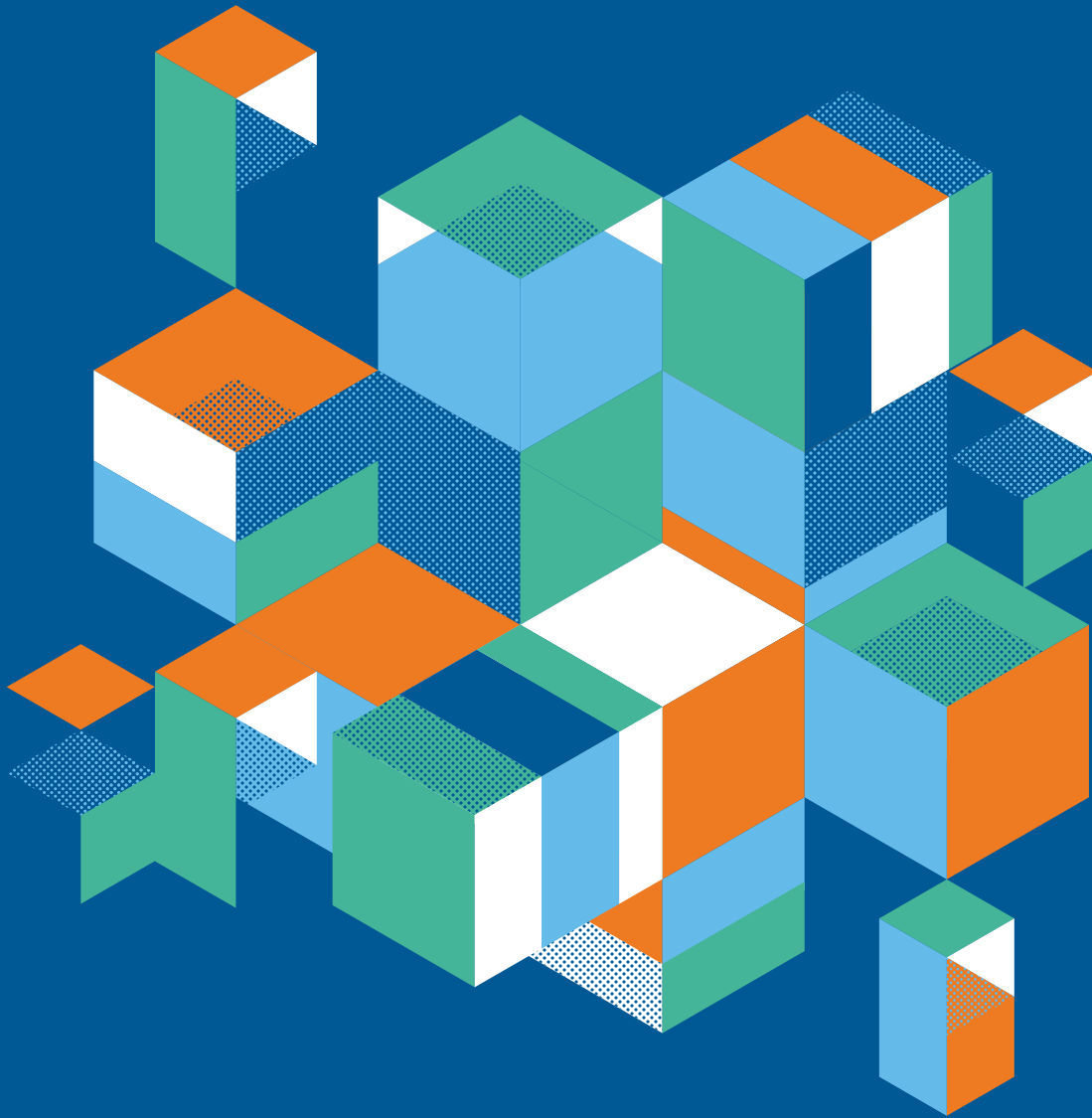


# Philanthropy in Higher Education

Priorities and Approaches of Private Foundations

October  
2019



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## Executive Summary

In 2017, Rockefeller Philanthropy Advisors (RPA) and the TIAA Institute published a report titled “*Achieving Success in Postsecondary Education: Trends in Philanthropy.*”<sup>1</sup> Seeking to expand on that research with a larger and more diverse group of foundations, we surveyed members of Grantmakers for Education, a philanthropic affinity group, and conducted interviews with several private foundations that are active in higher education philanthropy. Our findings indicate that top priorities of private foundations that give to higher education include:

- Access and success for low-income, first-generation students
- Career readiness
- Support for public institutions, especially community colleges
- Policy, advocacy, and systems change
- Scholarships
- Faculty support

Giving to each of these issue areas varies by foundation size, with larger foundations being more likely to support policy and systemic change across the entire field of higher education.

Foundations consider a variety of factors when deciding the **types of grantees** they will support through their higher education strategy. Private foundations make grants directly to colleges, universities and other organizations that serve students and conduct research on effective practices in higher education, as well as intermediary institutions, such as associations and networks of schools. Survey results indicate that a majority of private foundations active in higher education make grants directly to colleges and universities. However, grants to schools represent one-quarter or less of total grant

dollars in higher education by most foundations. This means that most private foundations that support higher education are directing a majority of their dollars to associations or consortia of schools and other institutions in the field.

**Making grants directly to colleges and universities** comes with benefits, as well as challenges, that funders recognize and take into consideration when creating their strategies. Benefits include the ability to address the unique needs of each campus, the opportunity to create positive impact for every student on campus, and a greater sense of performance accountability when giving directly to a school. Challenges can include complex bureaucracies at many schools, high incidence of leadership transitions, high operating costs, and the daunting scale of the field of higher education in the United States.

Similarly, **giving to networks of schools** or membership associations also involves benefits and challenges for funders. One key benefit is greater efficiency in giving because funders can create positive impact on multiple campuses through a single grant, especially when schools share common needs and are willing to implement an initiative collaboratively. The challenges of giving through networks include the loss of close relationships with campus leadership, and the fact that a “one size fits all” approach is not always the best way to help colleges and universities improve outcomes for students.

## About This Project

### PURPOSE

RPA partnered with the TIAA Institute to examine trends in private foundations' giving to colleges and universities to support their postsecondary education strategies. This report is an expansion of a similar report published in 2017 titled "*Achieving Success in Postsecondary Education: Trends in Philanthropy*" (Rockefeller Philanthropy Advisors and the TIAA Institute, 2017).

