

MEMORANDUM

TO: Aryeh Neier
FROM: Erlin Ibreck, via Diana Morris
DATE: June 11, 2012
RE: Strategic Opportunities Fund, June 19, 2012 Docket

Attached for your review and approval is one grant recommendation together with the grant summary sheet. The recommended grant to the Foundation Center will provide renewed general support.

The Foundation Center functions as the most comprehensive data base on U.S. grantmakers and their grants around the world. In a time of tremendous economic uncertainty, the Center's function as a clearinghouse for foundations and nonprofits throughout the nation is more crucial than ever. Therefore, a particular focus for the next year is to help nonprofits sustain and increase their ability to pursue their missions in the face of decreasing funding streams and increasing demand for services.

In a field that has grown and become more complex in recent years, the Center has responded by shaping its programs and services to address changing needs. For example, in 2011 it conducted a study to examine the impact of the 2008 financial crisis on social justice philanthropy. The findings of the study were published in a November 2011 report,¹ which described strategies used by foundations to cope with depleted assets immediately following the crisis; it also presented projections through 2015 for asset and grantmaking levels. Foundations working in the sphere of social justice can use this report to strategize about ways to bring additional funding to the field. For nonprofits, the findings are crucial to their planning efforts and their ability overall to weather the storm. In addition, non-profits can access a mapping tool that illustrates how foundations have distributed more than \$450 million in grants to aid those affected by the downturn.

While more than 60% of the Center's budget is financed by earned income, support from OSF and other grantmakers underwrites the free services made available by the Center to the nonprofit community. In addition, the Center continues to serve as a resource to the philanthropic community, including OSF. The Grantmaking Operations division of U.S. Programs in particular has engaged the Center in conversation in recent months with an interest in potential collaboration related to issue-based web portals and GIS mapping of grants data. In addition, the Center is currently conducting research for CBMA to identify funding trends related to philanthropic investments for black men and boys and facilitating broader dialogues within the philanthropic and nonprofit sector about how to increase and leverage resources to improve life outcomes for black men and boys.

Since 2002, OSF has funded the Foundation Center through discrete funds, initially through a USP general fund and, in more recent years, through the Strategic Opportunities Fund. We now propose renewed general support through the Executive Director's Discretionary Fund.

We look forward to any questions or feedback you may have about this recommendation.

¹ Diminishing Dollars: The Impact of the 2008 Financial Crisis on the Field of Social Justice Philanthropy

Name of Organization: Foundation Center

Tax Status: 501(c) 3 public charity

Purpose of Grant: To provide renewed general support

Previous OSI Support:
 \$60,000 (General Support 2002-2003 USP General Fund)
 \$150,000 (General Support 2003-2010 Strategic Opportunities Fund)
 \$240,000 over 2 years (Project Support 2011-2013 Campaign for Black Male Achievement)

Organization Budget: \$23,262,853

Project Budget: N/A

Source of Support: Atlantic Philanthropies, Ford Foundation; William and Flora Hewlett, John D. and Catherine T. MacArthur, Rockefeller Foundation, Robert Wood Johnson Foundation, Pew Charitable Trusts

Amount Requested: \$30,000 a year

Amount Recommended: \$60,000 over 2 years, T: 21150

Term: Two years, beginning June 1, 2012

Description of Organization:

The Foundation Center is a nonprofit service organization established by foundations in 1956. The Center's mission is to strengthen the social sector by advancing knowledge about philanthropy in the U.S. and around the world. The Center fosters public understanding of the foundation field by collecting, organizing, analyzing, and disseminating information on foundations, corporate giving, and related subjects. Its audiences include grantseekers, grantmakers, researchers, policymakers, the media and the general public.

The Center accomplishes its mission by:

- Maintaining a unique electronic database and a line of print directories containing information on virtually every active grantmaking foundation in the United States.
- Operating five professionally staffed libraries located in Atlanta, Cleveland, New York, San Francisco and Washington, D.C. that are open to the public free of charge.
- Supporting a nationwide network of Cooperating Collections, which offer free local access to a core collection of Center resources as well as user training and assistance.
- Publishing books ranging from comprehensive reference works to basic primers on fundraising and nonprofit management.
- Providing resources electronically, via the World Wide Web, and CD-ROM.
- Conducting research and special studies on the growth of the foundation field and on trends in foundation support of the nonprofit sector.
- Offering educational programs on the funding research process, proposal writing, grantmakers and their giving, and related topics.

Some of the Foundation Center's accomplishments in the past year include:

I. Empowering donors with knowledge tools they need to be more strategic by:

- Hiring two new directors (in New York and in Brussels) of GrantCraft, a project it took over last year which aims to hone grantmaking skills; releasing a new GrantCraft report, *Learning When There's No Time to Learn*; and launching Arabic translations of its popular GrantCraft guides;
- With support from the Conrad N. Hilton Foundation, launching the Washfund.org web portal specifically for funders working to improve water access, sanitation, and hygiene; issuing new research reports—*Moving Education Reform Forward: Grantmakers Reflect on a Convening with State and Local Government Education Leaders*; *Foundation Leaders Address the State Budget Crises*; and *Key Facts on Mission Investing*—and conducting a series of nine webinars specifically geared toward education funders;
- Developing MapShots, an interactive map that visualizes the distribution of more than \$450 million in foundation grants to aid those affected by the economic downturn;
- Coding 15,000 human rights grants as part of a collaborative project with the International Human Rights Funders Group.

