reflective, trust-filled space to help them weave high performance into their work across the board. This takes time, so plan for it, be patient, and make it easier for your grantees by getting buy-in from multiple funders.

3. Do You Hear What I Hear?: Given the breadth of topics covered by the pillars, it's important to get organizations' reflections on the pillars from multiple perspectives. Funders should encourage grantees to take the time to bring in the right people and voices to reflect upon each pillar, at multiple layers of the organization. Funders should be sure they know who is reporting on each component of the PI tools, with an eye toward gaps or blind spots among the voices represented.

4. Know Thyself: Across all seven pillars, identify what expertise you should add to your own team to best support partners on this journey. This means applying the pillars to your own work, not just the work of partners.

5. Leave Room to Grow: The PI-inspired tools that we're creating continue to evolve and change with feedback from our partners and the field. Embrace the learning culture spelled out in Pillar 5, and apply it to the PI tools themselves. Ask your grantees (and your team) what they like and don't like about the PI. What areas that are important to you in measuring the organization's performance aren't fully incorporated into the PI? [Share](#) your insights with the Leap Ambassadors Community, and be transparent with your grantees about these reflections.

“The PI’s pillars provide excellent prompts for reflection. It was an aha moment to realize we could align our board, our senior leadership, and our investors with this single tool.”

Elizabeth Cushing
President and COO, Playworks

The PI and PIOSA are adding value for grantee partners as well. According to the EFCT team, the feedback from partners has been very positive overall. Yes, the PI and PIOSA take time to use well. But taking a step back from the crush of daily responsibilities to reflect deeply seems to be worth the effort.

With the support and encouragement of EFCT, [Playworks](#) President and COO **Elizabeth Cushing** convinced her largest funders to set aside their separate reporting requirements in favor of one consolidated report based on the PI’s pillars. “The PI’s pillars provide excellent prompts for reflection,” says Cushing. “It was an aha moment to realize we could align our board, our senior leadership, and our investors with this single tool.”

Playworks is the kind of large learning organization that the PI was intended to support. But small organizations are embracing it as well. [National Parent Leadership Institute](#) (NPLI) began with a budget of less than \$1 million. It was launched recently as a spinoff from a successful program run by the Connecticut state government. About a year ago, EFCT’s Hillman shared the PI with NPLI’s founder, **Elaine Zimmerman**. “Hey, just take a look at this. We’re going to start using this as a rubric in our due diligence,” he said. “It might be helpful for you as you create your

own 501(c)(3) and think about national growth.”

Zimmerman came back to Hillman within a week and told him that the tool was “manna from heaven.” In Hillman’s words, “They had a sense that they needed to up their game. This really helped them think about what they needed to do to improve in each pillar.”

How EFCT Puts the PI and PIOSA to Use

Rothberg and her team didn’t attempt to put the PI, and then the PIOSA, into use all at once. They took a methodical, trial-and-error approach. The following list represents the key steps EFCT took along the way.

1. *Creating a Common Vocabulary for the Staff:* Once Rothberg saw that the PI aligned with her goals, she started sharing it with her own team and trustees to build a shared language around high performance. According to Rothberg, “I literally had a member of our team become teary describing what a difference this made in our work, saying, ‘I finally have a language, a definition, and clear tools to help our partners understand what I’m asking for and how we want to help!’ This work is incredibly hard and often incredibly subjective. The more transparent, open, and objective we can be, the easier the work becomes.”

2. Creating a Common Vocabulary with Peer Funders: EFCT's program team frequently shares the PI with foundations co-investing with EFCT. "When we're in conversations with other foundations, almost inevitably the PI comes up," says Hillman. "I've loved sharing it with folks. It's such a great way for me to show the structure of our process.... It allows me to more clearly articulate what type of work we do, to what end, and how we help our partners get better. My colleagues, after reading the PI, will often say things like, 'It's just so clear!'"

3. Designing Grant Criteria: EFCT recast its "Partnership Criteria" to align with the PI's seven pillars. The PI portion of the criteria

explains EFCT's baseline expectations on performance, pillar by pillar, for an organization to be considered for a high-impact grant. EFCT wants to get a clear sense of whether an organization is truly ready for a big infusion of capital. And if not, EFCT staff use the criteria to determine if there is a more targeted investment they could make that would help the partner get on track for a larger, unrestricted grant down the line.

4. Helping Trustees Monitor Progress: EFCT has integrated the PI and PIOSA directly into its Portfolio Dashboard, the



Image courtesy of Playworks

centerpiece of the staff’s progress reports to its trustees. In addition to understanding how each grantee partner is progressing with respect to each of the PI’s seven pillars, the trustees can now look across the entire portfolio to identify patterns. For example, the current dashboard shows that EFCT grantee partners are generally doing well with Pillar 3 (“well-designed and well-implemented programs and strategies”) and Pillar 5 (“a culture that values learning”) but having more difficulty with Pillar 4 (“financial health and sustainability”) and Pillar 7 (“external evaluation for mission effectiveness”).

