

# Grantee Perception Report®

prepared for the

## McKnight Foundation

Fall 2006



THE CENTER FOR  
EFFECTIVE PHILANTHROPY

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# Background

- ◆ Since February 2003, the Center for Effective Philanthropy (CEP) has conducted surveys of grantees on their perceptions of their foundation funders both on behalf of individual foundations and independently. The purpose of these surveys is two-fold: to gather data that is broadly useful – forming the basis of research reports such as *Listening to Grantees: What Nonprofits Value in Their Foundation Funders* (2004) and *Foundation Communications: The Grantee Perspective* (2006) – and to provide individual foundations with Grantee Perception Reports.
  
- ◆ **The Grantee Perception Report® (GPR) shows an individual foundation its grantee perceptions relative to a set of perceptions of other foundations whose grantees were surveyed by CEP.**
  - It is important to note that, on most questions, grantee ratings cluster toward the high end of an absolute scale.
  - Grantee perceptions must be interpreted in light of the unique strategy of the foundation.
    - The survey covers many areas in which grantees' perceptions might be useful to a foundation. Each foundation should place emphasis on the areas covered according to the foundation's specific priorities.
    - Low ratings in an area that is not core to a foundation's strategy may not be concerning to a foundation. For example, a foundation that does not focus efforts on public policy would likely receive lower than average ratings in this area if it is adhering to its strategy.
  - Finally, across most measures in this report, foundation structural characteristics – such as type, asset size, focus, and age – are not strong predictors of grantee perceptions, suggesting that it is possible for all foundations to attain high ratings from grantees.

# Methodology (1)

- ◆ The Center for Effective Philanthropy (CEP) has surveyed more than 40,000 grantees of 190 foundations since spring 2003. Please see the Appendix for a list of all foundations whose grantees CEP has surveyed.
- ◆ This Grantee Perception Report® (GPR) contains data collected over the last three years, and includes more than 19,000 grantee responses of 142 foundations.<sup>1</sup>
  - CEP surveyed 451 fiscal year 2005 grantees of the McKnight Foundation (“McKnight”) during September and October 2006.
  - CEP received 336 completed responses, a 75 percent response rate.
  - Grantees submitted responses via mail and the Web.<sup>2</sup>
- ◆ McKnight provided grantee contact information.
- ◆ Whenever possible, McKnight grantees’ average responses from CEP’s 2003 survey of McKnight’s grant recipients are shown.
  - Note: Most differences between these two groups are not statistically significant at 90% confidence. Differences that are statistically significant are summarized on page 72 of this report.
- ◆ Selected grantee comments are shown throughout this report. This selection of comments highlights major themes, and reflects trends in the data. These selected comments over-represent negative comments about the Foundation in order to offer foundation leadership a wide range of perspectives.

1: The average response rate for individual foundations over the last three years of surveys is 65 percent.

2: There are no meaningful differences between responses received via the mail or the Web.

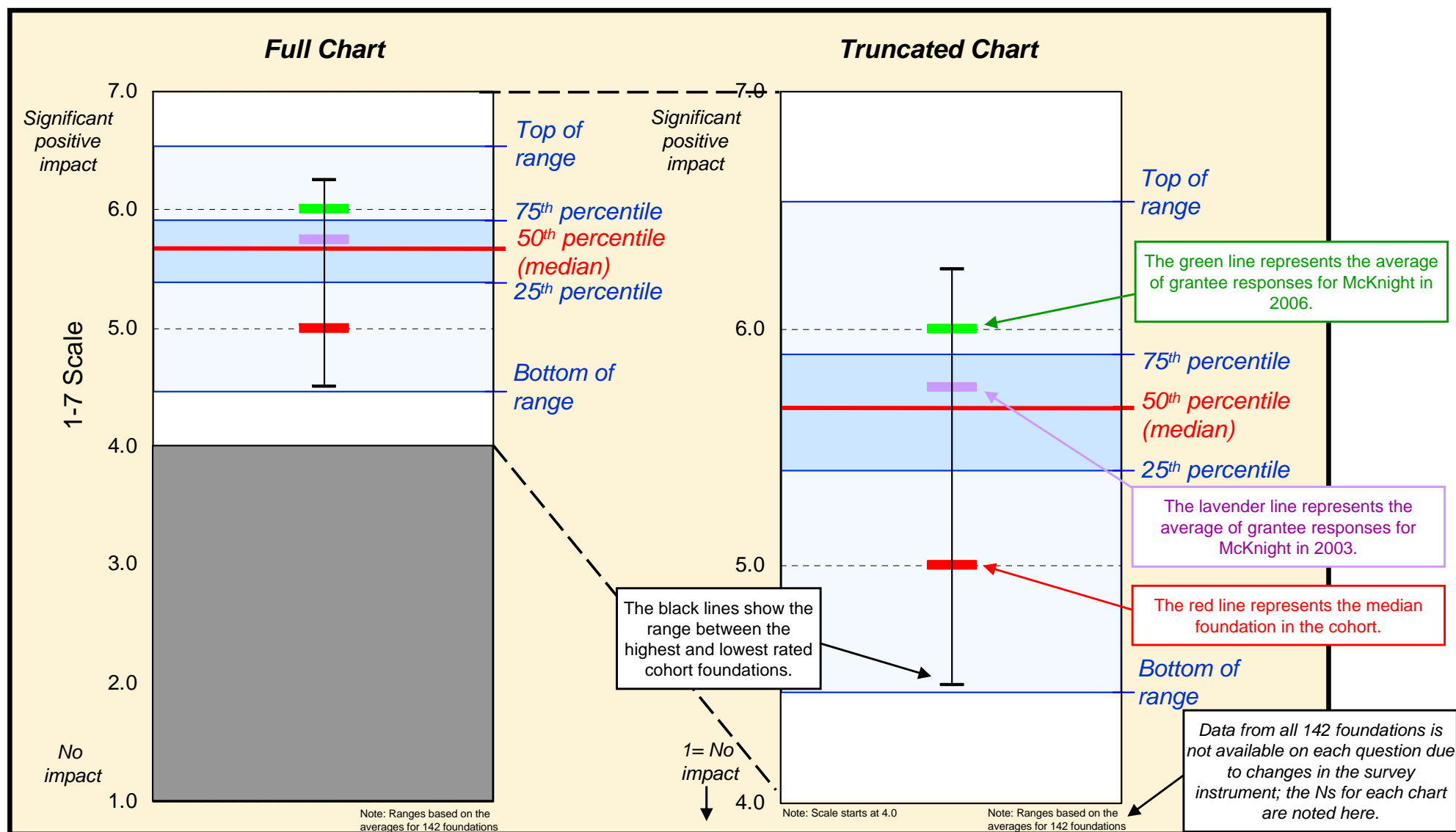
Note: In CEP’s 2003 survey of McKnight grantees, 366 grantees were surveyed and 278 responses were received, 76% response rate.

## Methodology (2)

- ♦ The average response for McKnight is shown throughout this report relative to the range of responses for all foundations CEP has surveyed from 2004 through 2006.
  - In addition, McKnight is compared to a cohort of peer foundations with assets over \$500MM and a regional focus. The 14 foundations that comprise this group are:
    - Blandin Foundation
    - Bush Foundation
    - Evelyn and Walter Haas, Jr. Fund
    - Hall Family Foundation
    - Missouri Foundation for Health
    - Rasmuson Foundation
    - Robin Hood Foundation
    - The Ahmanson Foundation
    - The Annenberg Foundation
    - The California Endowment
    - The Duke Endowment
    - The James Irvine Foundation
    - The McKnight Foundation
    - Virginia G. Piper Charitable Trust
  - Note: Many differences between McKnight's average rating in 2006 and the average rating of the median cohort foundation are statistically significant at 90% confidence. Differences that are statistically significant are noted with a star (★).