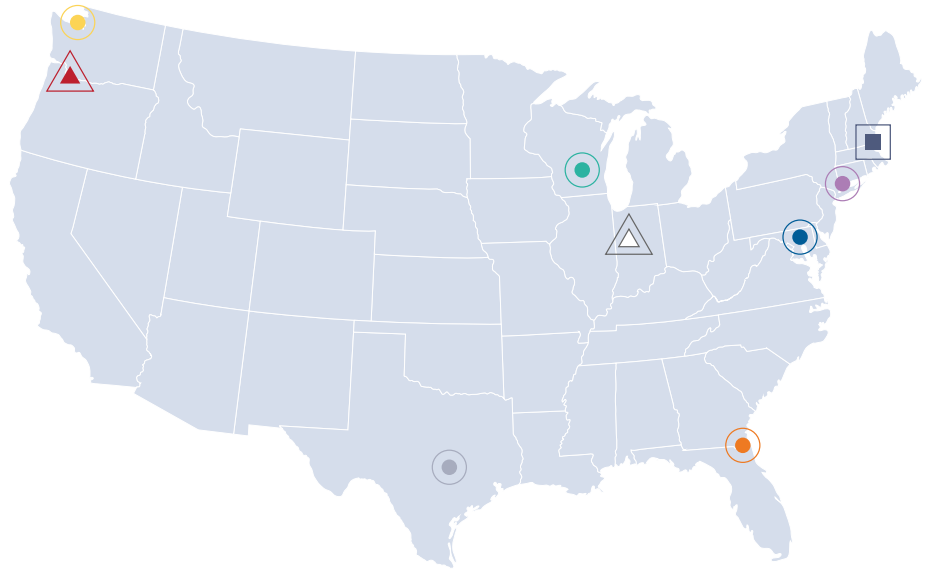
The 2017 report included quantitative data about grants from private foundations to institutions of higher education between 2004 and 2013, derived from custom data sets from the Foundation Center and the Council for Aid to Education. It also included qualitative trends gathered from interviews with five private foundations giving substantially to colleges and universities (the Bill & Melinda Gates Foundation, Ford Foundation, Lumina Foundation, Kresge Foundation, and Andrew W. Mellon Foundation), the Grantmakers for Education affinity group, and the University of Pennsylvania's Center for Minority-Serving Institutions.


This current report seeks to expand and test the trends discussed in the 2017 report by including foundations more varied in asset size, geographical focus, and type. Our goal was to better capture the diversity of private foundations that support postsecondary education to gain a deeper understanding of:


- Priority issue areas in higher education that foundations seek to address.
- The types of institutions foundations support through grants in their postsecondary strategies, and why.
- How foundations approach giving to colleges and universities compared to how they give to other types of educational organizations.


**METHODOLOGY  
AND PARTICIPANTS**


RPA distributed an online survey to funders identified through the membership database of Grantmakers for Education (GFE), a national membership association for grantmakers that focus on education. Seventy-six foundations responded. RPA also interviewed ten foundations from across the United States that give directly to colleges and universities, as indicated below.




 Annie E. Casey Foundation,  
Baltimore, MD - *National*


 The Arthur Vining Davis  
Foundations, Jacksonville,  
FL - *National*


 Ascendium Education Philanthropy,  
Madison, WI - *National*


 The Boston Foundation,  
Boston, MA - *Local*


 Lilly Endowment,  
Indianapolis, IN - *Regional*

 Michael & Susan Dell Foundation,  
Austin, TX - *National*

 M.J. Murdock Charitable Trust,  
Vancouver, WA - *Regional*

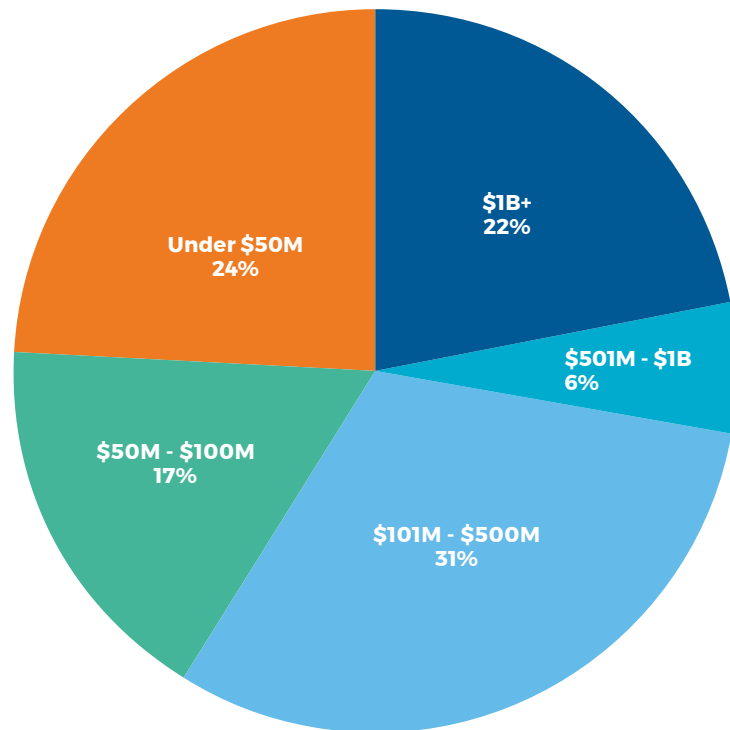
 Raikes Foundation,  
Seattle, WA - *National*

 The Teagle Foundation,  
New York, NY - *National*

 Anonymous Foundation,<sup>2</sup>  
N/A - *Local*

Survey respondents represent a range of foundation sizes from U.S. \$1 million to well over U.S. \$1 billion in assets, and most (83%) support postsecondary education through their giving. An additional 9% that don't support postsecondary education do support postsecondary institutions for another purpose, such as research or direct service programs housed at colleges and universities.