5. Informing Due Diligence: EFCT has begun focusing due-diligence meetings on individual pillars from the PI that seem particularly relevant for the prospective partner. The process starts when EFCT team members ask these prospective partners to fill out a short PI- and PIOSA-informed Self-Reflection Tool (see below), which allows the organization’s leaders to get a better handle on the areas where they’re excelling and where they are coming up short of their aspirations.

6. Helping Partners Shore Up Shaky Pillars: To respond to the patterns emerging from the Portfolio Dashboard and to augment the organization-building expertise on

Performance Imperative Reflection and Planning Tool

High performance is the ability to deliver—over a prolonged period of time—***meaningful, measurable, and financially sustainable results*** for the people or causes the organization is in existence to serve

Goal: Use the *Performance Imperative*, a field-generated definition of what it means to be a high-performing organization, as a tool to help your organization set a plan to continue along the journey toward higher-performance.

Guidance:

For each Pillar, in the pages that follow:

- Highlight the 2-3 components of the definition that you think are **your greatest strengths in green** and **key areas of growth in yellow**.
- Provide a few bullets on where you aspire to be at the end of the current plan and what it is going to take (investments, changes, etc.) to get there.

After assessing the seven pillars, please share which two pillars will be the highest areas of focus over the course of the next plan:

- 1) _____
- 2) _____

An excerpt from EFCT’s Self-Reflection Tool for prospective partners

staff, EFCT is “working to have great external support at the ready for every individual pillar,” Rothberg reports. For example, when partners want to focus on Pillar 4 (“financial health and sustainability”), EFCT provides the resources for partners to engage with the [Nonprofit Finance Fund](#), [FMA](#), or other top experts in the field.

7. Helping Grantees Report on Progress: With a subset of its partners (e.g., Playworks), EFCT has begun incorporating the PI’s principles and PIOSA’s proof points into the Trust’s Grant

Reporting Framework (see below), which partners fill out every six months. The framework asks partners to review each of the PI’s principles and share progress, challenges, and new insights related to each of the PI’s pillars. It also asks partners to detail which principles and proof points it intends to prioritize over the subsequent six months. EFCT also makes room for partners to reflect on patterns, opportunities, and challenges that cut across multiple pillars. So far, the feedback from partners has been positive. Partners

PILLAR 6: INTERNAL MONITORING FOR CONTINUOUS IMPROVEMENT	
6.1 The board, management, and staff work together to establish clear metrics , tightly aligned with the results they want to achieve, for each program and for the organization as a whole.	
6.2 Management and staff produce frequent reports on how well the organization is implementing its programs and strategies . Management and staff use these reports to chart course corrections and make operational and programmatic improvements on an ongoing basis.	
6.3 Management and staff make the collection, analysis, and use of data part of the organization’s DNA . They ensure that people throughout the organization understand the key metrics. And they invest in helping staff gain comfort in working with data as a natural part of their job.	
6.4 Management and staff don’t collect excessive information . They focus on collecting information that is relevant for determining how well they are achieving the desired results, understanding what mix of efforts is critical to achieving those results, and continuously improving their results over time. Ideally, applying this information makes staff members’ jobs easier and more effective, rather than simply adding to their burden.	
6.5 The board, management, and staff draw extensively on lessons from organizational assessments and evaluations of like programs serving similar causes or populations.	
Reflection: In relation to the goals of your strategic plan and/or this investment, what headlines from the past six months come to mind in regards to this pillar (e.g., progress, challenges, new insights)? Feel free to reference the definition above to inform your headlines or examples.	
Headlines <ul style="list-style-type: none"> • • • 	
Looking Forward: Of the principles listed above and the more detailed proof points in the PIOSA (attached), which are your top priorities to strengthen over the next six months ?	
Principle/ Proof Point	Goals for Next Six Months
[Enter number]	<ul style="list-style-type: none"> • •
[Enter number]	<ul style="list-style-type: none"> • •
What are you learning in your process to further your “Internal Monitoring for Continuous Improvement”?	

An excerpt from EFCT’s Grant Reporting Framework

have said things like “It’s helpful,” “It’s changed my thinking,” and “I don’t know if I would have had this insight without the PI.”

Conclusion

Perhaps the most notable aspect of the EFCT story is the organization’s relative youth. The trustees hired their first full-time staff member, Rothberg, only 10 years ago. In that short time, EFCT has surged to the front of the pack when it comes to supporting grantees to pursue higher performance.

If you’re a funder, have you asked your grantees what they need to get the job done for those they serve? Are you thinking about their ability to perform well over the

long term—or just their ability to conduct projects over the short term? What more could you do to help your grantees build their core organizational muscles so they can create the greatest possible impact in your community?

If these questions prompt others for you, [drop us a line](#). We’d love to hear from you. And click [here](#) to read other profiles in the Funding Performance series.