# Reading GPR Graphs

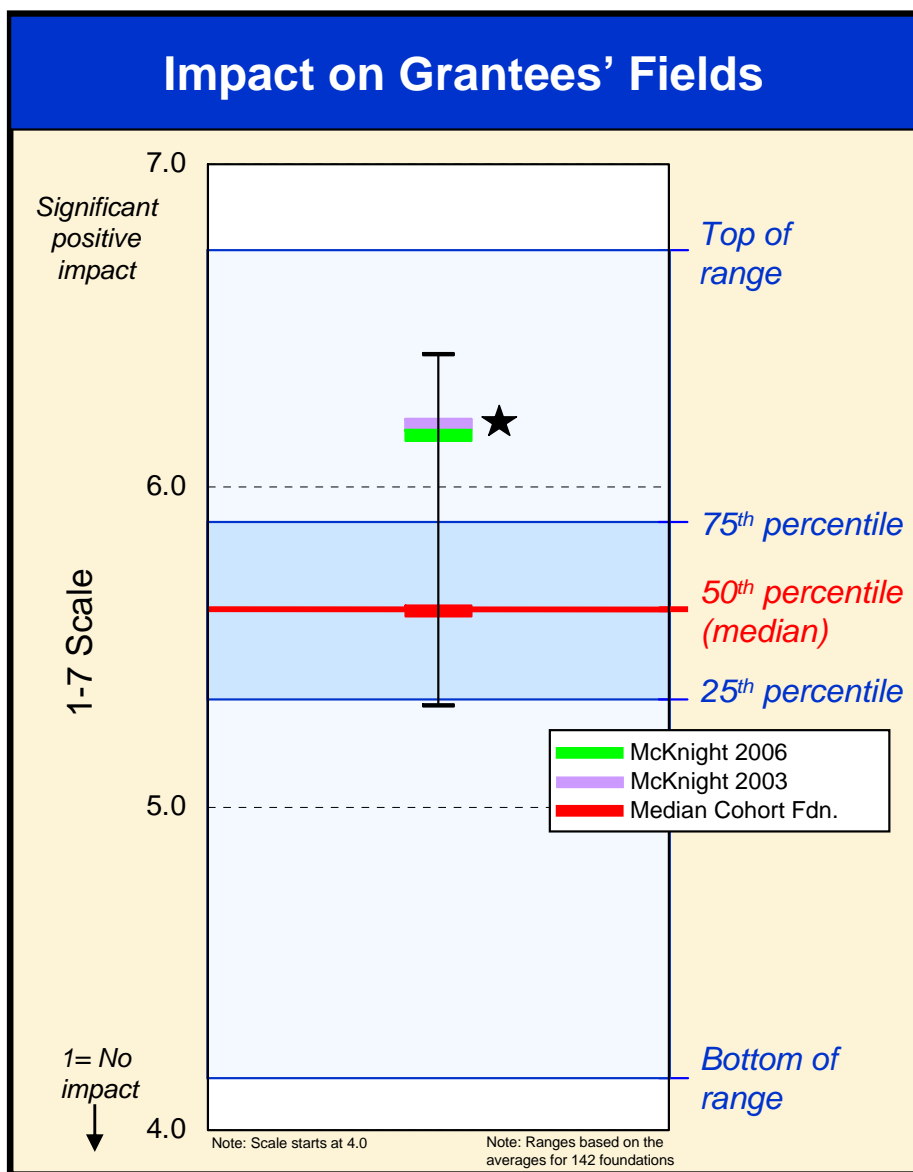
Much of the grantee perception data in the GPR is presented in the format below. These graphs show average ratings of grantee responses for individual foundations, over a background that shows percentiles for the full sample of grantee ratings of all 142 foundations. **Throughout the report, many charts in this format are truncated from the full scale because foundation averages fall within the top half of the range.**



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# Impact on Grantees' Fields

McKnight grantees rate the Foundation's impact on their fields more positively than do grantees of the median foundation and the median cohort foundation.



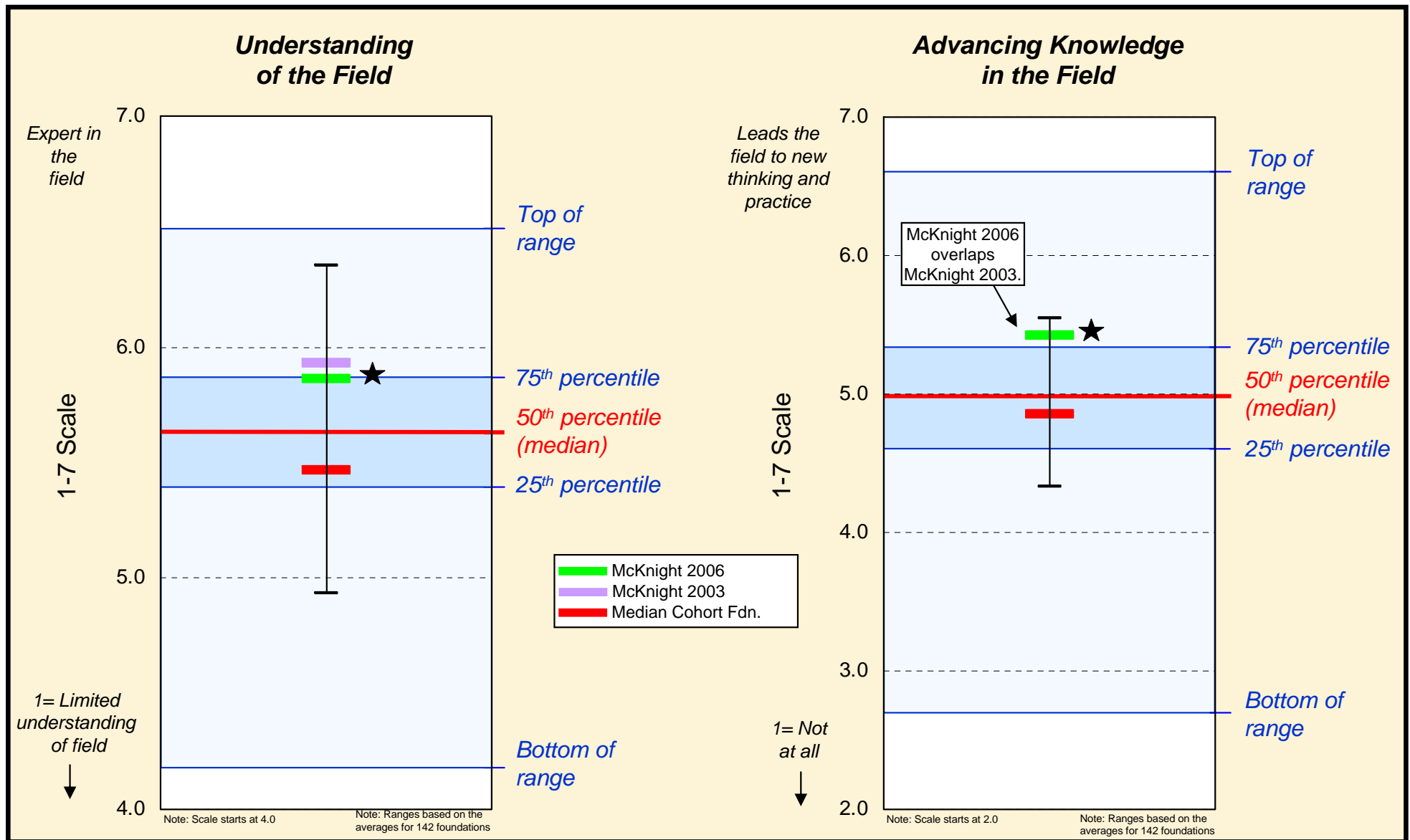
## Selected Grantee Comments

- ◆ “[Their impact is] huge. I can't begin to elaborate. Their research and study and commitment to artists and the arts is overwhelming.”
- ◆ “Impact in our field in MN has also been tremendous – McKnight can set or change direction and the effects are felt throughout the field.”
- ◆ “Multiple grant programs, consistent funding, and funding to change the field as well as advance it, have made McKnight an exceptional leader. They convene, lubricate, invest and challenge the field and its work.”
- ◆ “The Foundation has been a leader in supporting work on the Mississippi River and is unafraid to deal with controversial subjects.”
- ◆ “McKnight has a great impact when it comes to shaping public policy. Their dollars are strategically spent.”
- ◆ “The Foundation has been a very supportive donor, and its support has had significant impact on our ability to foster innovation at the field level.”

Note: This question includes a “don't know” response option. 6 percent of McKnight respondents answered “don't know,” compared to 11 percent at the median foundation.