### *Respondents by Total Asset Size*

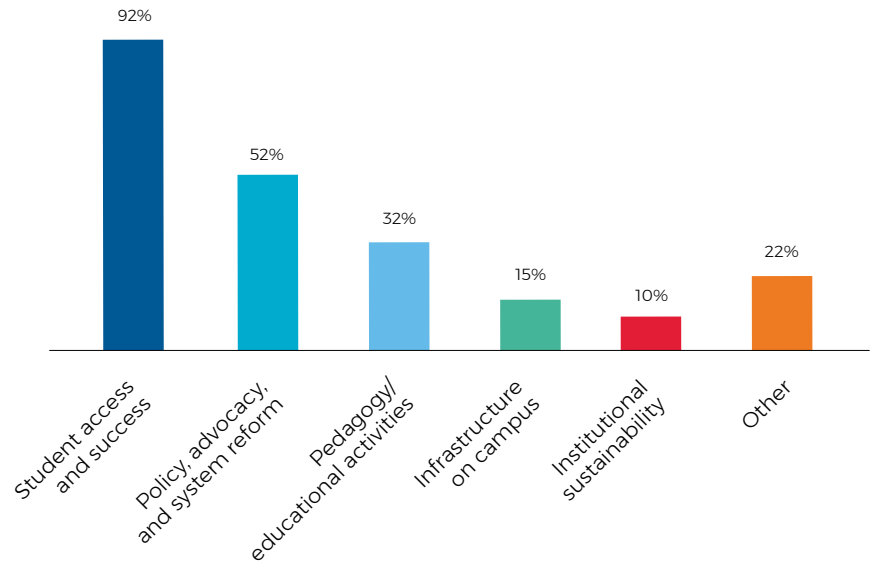




## Priority Issue Areas for Funders of Higher Education

Our research identified five key areas of funding for postsecondary education: student access and success; policy, advocacy and system reform; educational activities; campus infrastructure; and institutional stability.

*Issue Areas Supported through Foundations' Postsecondary Strategy*

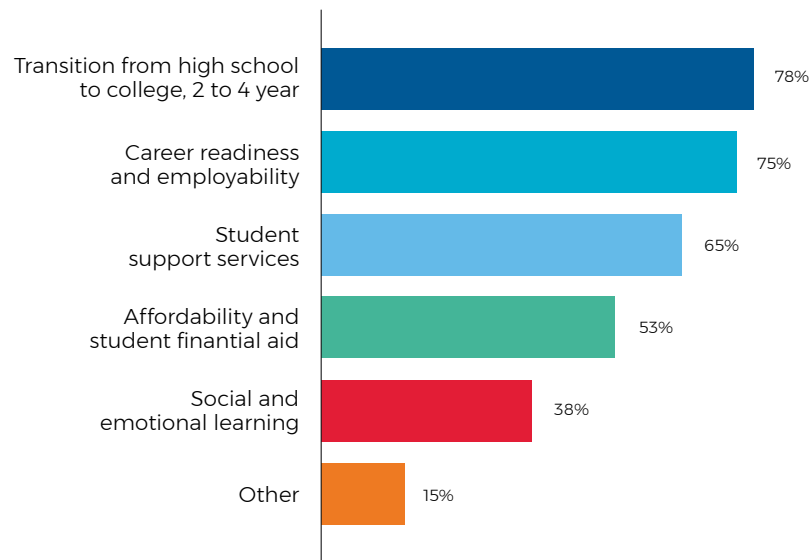


## ACCESS AND SUCCESS FOR LOW-INCOME, FIRST-GENERATION STUDENTS

Consistent with our first report, “*Achieving Success in Postsecondary Education: Trends in Philanthropy*,” the dominant trend in private philanthropy related to postsecondary education is supporting low-income students and students of color to begin and complete a postsecondary degree. Many of these students are the first generation of their families to attend college. More than 90% of survey respondents indicated that they provide grants within the “student access and success” issue area—and this trend is consistent across local, regional and national funders of all sizes.

Within this focus area, the top priority for funders was transitions between institutions—from high school to college, and from two-year to four-year postsecondary institutions. Public institutions seem to get more support relating to these transitions, with one interviewee noting that most foundations support transitions from public two-year to public four-year colleges and universities, while transitions to private four-year colleges and universities are underfunded.

### *Foundations' Priorities Within Student Access and Success Issue Area*



Educational transitions and employability are top priorities for funding.

The second-highest priority of the surveyed foundations within the category of student access and success was career readiness and employability. This is in line with what our interviews revealed, as well as a recognized trend of funders' increasing interest in funding postsecondary education as a means to build pathways to careers. This shift flows naturally from the dominant trend in postsecondary philanthropy over the past decade, which began by focusing on increasing access to higher education for low-income students, then shifted to focus on supporting low-income students to successfully complete degrees. While a great deal of foundations continue to focus on access and success in the educational realm, many funders are moving toward a focus on how institutions of higher education can help drive success by connecting those who earn degrees/credentials to meaningful careers.

Community colleges are of particular interest to funders who seek to support pathways to credentials that can lead to financially stable careers. Funders see that community colleges represent an opportunity to close the wage and skills gaps for a wide variety of students and those who have historically been left behind—low-income, first-generation students of traditional college age and working adults. Funders view community colleges as straddling the line between higher education and workforce development. One funder described its funding related to supporting alternative pathways as focusing “less on seat time and getting a degree and more on how to accelerate success in training and wage-related employment.”

This trend is reflected in the growing proportion of philanthropic dollars flowing to community colleges over the past decade, though as a portion of all giving to higher education, it remains very small. Foundation funding to community colleges continues to grow, and reached more than \$130 million in 2012, from \$98 million in 2005. But only 1.5% of the \$43.6 billion raised by colleges and universities in 2017 (from all types of donors) went to two-year institutions, according to the CASE Voluntary Support of Education 2017-18 survey (Council for Advancement and Support of Education, 2019). Survey

Foundation funding to community colleges continues to grow, and funders highlight their role in supporting career readiness.



respondents indicate that nearly an equal percentage of funders support community colleges as support four-year colleges, though, clearly, grants to different types of institutions vary greatly in size.

The focus on postsecondary education as a pathway to career was demonstrated most often by the place-based funders we interviewed. Both local and regional funders with a vested interest in their local communities viewed funding to postsecondary institutions as an opportunity to train and retain the future workforce of the region.

Student support services and financial aid round out the top priorities in the student access and success issue area, coming in third and fourth, respectively, in our survey. Supporting scholarships for low-income students remains a trend among private foundations as a means to support access to higher education. Some foundations providing scholarship dollars expressed frustration at colleges and universities that practice displacement—i.e., replacing institutional grants and scholarships with foundations' scholarship dollars once received. This practice reduces the impact of the scholarship dollars on the students' overall financial aid package and is something foundations seek to avoid. Foundations consider colleges and universities that practice displacement less desirable for continued funding.