II. Building the global data platform for philanthropy by:

- Increasing the list of funders who submit their grants data to the Center electronically to over 700;
- Launching a new and improved version of the Foundation Center Updater platform, which allows grantmakers to make direct updates to their *Foundation Directory Online* profile;
- Adding 21 new codes to the “field of activity/recipient type” taxonomy, refining existing codes, improving the display of terms in the online products, and adding thousands of new geographic locations outside of the U.S. to the Center's database to classify a grant's area of impact;
- Working with a variety of international organizations to capture more information about institutional philanthropy abroad, bringing the cumulative total of non-U.S. foundations to well over 5,000;
- Creating an RSS feed of grants related to the earthquake/tsunami/meltdown disasters in Japan in 2011;
- Developing an *International Project Funding: U.S. Foundations and the World Bank* application for the World Bank's “Apps for Development” competition, for which the Foundation Center received the Large Organization Recognition Award;
- Re-launching the redesigned *Foundation Grants to Individuals Online* database;
- Capturing supplementary giving data beyond foundation grants, including *pro bono* activities; Mission-Related Investment data; relationships between grantmaking organizations; signatories to Philanthropy's Promise; and Corporate Social Responsibility data.

Description of Program for Which Funding Is Sought:

The Foundation Center is requesting general support.

Rationale for Recommendation:

In a time of tremendous economic uncertainty, the Foundation Center's function as a clearinghouse for foundations and nonprofits throughout the nation and is more crucial than ever. Within the context of the current economic crisis and guided by an organizational strategic plan, the Center has committed itself to strengthening services in four core program areas: Information Services; Research; Nonprofit

Services; and Public Outreach. A particular focus for the next year is to help nonprofits sustain and increase their ability to pursue their missions in the face of decreasing funding streams and increasing demand for services.

Shortly after Bradford Smith joined the Foundation Center as its president, in 2011 the organization launched an ambitious 10-year strategic plan, *Foundation Center 2020*, designed to develop a state-of-the-art learning platform that will enable grantseekers to more easily find all the training tools and resources they need—both in nearby classrooms and online. This year, the Center aims to increase access to more personalized resources and trainings for grantmakers and grant seekers and build a global data platform for philanthropy to inform public discourse and encourage greater foundation transparency. The Center’s work will include:

- **Enhancement of services to the nonprofit sector**
 - **Increasing access for all users:** The focus is on connecting more nonprofits to the resources they need to thrive and on providing more donors with the data and tools they need to be strategic with their funding. In order to ensure greater access, the Center is expanding its Cooperating Collections from 460 to 475, increasing the amount of open data – data that is free of charge and without any proprietary restrictions – on its website, and enhancing local access to all five regional library/learning centers by the end of 2012. The Center plans to make more resources and training available in multiple languages and provide more customizable and locally centered information.
 - **Expanding interactive, customized resources and support:** To encourage data-driven decision making, the Center aims to provide more individualized education resources and programs which will include the development of a diagnostic tool to help its users tailor an educational curriculum to their needs. The Center also plans to add new functionality and data sets to *Philanthropy In/Sight*, an interactive mapping tool, allowing grantmakers to create customized maps with demographic overlays to show funding patterns worldwide and allow grant seekers to create customized charts and tables from the grants database at no charge.
- **Researching and reporting on facts to inform public discourse:** The Center has launched “*Philanthropy and...*” as a joint effort with IssueLab - which archives research about social issues, and advocates for the use of open licenses and open access standards in the nonprofit sector - to create a series of reports geared towards creating a solid understanding of the scale and potential of philanthropy. Over the long term, the Center aims for this research series to become known as the Foundation Center’s signature publication, to which the field looks for reliable and timely analysis. The Center will continue to produce *Foundations Today* and *Philanthropy News Digest (PND)* which funders and non-profits rely on to regularly update them on current topics in the field.
- **Encouraging greater foundation transparency:** Through the Center’s Grant Reporting program and Glasspockets.org, the Center plans to increase the amount of active registrants and expand current profiles of foundations in order to provide a more transparent and comprehensive picture of foundation profiles and giving trends.

In a field that has grown and become more complex in recent years, the Center’s board and staff have responded by shaping its programs and services to address changing needs. While more than 60% of the Center’s budget is financed by earned income, support from OSI and other grantmakers underwrites the free services made available by the Center to the nonprofit community. In addition, the Center continues to serve as a resource to the philanthropic community, including OSF. The Grantmaking Operations division of U.S. Programs in particular has engaged the Center in conversation in recent months with an interest in potential collaboration related to issue-based web portals and GIS mapping of grants data. In addition, the Center is currently conducting research for

CBMA to identify funding trends related to philanthropic investments for black men and boys and facilitating broader dialogues within the philanthropic and nonprofit sector about how to increase and leverage resources to improve life outcomes for black men and boys.

We regard the Foundation Center as an important resource and thought partner, and recommend renewed general support funding from the Executive Director's Discretionary Fund, at the level of \$60,000 over two years to support the Center's work as it continues to serve as a critical resource to grantseekers and grantmakers in challenging economic times.