# Understanding and Advancing Knowledge in Fields

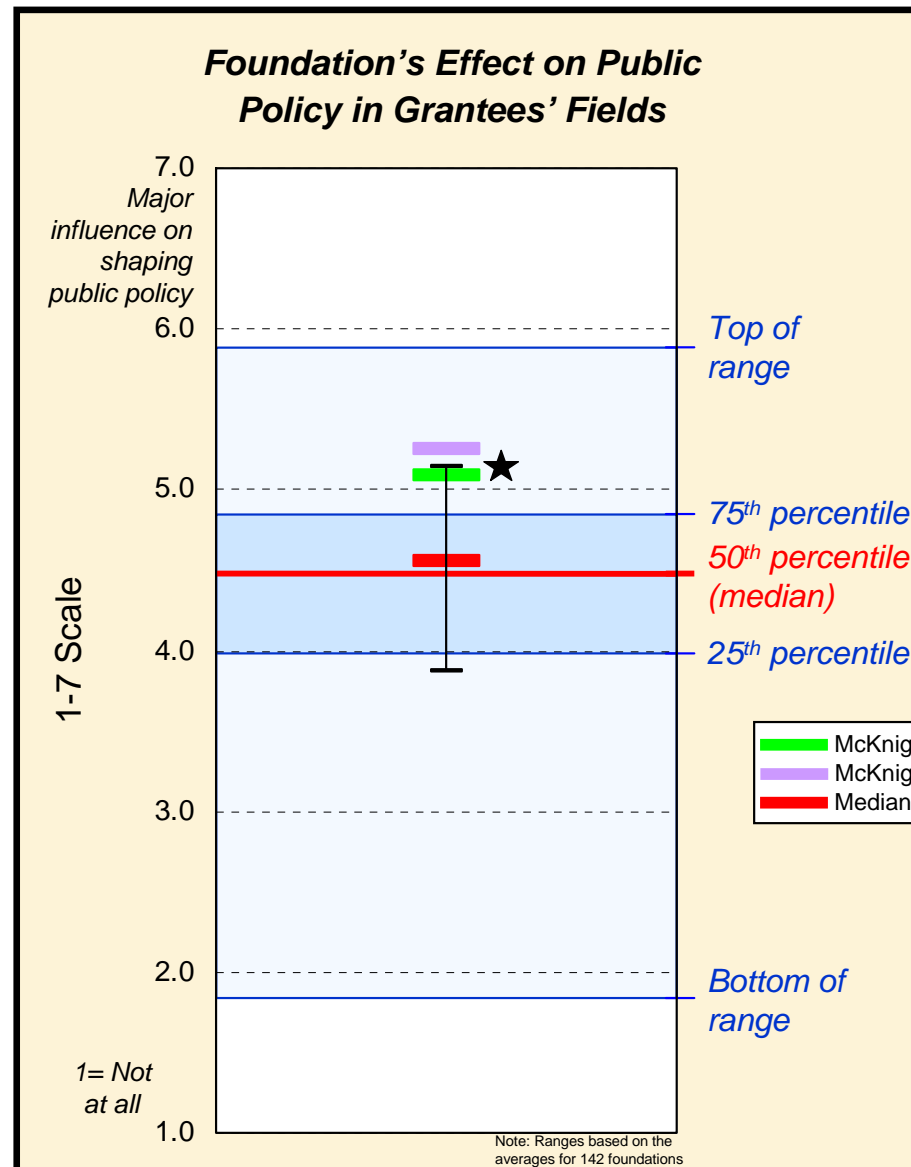
Relative to the median foundation and the median cohort foundation, McKnight is perceived to have a greater understanding of its fields of funding and a greater ability to advance knowledge in those fields.



Note: The questions depicted in these charts include a "don't know" response option. In the left-hand chart, 3 percent of McKnight respondents answered "don't know," compared to 8 percent at the median foundation. In the right-hand chart, 14 percent of McKnight respondents answered "don't know," compared to 27 percent at the median foundation.

# Effect on Public Policy

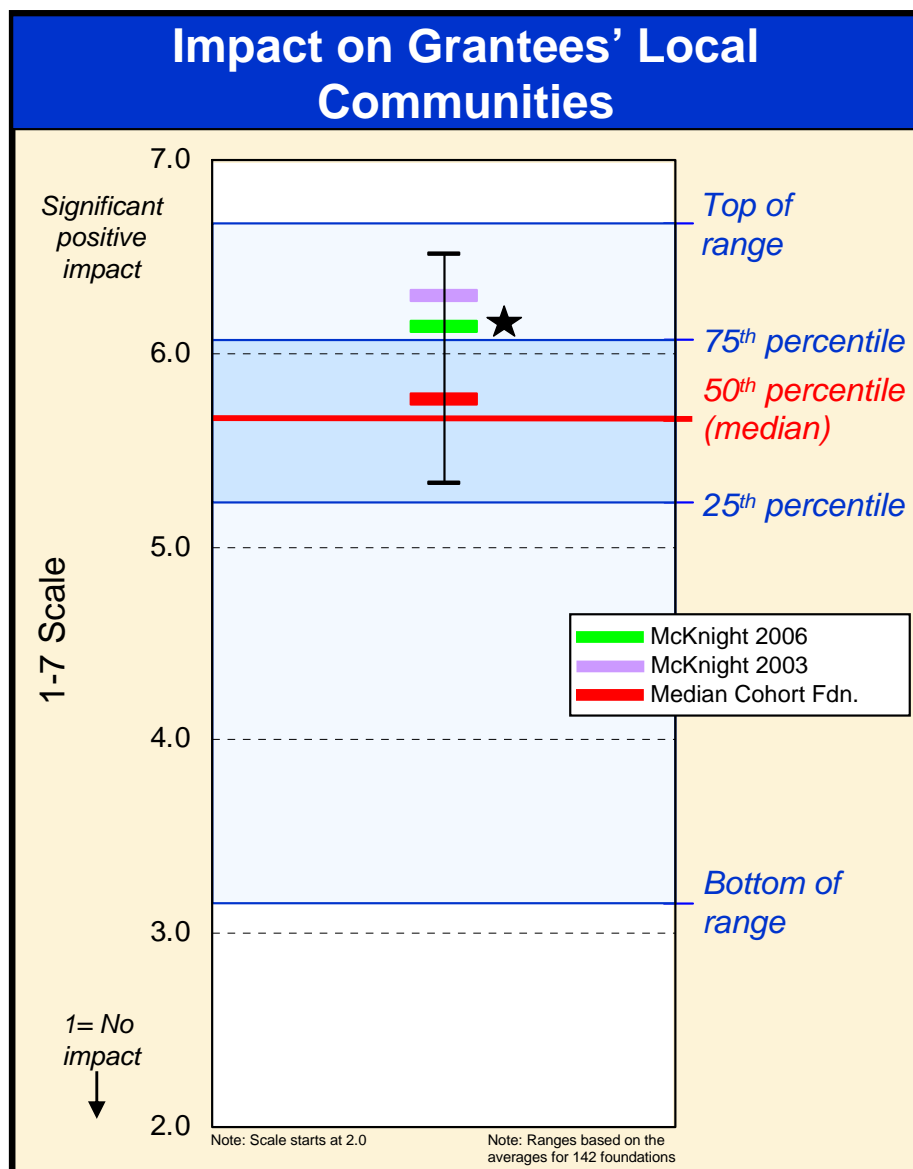
McKnight is seen as having more influence on public policy in its fields than the median foundation and median cohort foundation.



Note: This question includes a "don't know" response option. 25 percent of McKnight respondents answered "don't know," compared to 44 percent at the median foundation.

# Impact on Grantees' Local Communities

McKnight grantees rate the Foundation's impact on their local communities above the average ratings received by the median foundation and median cohort foundation.