Foundations that provide scholarships mention that providing financial support alone is often not sufficient for low-income students to succeed in college. Thus, many scholarship providers include wrap-around supports, such as flexible financial support, mentoring, and academic guidance, to help increase student retention and degree completion. Despite continued interest in scholarships, our interviews reveal that some foundations are moving away from this strategy in order to pursue more cost-effective approaches to supporting affordability and student access, such as alternative pathways to credentials that require fewer overall credits.

## **POLICY, ADVOCACY AND SYSTEMS CHANGE**

Second to student access and success, the major issue area with the most support from private foundations participating in our survey is policy, advocacy, and systems change. Large foundations (\$1B+ in total assets) are more likely than smaller foundations to provide support in this area. More than 80% of foundations responding to the survey with assets of \$1B or more support policy, advocacy, and systems change.

Foundations interested in systems-level change are more likely to fund policy and advocacy that can have an impact across the post-secondary landscape. Foundations we interviewed support policy change related to degree completion, affordability, and strengthening state higher education systems.

## **FACULTY SUPPORT**

Approximately one-third of foundations surveyed for this report support pedagogy and educational activities, making it the third-highest issue area for postsecondary funders. For some, this includes grants to support faculty. Foundations we interviewed support faculty directly by funding:

- Faculty professional development as teachers/scholars and as campus leaders.
- Faculty research and equipment.
- Start-up packages for new research-oriented faculty.
- Curriculum development.

One foundation that provides grants to support faculty observed that most private foundations tend to fund activities outside the classroom because of a perception that working directly with faculty is more difficult. For funders concerned with the academic and classroom experience of students, funding directly to faculty remains a priority.

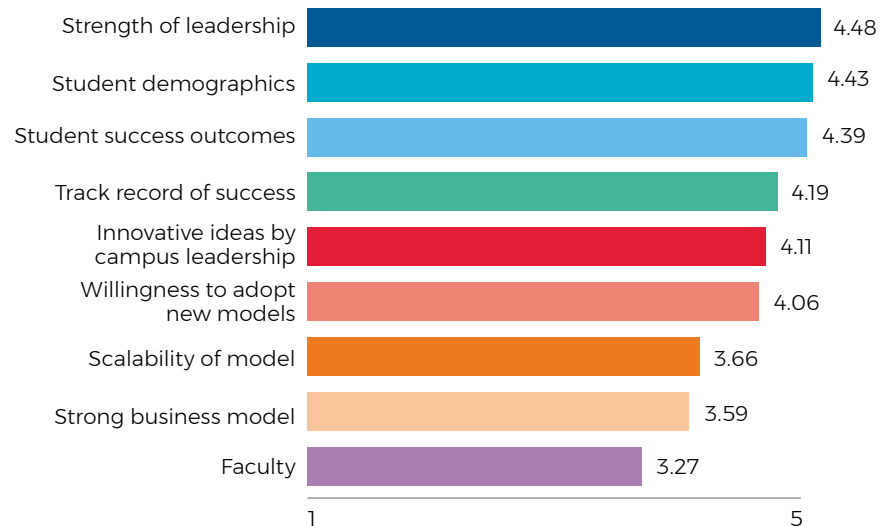
## How Foundations Identify Funding Opportunities

Foundations approach sourcing grant opportunities in a variety of ways, which can vary depending upon their size, geographic scope, goals, and preferred approaches (e.g., direct services versus policy advocacy). Our research shows the following:

- Of the nine characteristics we asked about in our survey, strength of leadership, student demographics and student success were the most important drivers of funding decisions, while faculty, scalability and a strong business model were deemed less important. In the middle were a demonstrated track record of success, innovative ideas and willingness to adopt new models.

### *Importance of Characteristics when Deciding Whether to Support a Postsecondary Institution*

*(1 = not important; 5 = very important)*



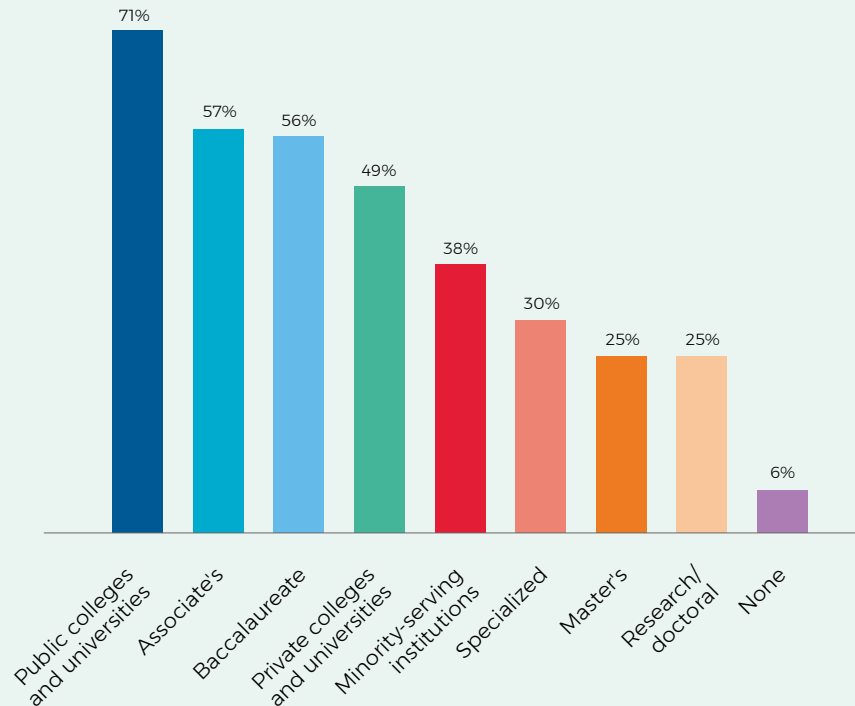
- Local and place-based funders may be more likely to develop long-term relationships with colleges and universities in their communities of focus, as opposed to national funders which tend not to have as many ties to individual campuses.
- Larger and national foundations source funding ideas from thought leaders, networks, and researchers. Colleges and universities that are active in networks and associations are best placed to get on the radar of these funders.
- Foundations want to support programs that have shown success. Colleges and universities that can demonstrate success with target populations (e.g., low-income and first-generation students) in areas of interest to philanthropy (access, degree completion, and career preparation) are more likely to generate interest from foundations. Additionally, some foundations seek opportunities to pilot or test new ideas. Foundations are attracted to campuses that are willing to experiment and partner to create lasting change.



## Giving to Public vs. Private Colleges and Universities

Rising support to community colleges, most of which are public institutions, also reflects the trend that funders are increasingly supporting public rather than private institutions of higher education. Our survey indicates that more than 70% of the foundations surveyed support public institutions, as opposed to just under 50% supporting private institutions. As funders seek to reach target populations at scale, public colleges and universities are excellent partners as they educate nearly 75% of all postsecondary students. However, one foundation we interviewed noted that it continues to support private colleges and universities through its student access and success portfolio in part because, in its experience, private colleges demonstrate better student retention and success outcomes.

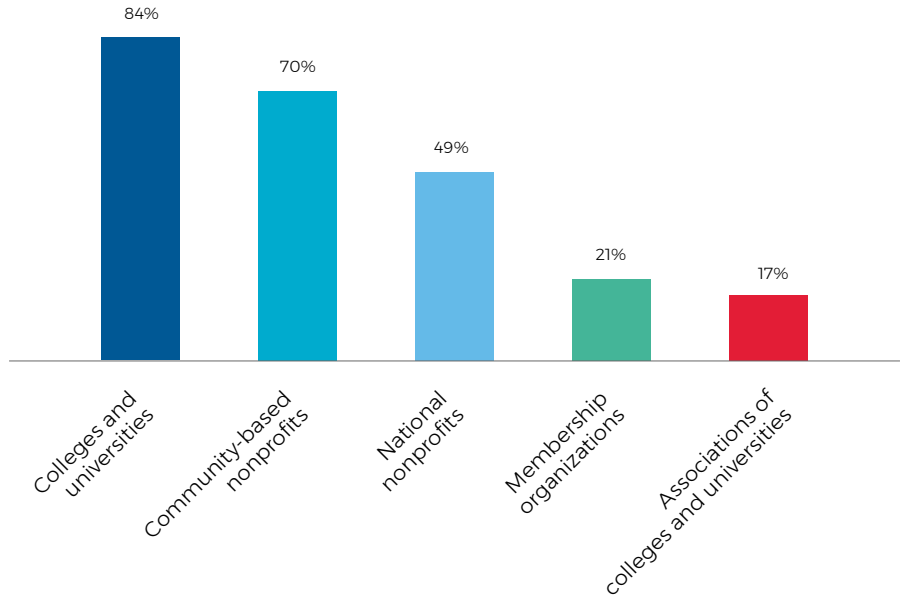
### *Types of Postsecondary Institutions Supported*





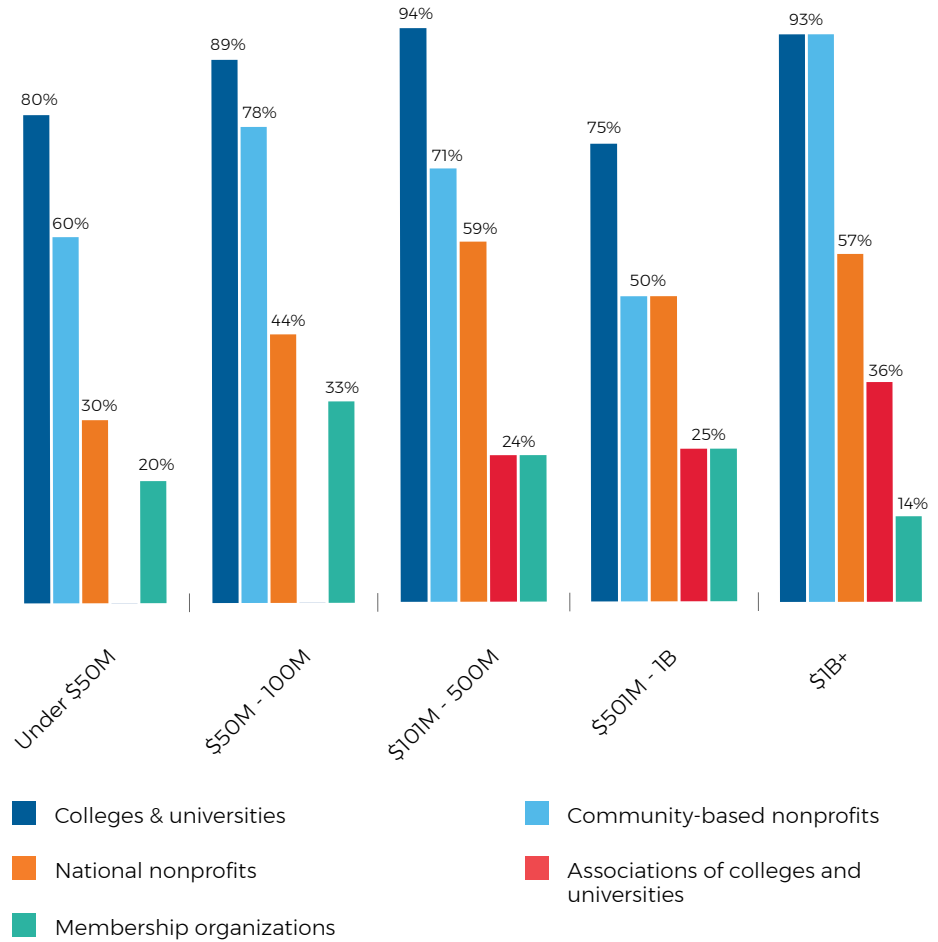
## Benefits and Challenges by Grantee Types: Educational Institutions vs. Networks

*Types of Organizations Supported in Postsecondary Strategy*



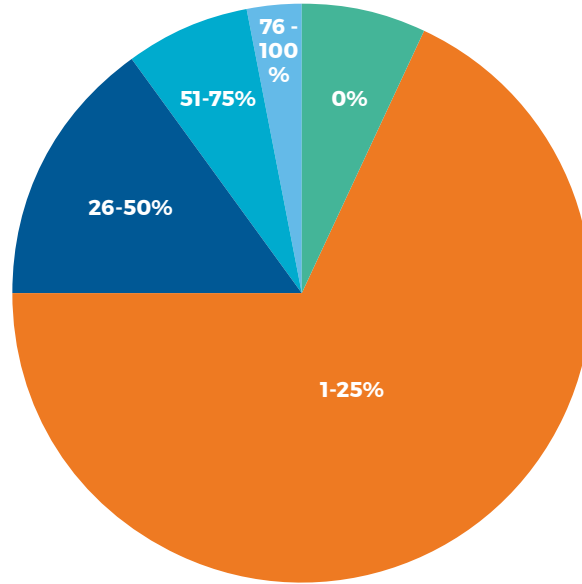
Foundation support of higher education includes grants to a range of organizations—colleges and universities, community-based or national nonprofits, membership organizations, or associations of colleges and universities. Survey results indicate that a majority make grants directly to colleges and universities—and across all asset levels, colleges and universities are at the top of the list of types of organizations funded (though tied for first at the \$1B+ level).