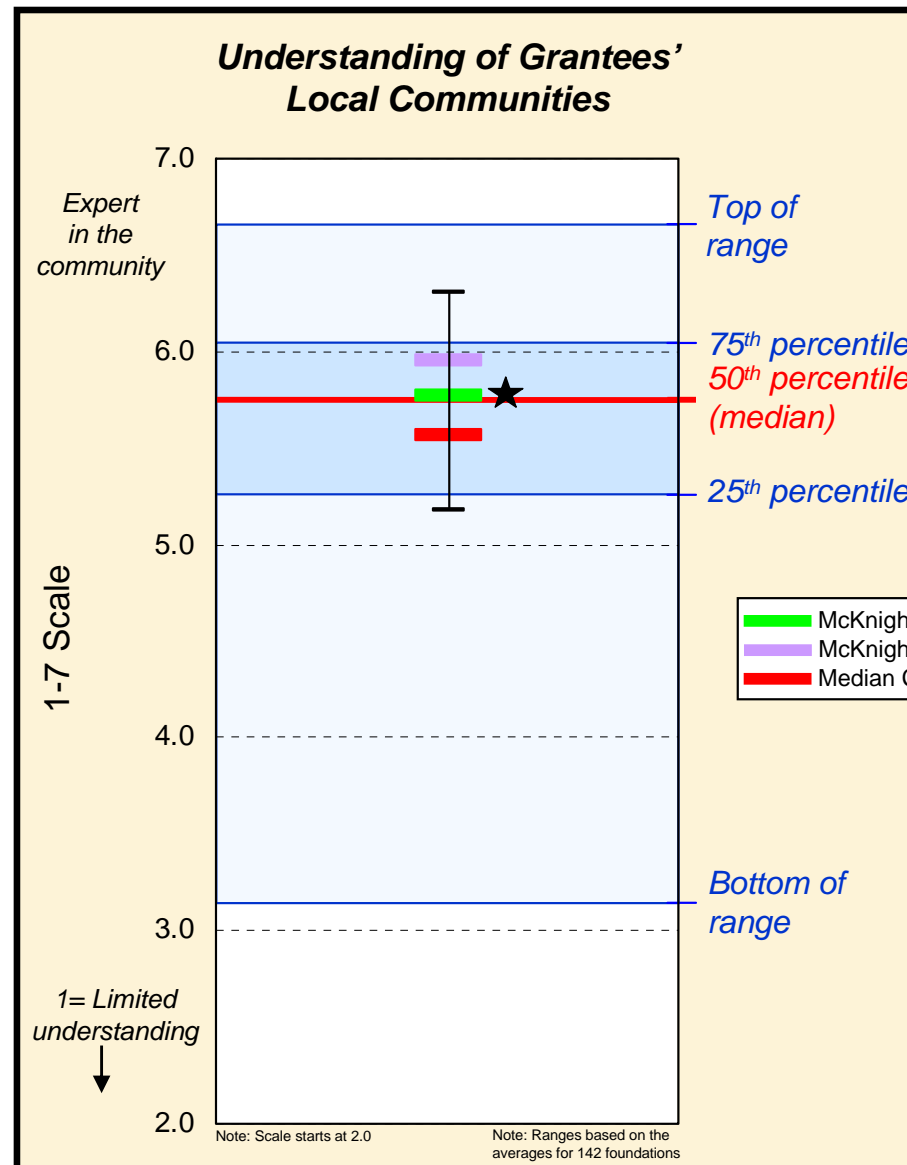
## Selected Grantee Comments

- ◆ *“The McKnight Foundation began in the Twin Cities community and knows it well. This knowledge, and years of philanthropic activity in this community, has born much fruit. Countless people, organizations, and communities have been empowered and/or improved by the investments made by the Foundation.”*
- ◆ *“The impact is very measurable. ... Greater MN would be a very different place without McKnight's investment ... McKnight's willingness to support economic development was and remains critical.”*
- ◆ *“The Foundation has played a critical role in facilitating the development of policies, relationships, and programs that touch the core of community sustainability and vitality here.”*
- ◆ *“In our local community, the impact has been immeasurable. The Foundation's commitment of resources has caused others to give and see the value of philanthropy.”*
- ◆ *The impact of the Foundation on the shape of rural Minnesota is invaluable.”*

Note: This question includes a “don't know” response option. 6 percent of McKnight respondents answered “don't know,” compared to 11 percent at the median foundation.

# Understanding of Grantees' Local Communities

McKnight grantees rate the Foundation's understanding of their communities similarly to the rating of the median foundation and above the rating of the median cohort foundation.



Note: This question includes a "don't know" response option. 8 percent of McKnight respondents answered "don't know," compared to 14 percent at the median foundation.

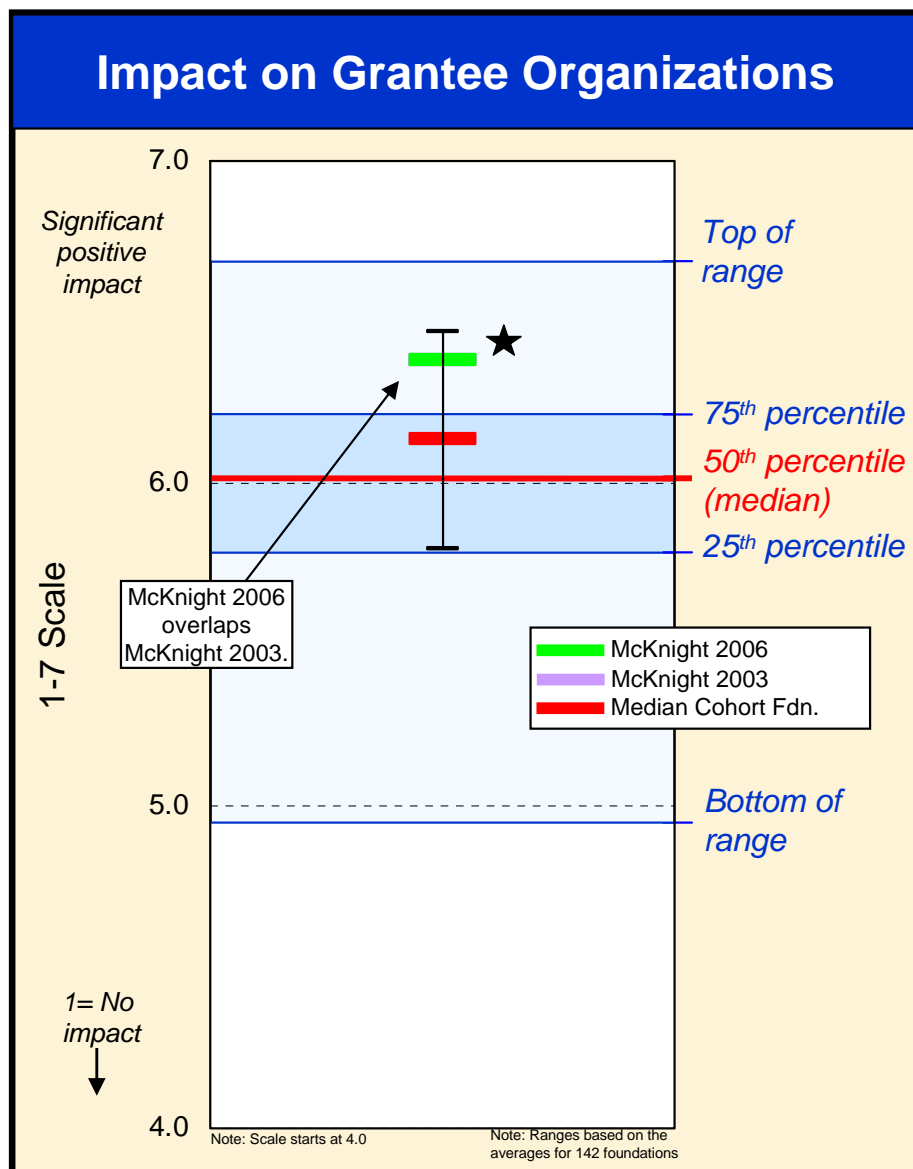
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# Impact on Grantee Organizations

McKnight grantees rate the Foundation's impact on their organizations more positively than the median foundation and median cohort foundation are rated by their grantees.

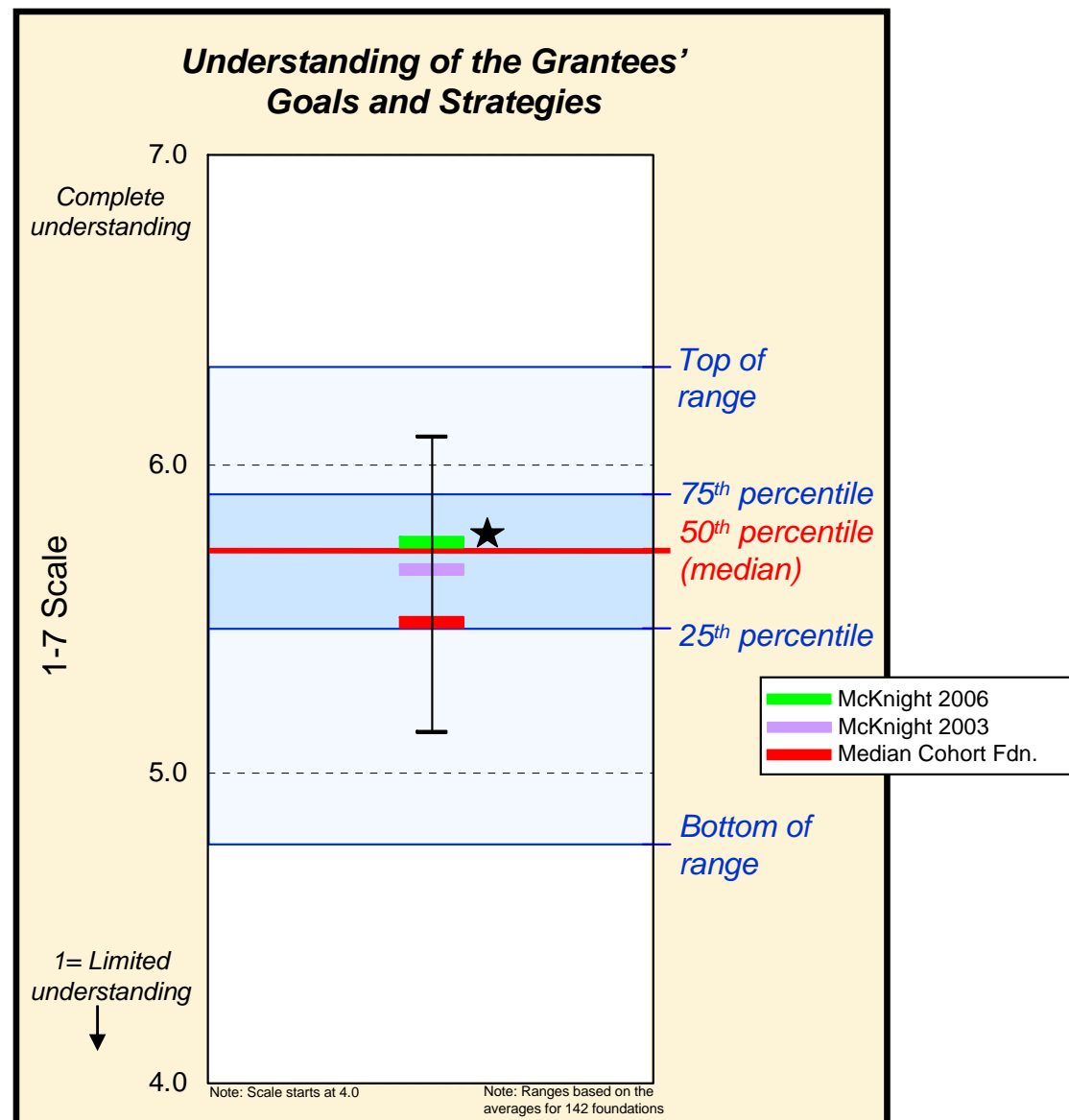


## Selected Grantee Comments

- ◆ *“Working with the Foundation has been an excellent experience. I learn from each interaction, and they are an important contributor in our work. I also believe that the officers are dealing with an understanding of the complexity of the issues that we are trying to address. That understanding makes our relationship more of a partnership.”*
- ◆ *“The McKnight Foundation can be credited with helping our organization move in a new strategic direction, which has revitalized our organization, improving our practice and increasing our impact.”*
- ◆ *“McKnight Foundation is one of the best funders we work with, completely understanding the realities of a small arts organization. Very supportive, very encouraging.”*
- ◆ *“So few funds give general operating grants, without McKnight we would not have the opportunity to sustain an adequate organizational infrastructure.”*

# Understanding of Grantees' Goals and Strategies

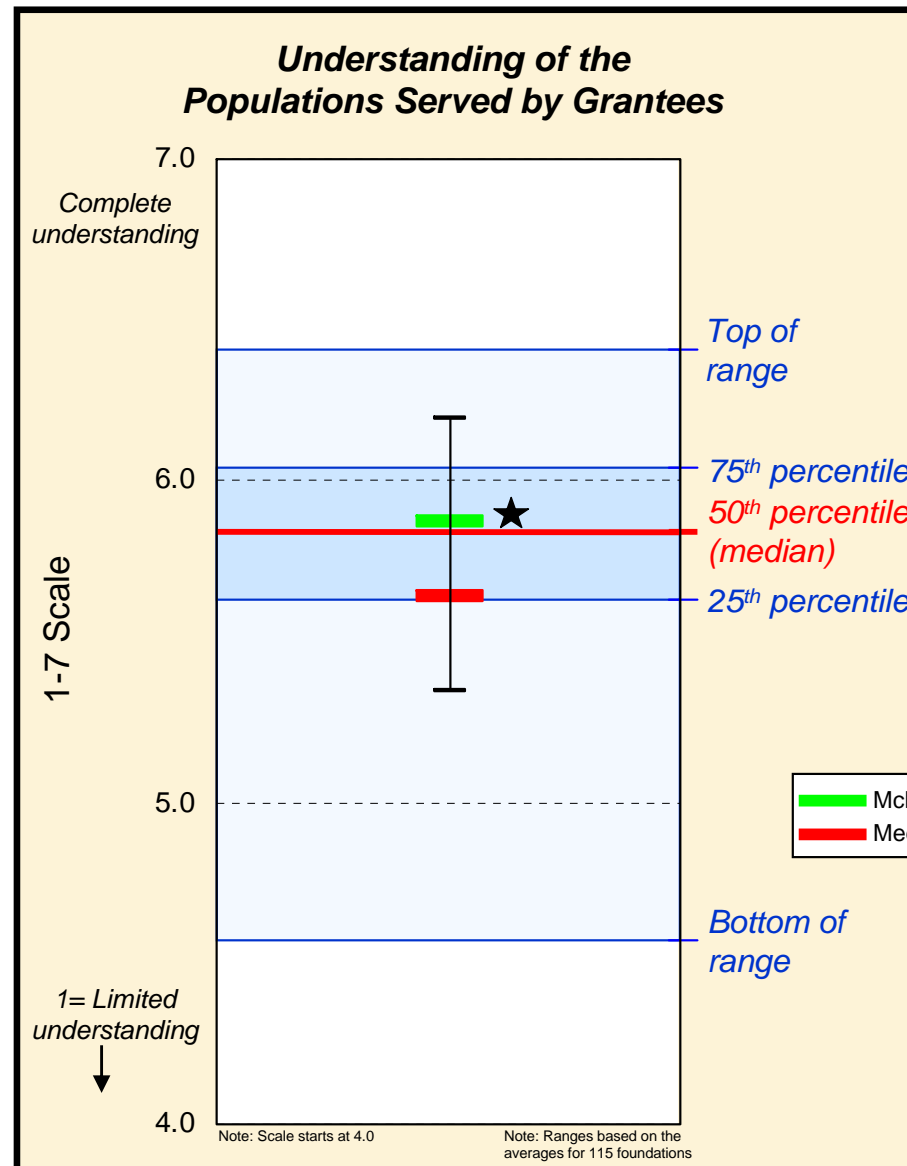
McKnight grantees rate the Foundation's understanding of their organizations' goals and strategies similarly to the rating received by the median foundation and above the rating received by the median cohort foundation.



Note: This question includes a "don't know" response option. 6 percent of McKnight respondents answered "don't know," compared to 8 percent at the median foundation.

# Understanding of the Populations Served by Grantees

McKnight grantees rate the Foundation's understanding of the population(s) served by the grantee similarly to the rating received by the median foundation and above the rating received by the median cohort foundation.