*Distribution of Types of Organizations Supported  
Based on Foundation Asset Level*



However, these grants represent one-quarter or less of total grant dollars in higher education by most foundations. This means that many private foundations that give grants to higher education direct a majority of their dollars to associations or consortia of colleges and universities that work collaboratively to achieve shared goals, as well as other institutions in the field, such as research organizations, community-based service providers, and advocacy organizations.

*Percentage of Annual Postsecondary Grantmaking Given Directly to Colleges and Universities*



## **DIRECT FUNDING TO COLLEGES AND UNIVERSITIES**

### **Benefits of Direct Funding to Postsecondary Institutions**

Private foundation leaders noted several benefits to supporting colleges and universities directly, including customization, positive outcomes for students, increased grantee accountability and access to expertise.

*Customization:* Making grants directly to individual colleges and universities allows funders to target their support to address needs specific to each campus. Foundations that have a mandate from their founder to support specific types of institutions, such as private colleges and universities, or schools within a particular state or region, may have a deeper commitment to providing tailored support to individual schools. These foundations also tend to be more interested in working with campus leadership to identify an individual school's

highest priorities, and offering grant support to meet those needs. As one foundation leader said, “They know their culture better than we do.”

Making grants to specific colleges and universities also offers foundations reassurance that campus leaders are committed to the proposed initiative and have buy-in from critical stakeholders. Schools that operate as part of a larger network may have varying degrees of enthusiasm across the range of stakeholders about a new initiative, which can create challenges for funders.

*Positive outcomes to students:* Foundations report that making grants directly to colleges and universities allows them to create change that will positively impact the most students. For example, helping a university make improvements to its financial aid operations, career planning services, or digital library infrastructure will add value for all students that take part in those services. Supporting an outside nonprofit that assists a smaller subset of students in navigating financial aid or planning their careers could create a lesser impact. Giving directly to schools may also allow funders to exert greater influence on the educational experience of students, which many foundations seek to improve.

Some foundations make grants to individual schools as part of a self-created research project to test the viability of a specific intervention to improve student outcomes. For example, an initiative to build emergency aid funds for low-income students was implemented across a wide range of campuses through a series of direct grants, with the foundation learning from each participating school how best to execute this intervention and determine best practices in emergency financial aid.



Direct funding to postsecondary institutions can increase influence, accountability, and commitment.

*Accountability:* Foundations can generate increased accountability from grantees when they make grants to individual colleges and universities. They are more likely to hear when problems arise when they have a direct relationship with campus leadership, and can troubleshoot or make necessary adjustments to increase the likelihood of successful grant outcomes. Funders indicate that close engagement with multiple levels of campus leaders, including presidents, provosts, deans, and advancement staff, helps to ensure that new initiatives take root and create lasting positive change. Foundations often want to see evidence of a school's leadership unified around goals of reducing inequities for students from underrepresented backgrounds.

*Expertise:* Funders recognize value in accessing the expertise of academic leaders in the fields of education, urban resilience, and economic sustainability through making grants directly to the academic institutions where those experts are based. For foundations that support research and innovation in higher education, tapping into faculty leaders for their expertise in their fields can help to inform effective practice in new programming for students.

### **Challenges of Direct Funding to Colleges and Universities**

On the other hand, foundations cite several challenges and trade-offs when making grants directly to colleges and universities, particularly around leadership transitions, bureaucracy, scale, implementation and replication, and operating costs.

*Leadership transitions:* When college presidents leave, many foundations find that progress they had made in changing campus culture to improve success for low-income students (or other efforts) can lose momentum. A new initiative can be disrupted when the leader who championed it departs, especially when there is no strong relationship between a private foundation donor and other members of campus senior leadership. Funders expressed frustration that many schools recruit new presidents from outside instead of promoting from within to retain knowledge of school culture and ongoing strategic goals.

*Bureaucracy:* Large and complex institutions such as colleges and universities can have complicated internal bureaucracies and multiple channels for decision making that can be difficult for private foundations to navigate. As compared to smaller, independent nonprofit organizations, which are more likely to have a nimble leadership structure, institutions of higher learning can have layers of decision makers and complex governance structures. This may be especially true for state-based networks or systems of public colleges and universities. Since colleges and universities have multiple stakeholders to whom they are accountable, including students, alumni, faculty, public agencies, private donors, and boards of directors, some foundations believe this can limit or delay the implementation of new ideas.

*Scale of the field:* There are thousands of colleges and universities across the country. As a result, funders with a national focus can feel overwhelmed by attempting to create meaningful change through grants to individual schools. It can be impossible for one foundation's program team to become familiar with the needs and goals of every



Even when a successful model has been identified, funders find that replicating that model can be challenging.

college, so some funders opt to make grants to networks or consortia of schools for the sake of efficiency, and to create a manageable portfolio of grants for each program officer.

*Implementation and replication challenges:* Even when a successful approach has been identified, funders find that replicating that initiative across many campuses can be challenging, and sometimes unsuccessful. Making changes in classroom pedagogical practice can be especially difficult, and many funders do not pursue this strategy because of the perception that faculty cannot be effectively influenced through foundation grants. Foundations with an interest in curriculum development and professional development for faculty seek to ensure they have faculty buy-in across multiple departments before making grants in this area of higher education. Some funders prefer to support programs outside the classroom because of the perception that they can have greater influence on student experience in other aspects of campus life.

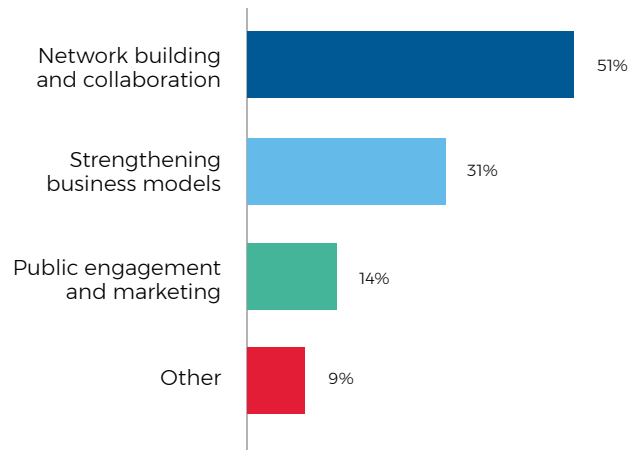
*High operating costs:* Funders report that colleges and universities often wish to attach high indirect or overhead costs to grants from private foundations, making them less appealing grantees than other non-profits who request more modest indirect support.