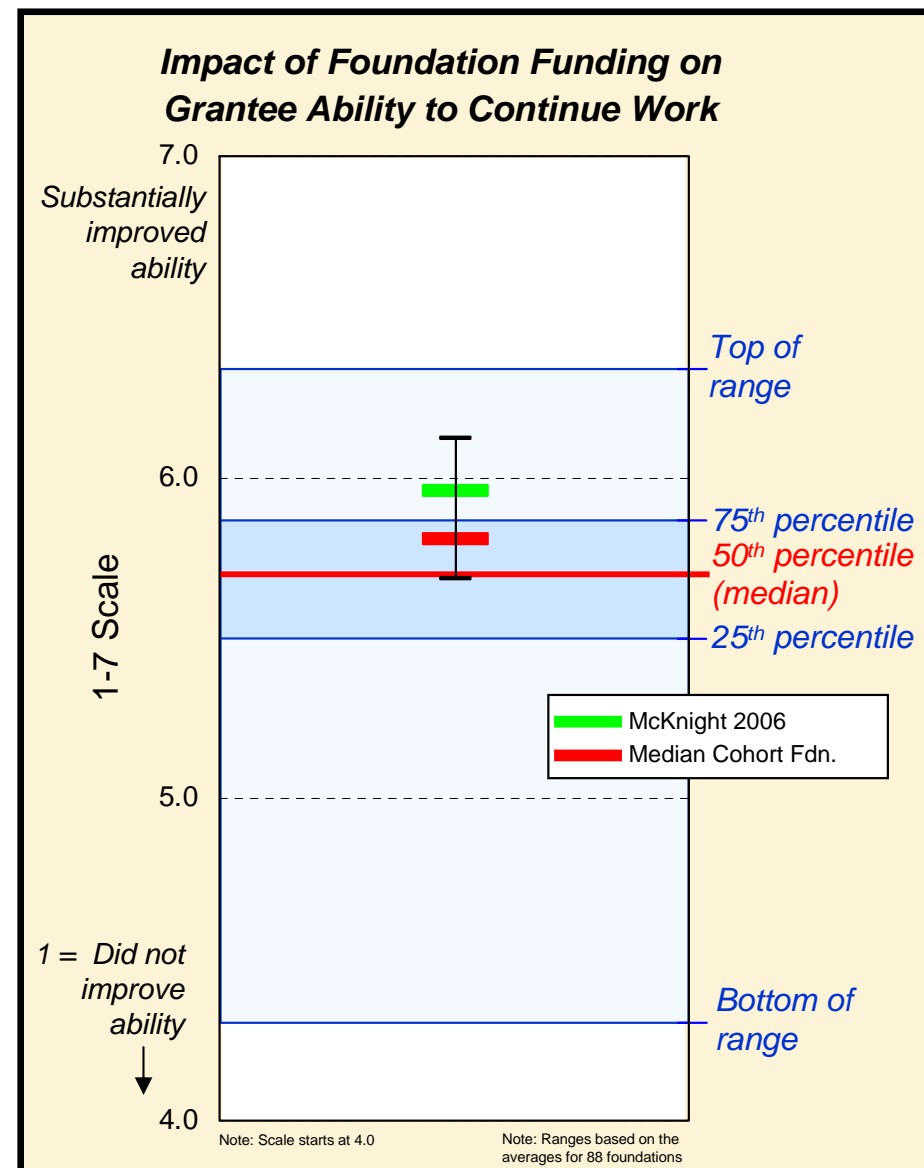
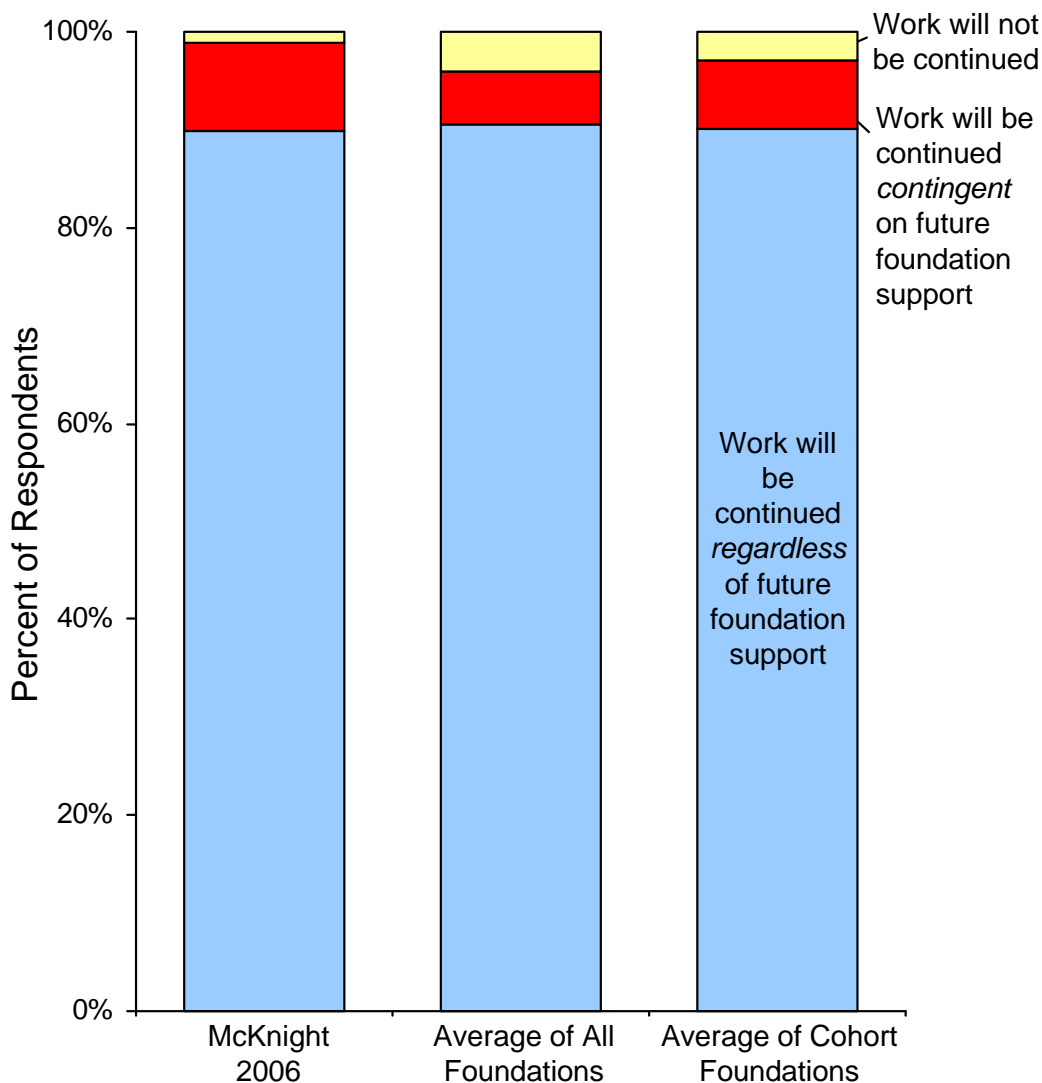


Note: This question includes a "don't know/not applicable" response option. McKnight percent of McKnight respondents answered "don't know/not applicable," compared to 8 percent at the median foundation. McKnight 2003 data not available due to changes to the survey instrument.

# Sustainability of Funded Work

A larger than typical proportion of McKnight grantees state that the work funded by their grant from the Foundation will be continued beyond the grant period *contingent* on future foundation support. McKnight grantees' rating of the Foundation's impact on their ability to continue their work is above the ratings received by the median foundation and median cohort foundation.

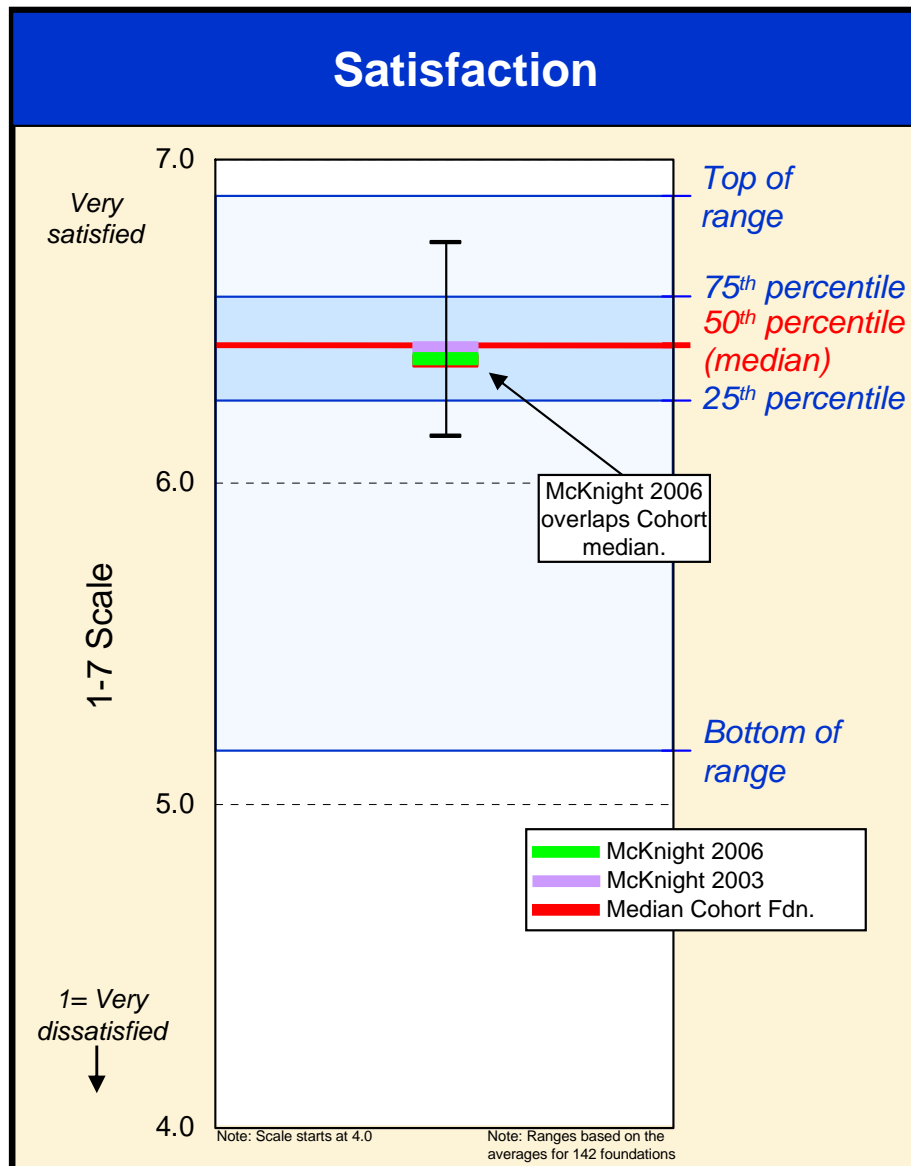
**Plans for Funded Work Beyond the Grant Period**



Note: Left-hand chart includes data about 88 foundations. McKnight 2003 data not available due to changes to the survey instrument.