Overall, local and regional foundations appear more likely to include grants to colleges and universities as a significant component of their grantmaking strategies as compared to national funders. This may be because a place-based approach to grantmaking incorporates higher education institutions as anchors of the communities funders care about and makes them more appealing partners in creating positive change. National funders may be more likely to seek large-scale change in higher education, leading them to adopt a more “wholesale” approach to grants, and stronger interest in supporting policy advocacy, research, and dissemination activities.

## GRANTS TO NETWORKS

The trend of private foundations giving to networks or consortia of schools continues to be strong. In our survey, the top issue that funders support related to institutional sustainability is network building and collaboration, with more than half of respondents selecting that strategy.

### *Foundations' Priorities in Institutional Sustainability*



Funders have different views about the value of giving through networks versus grants made directly to specific institutions. Our research identified several examples of networks, membership associations and research organizations supported by higher education funders (see Appendix).

### **Benefits of Funding Networks**

*Schools share common needs:* Due to the perspective gained through relationships across the higher education sector, funders at private foundations often recognize that many colleges and universities have common goals and seek to overcome similar challenges. From this point of view, making one grant to address shared needs across multiple campuses is a compelling strategy.



*Efficiency:* As described in our earlier report, “*Achieving Success in Postsecondary Education*,” foundations that seek to create change at scale may not be satisfied with making grants to individual schools, which they view as an incremental approach. Changing the system of higher education more broadly to help more low-income and first-generation students succeed is the top goal of many foundations in education, and these funders believe that supporting networks is a more efficient method of achieving systemic change.

*Opportunity for shared learning:* By working together on an initiative, cohorts of colleges and universities can learn from each other, form a community of practice, share practices and outcomes, and face and overcome challenges as partners.

*Experimental approach:* By supporting multiple schools to advance a specific initiative, foundations can test the value and efficacy of an intervention, with the hope of identifying initiatives that work best across many campuses. Funders find that they gain the best information about the effectiveness of an intervention by allowing participating colleges and universities to figure out the finer points of implementation on their own, without too much involvement from the funder.

*Purpose built:* Some foundations create their own cohorts for the purpose of executing a specific initiative. This approach involves a more hands-on role for the foundation, which must handpick schools to come together as a group to implement a program, share findings and tactics for successful execution, and then extend their learnings to peers across the field.

## Challenges of Funding Networks

*Loss of relationships:* Funders recognize that by giving to networks, they cannot develop close relationships with school leadership, which are valuable for understanding the individual culture and needs of a college or university, and for capturing and assessing the nuanced results of a particular initiative.

*Lack of fidelity:* When multiple campuses implement the same initiative through a network-based grant, the reality is that participating schools may not implement the program with the same level of fidelity. Funders may rely on the leadership of the network or consortium to provide guidance on implementation, but the effectiveness of this may be limited.

*Varying level of commitment:* Some campus leaders are wary of participating in networks with other schools, especially if they perceive other colleges and universities as competitors for scarce private funding. Without strong commitment to functioning as part of a consortium, schools may compromise their successful implementation of a funder's initiative.

*“One size fits all” may not work:* Some funders believe that the unique culture of each college or university necessitates targeted support to individual schools. Understanding and responding to the needs of each school a funder supports may be more valuable than efficiency. Local and regional funders may be most likely to adopt this approach.



**M.J. Murdock Charitable Trust: Balancing Donor-Driven Giving and Institutional Needs** – *Regional Funder based in Vancouver, WA*

The M.J. Murdock Charitable Trust supports science research and education in the Northwest United States, specifically Alaska, Idaho, Montana, Oregon, and Washington. The Murdock Trust funds both public and private universities directly, and provides support for high school science teachers and ministry internship programs for young adults exploring vocations.

The Murdock Trust considers its approach to postsecondary education to be in the vein of traditional philanthropy, in which foundations respond to the needs of institutions rather than looking for grantee institutions to adopt funder-defined priorities. As the senior program director said, “Grantees are best equipped to know what they need to do.” It supports capital requests, especially for science buildings, libraries, and scientific equipment, and intends its funding to be as targeted and customized to each institution’s needs as possible. The Murdock Trust intentionally supports individual campuses rather than supporting networks of institutions, believing networks can be difficult to manage, present challenges in assessing impact, and ultimately, are insufficiently responsive to an individual school’s needs.

As a regional funder with a limited geographic scope, the Murdock Trust seeks to be a consistent and reliable funder to its partner institutions. It does not want to drive grantees to chase funding and shift priorities to meet the changing demands of a funder. As such, the Murdock Trust’s staff has very close and highly engaged relationships with grantees, spending a lot of time understanding individual campus needs.

An example of its approach is the Trust’s Commercialization Initiation Program—a “bench to market” grants program that provides start-up funding to public research universities to support new ideas based on research. This program was developed in response to feedback from grantees about their needs, and requires a long-term investment both during the development of the grant and in the execution. It reflects a core value of the Trust, which is to remain approachable and responsive to campus leadership. This strategy lies in contrast to some other leading foundations in postsecondary education, which have become more directive and less approachable in recent years.

## Reflections from Funders

The field of private foundations in higher education is not a unified field; while there are recognizable trends in what foundations prioritize and how they give, there are always outliers that do not conform to the sector's overall direction. While some private foundation staff are highly connected and aware of giving strategies and priorities at peer foundations, others operate much more independently and may not be influenced by what other foundations are doing. Below are some additional trends based on our interviews with foundation leaders on what they have observed in the field.

### **DONOR-DRIVEN GIVING**

Foundation leaders recognize that foundations are increasingly prioritizing their own initiatives and goals over campus-driven priorities. Some report that they do not see innovative ideas coming from college and university leaders, but see the best new ideas coming from research and thought-leader institutions in the field of higher education. Many report that they see decreasing support for capital projects and fewer funders accepting unsolicited proposals.

At the same time, other funders are intentionally not following these patterns. Several foundations included in this report remain committed to setting their priorities based on the needs their grantees identify, and think colleges and universities are best served when they do not chase funder support but seek consistent and long-term relationships with foundations that want to fund projects that match a school's priorities.

Other funders seek a middle ground, in which foundations collaborate with their grantees to develop proposals that match both the

foundation's strategic priorities and the college's or university's goals. These foundations want schools to shape their own ideas, and see their relationship with grantees as a partnership. Smaller foundations with staff that have the capacity to develop close relationships with a limited number of grantees may be most likely to adopt this approach.

## **REORIENTATION OF HIGHER EDUCATION**

As noted earlier, private foundations in higher education have prioritized access and success for low-income and first-generation students for several years. This focus remains strong across funders of all types—local, regional, national, and of all asset sizes.

However, a growing interest in workforce development and helping students launch meaningful careers post-graduation has had somewhat of a reorienting effect on how foundations perceive higher education and its role in student success. More funders now view colleges and universities as part of a continuum; one important step along a path toward individual economic self-sufficiency and sustainability, especially for low-income populations. More funders report a growing interest in non-traditional students, adult learners, and students seeking to earn employment credentials that may not include academic degrees.

This focus on economic sustainability for vulnerable students increases the importance of colleges' and universities' commitment to effectively serve low-income students. Funders want to see that schools are willing to try new approaches to help first-generation students succeed. When a foundation's goal is helping students get on the path to a successful career, schools must position themselves as partners in supporting student success beyond graduation. Some funders believe that school leaders overemphasize their individuality and are not sufficiently receptive to transforming school culture to serve priority student populations.

## SHIFTS IN PRIORITIES WILL CONTINUE

Several years ago, private foundations were investing heavily in using technology as a pedagogical tool, helping colleges and universities create Massive Open Online Courses (MOOCs) to reach new student audiences. Interest in these investments has since cooled, but funding for technology as a student-advicing tool has grown, with new grants for building scheduling software to help students complete degrees more quickly and efficiently.

Another shift is that many foundations now specifically address racial inequity and other aspects of student identity as a reflection of their commitment to social justice. Also more funders are adopting place-based strategies, and in their grant initiatives may define colleges and universities as anchor institutions that can and should work in partnership with other community institutions such as hospitals in their shared goal of improving the lives of local residents. This may not be a traditional view of institutions of higher learning, but some funders encourage schools to adopt this more holistic definition of their role in the community.

These examples point to the ever-shifting priorities of private foundations, which can frequently refresh their strategies and refine their goals. These shifts make it difficult to rely on private foundations as long-term supporters. Campus leaders can benefit from developing relationships with funders, either independently or through networks or consortia of schools, to find new opportunities to engage with them on their current priorities, and stay up-to-date as goals evolve.



### **Helping Foundations Make Better Decisions: The Philanthropy Framework as Applied to Postsecondary Education Funders**

The Philanthropy Framework<sup>3</sup> (Rockefeller Philanthropy Advisors, 2019) aims to help foundations examine how they make decisions, interact with society, and marshal resources and capabilities. This tool, which includes the concepts of charter, social compact and operating model, can be used as a guide to help foundations align all of their resources for maximum impact.

The charter, shaped by a founder's vision, defines a foundation's intended scope, culture and values—in the case of higher education funders, defining areas of postsecondary education supported priority issues and geographies.

The social compact is a foundation's implicit or explicit agreement with stakeholders about the value it creates in society, defined in part by to whom the foundation is accountable, and how independent or interconnected it is with other institutions. In the postsecondary education funding sector, a foundation that views itself as accountable to a particular community will have a different funding approach than one that is national in scope—and who the stakeholders are will impact which voices are sought out in making decisions.

The operating model includes the resources, structures and systems that enable a foundation to deliver on its goals. It includes how it carries out its funding and decision making, what resources it uses to execute its work, and the way it functions internally and with grantees or partners.

Education funders can benefit from using this lens to crystallize their focus, strategies and approaches. When foundations are internally aligned on their framework, and able to articulate their values, culture, approach and ecosystem of stakeholders, they are able to better fulfill their mission and goals.

## Conclusion

Private foundations continue to value higher education as a critical component of future success for students in need. Colleges and universities are part of the pathway to a meaningful career and economic self-sufficiency, and many have demonstrated their effectiveness in lifting graduates out of poverty. As a growing number of foundations adopt a social justice agenda and seek to address inequality, higher education plays a key role in driving economic mobility and opening doors for students of color, as well as first-generation, and low-income students.

Campus leaders should keep in mind a foundation's programmatic priorities, geographic focus, size, and relationship to its founder's values when approaching a potential funder. While some private foundations set their strategies according to their own views about the best way to support student success, others prioritize being receptive to new ideas and innovations from college and university grantees. Finding the right balance requires careful research and planning, and openness to learning from what has worked at peer institutions.

As colleges and universities develop relationships with foundation funders, one of the most important elements of building a lasting partnership is a shared focus on positive outcomes and opportunities for students. This common goal is what unifies the field and inspires funders, administrators, and faculty alike to build a stronger future.



## Works Cited

- <sup>1</sup> Rockefeller Philanthropy Advisors and the TIAA Institute. 2017. "Achieving Success in Postsecondary Education: Trends in Philanthropy." Rockpa.org. Accessed September 2019. <https://www.rockpa.org/wp-content/uploads/2017/06/ROCKPA-HigherEd-Report2-Web-Final.pdf>.
- <sup>2</sup> Council for Advancement and Support of Education. 2019. "Research Brief: Voluntary Support of Education: Key findings from data collected for the 2017-18 academic fiscal year for U.S. higher education." Case.org. February. Accessed August 30, 2019. <https://www.case.org/system/files/media/file/2018%20VSE%20Research%20Brief.pdf>.
- <sup>3</sup> Rockefeller Philanthropy Advisors. 2019. "The Philanthropy Framework." <https://www.rockpa.org/the-philanthropy-framework>

## Appendix: Postsecondary Education Networks Supported

Based on qualitative interviews with a selection of foundations, examples of networks, membership associations, or research organizations that foundations in higher education support include:

### Postsecondary Education Networks Supported

Achieving the Dream

American Association of State Colleges and Universities

Association of Public and Land-grant Universities

American Association of Colleges & Universities

American Association of Community Colleges

Aspen Institute

Coalition of Urban Serving Universities

Community College Research Center

Council of Independent Colleges

United Negro College Fund

University Innovation Alliance



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