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McKnight grantees are as satisfied with their experience with the Foundation as grantees of the median foundation and median cohort foundation.



## Selected Grantee Comments

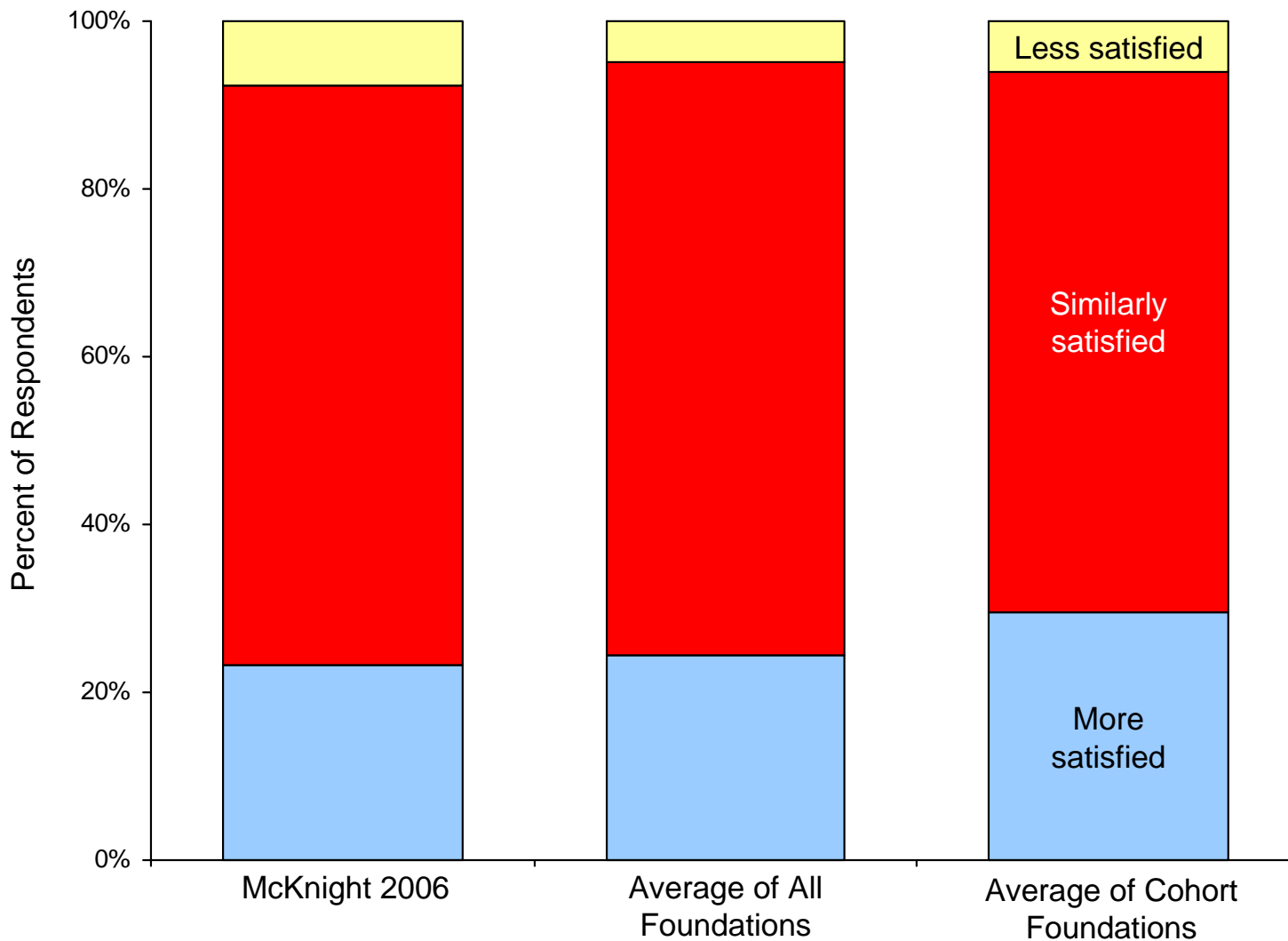
- “I have been impressed with the levels of professionalism, patience, and humility demonstrated through the Foundation's operations, processes, interactions and communications. Not being internal to the Foundation's own system, I can only comment from the outside, but from my vantage point, it appears that the Foundation has succeeded in fostering an internal culture that is respectful, warm, creative, welcoming, and places a value on excellence.”
- “In the last several years, there has been much change at the Foundation; new board members, departure of the president. The Foundation has been in turmoil. Recently staff has been aloof, and the Foundation sends conflicting, confusing, vague and sometimes disrespectful messages. (I'm certain disrespect is not intentional, but it is quite a departure from McKnight's great traditions). There is a vacuum and great disconnect from the broader community.”

**Survey-Wide Analysis Fact:** Three dimensions best predict grantee perceptions of satisfaction with their foundation funders: 1) *Quality of Interactions with Foundation Staff:* fairness, responsiveness, approachability; 2) *Clarity of Communication of a Foundation's Goals and Strategy:* clear and consistent articulation of objectives; 3) *Expertise and External Orientation of the Foundation:* understanding of fields and communities of funding and ability to advance knowledge and affect public policy. For more on these findings and resulting management implications, please see CEP's report, *Listening to Grantees: What Nonprofits Value in Their Foundation Funders.*

# Satisfaction Relative to Last Year

A typical proportion of McKnight grantees report that they are similarly satisfied with the Foundation as they were last year.

**Change in Satisfaction with the Foundation from Last Year**



Note: Question asked of grantees that were receiving funding from the Foundation last year as well as this year. This chart includes data about 88 foundations. McKnight 2003 data not available due to changes to the survey instrument.

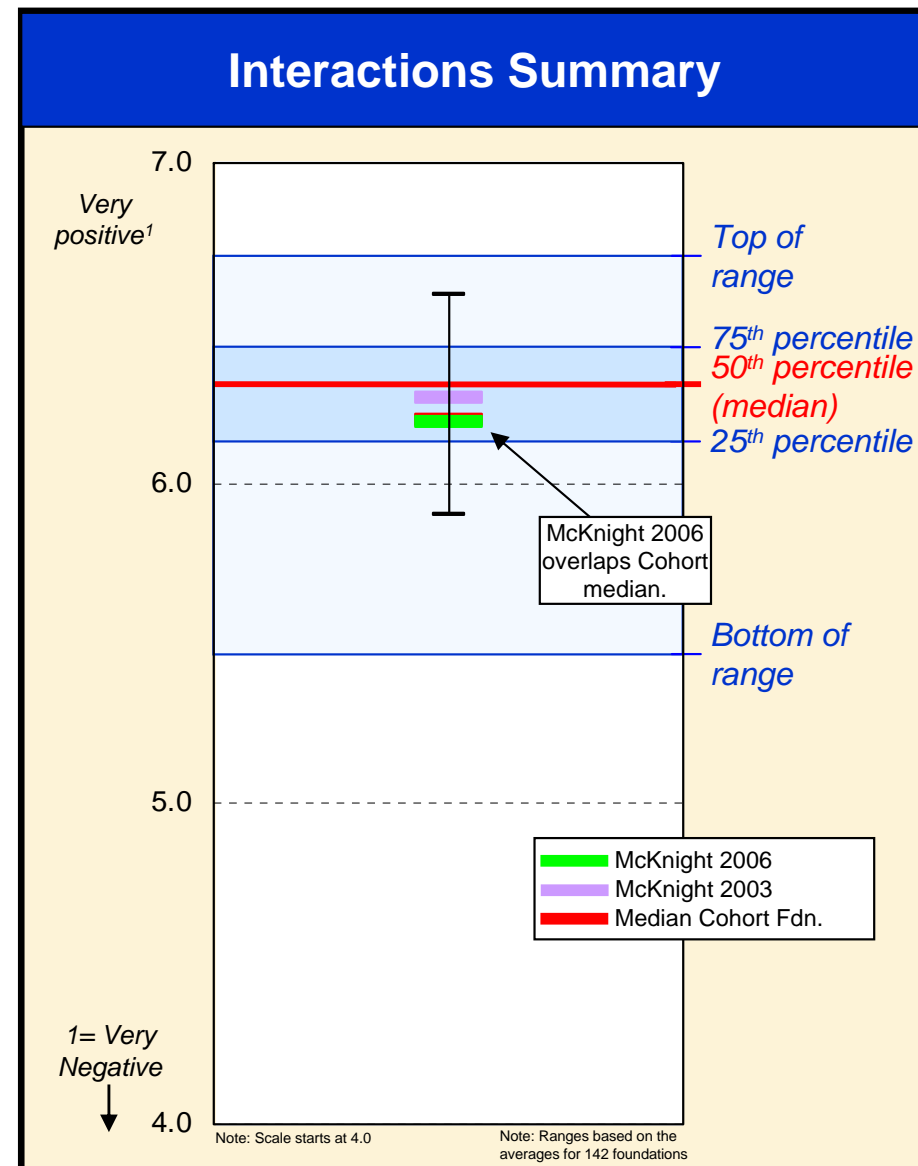
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# Grantee Interactions Summary

On a composite summary measure of three aspects of interactions (listed below), McKnight is rated less positively by its grantees compared to the rating of the median foundation and similarly to the rating of the median cohort foundation.

This summary includes:

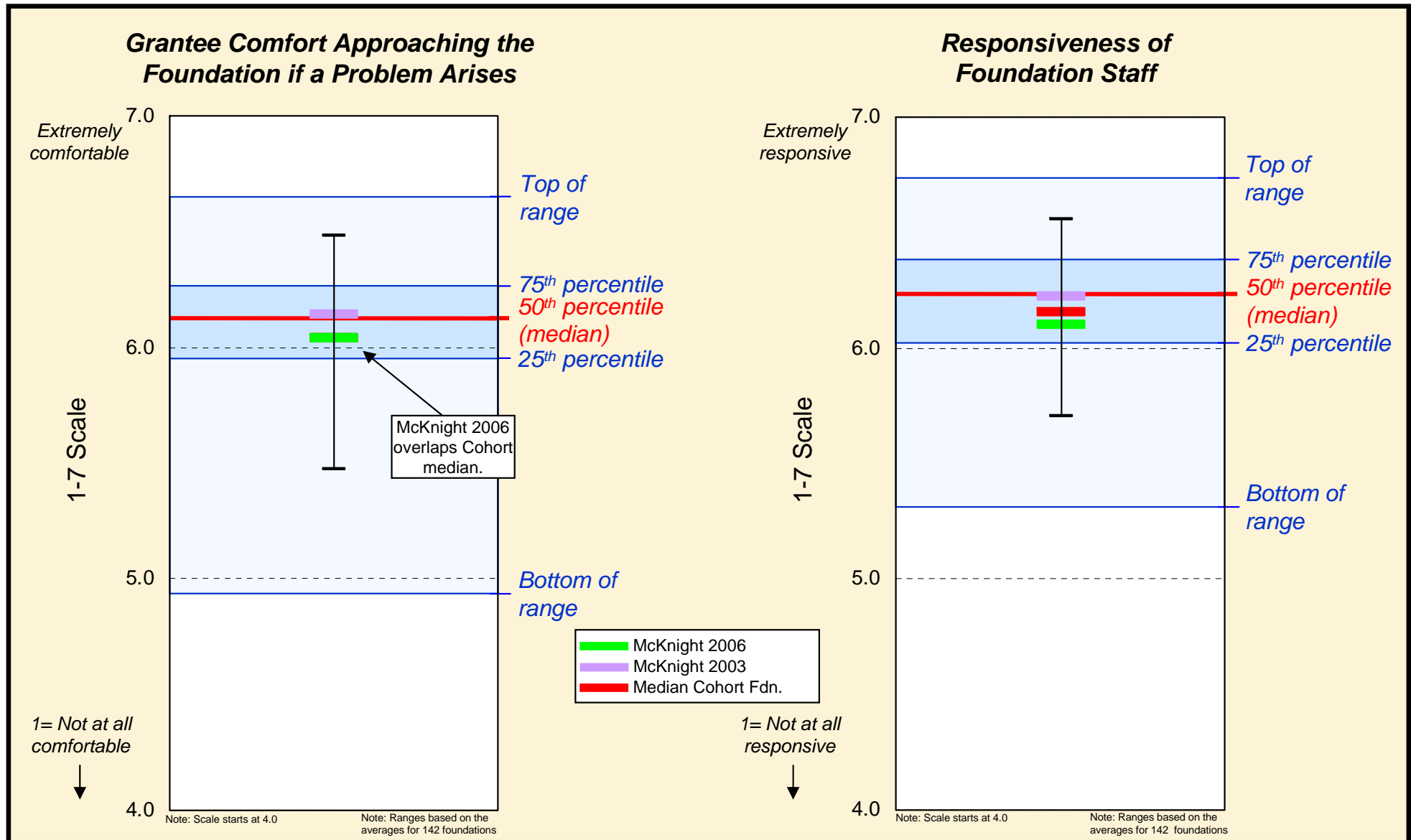
- *How comfortable grantees feel approaching the Foundation if a problem arises*
- *Responsiveness of the Foundation staff*
- *Fairness of the Foundation's treatment of grantees*



Note: Index created by averaging grantee ratings of comfort approaching the Foundation if a problem arises, responsiveness of the Foundation staff, and fairness of the Foundation's treatment of grantees – ratings which are highly correlated.

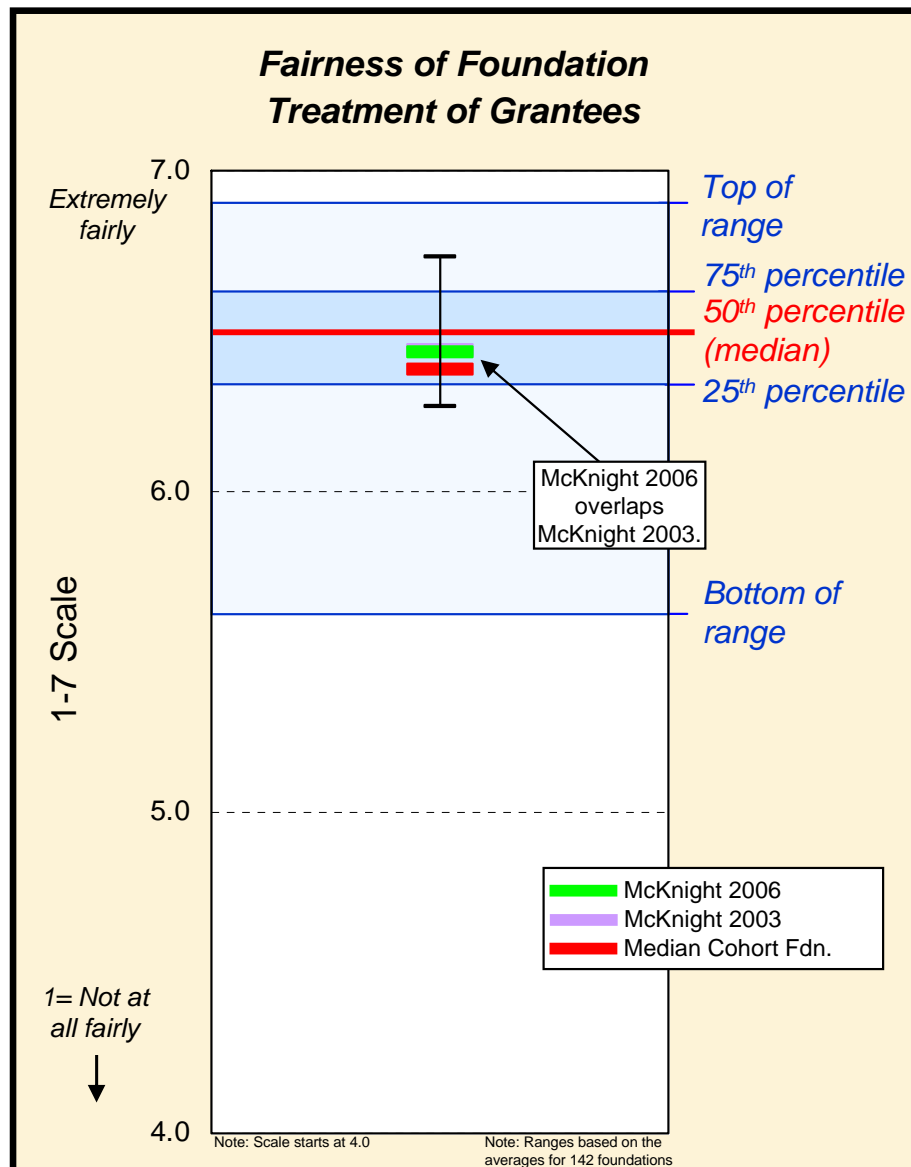
# Interactions Measures (1)

In comfort in approaching the Foundation if a problem arises, McKnight grantees rate the Foundation similarly to ratings of the median foundation and median cohort foundation. In responsiveness of Foundation staff, McKnight grantees rate the Foundation less positively than the median foundation and similarly to the median cohort foundation.



# Interactions Measures (2)

In fairness of treatment of grantees, McKnight grantees rate the Foundation similarly to ratings of the median foundation and median cohort foundations by their grantees.



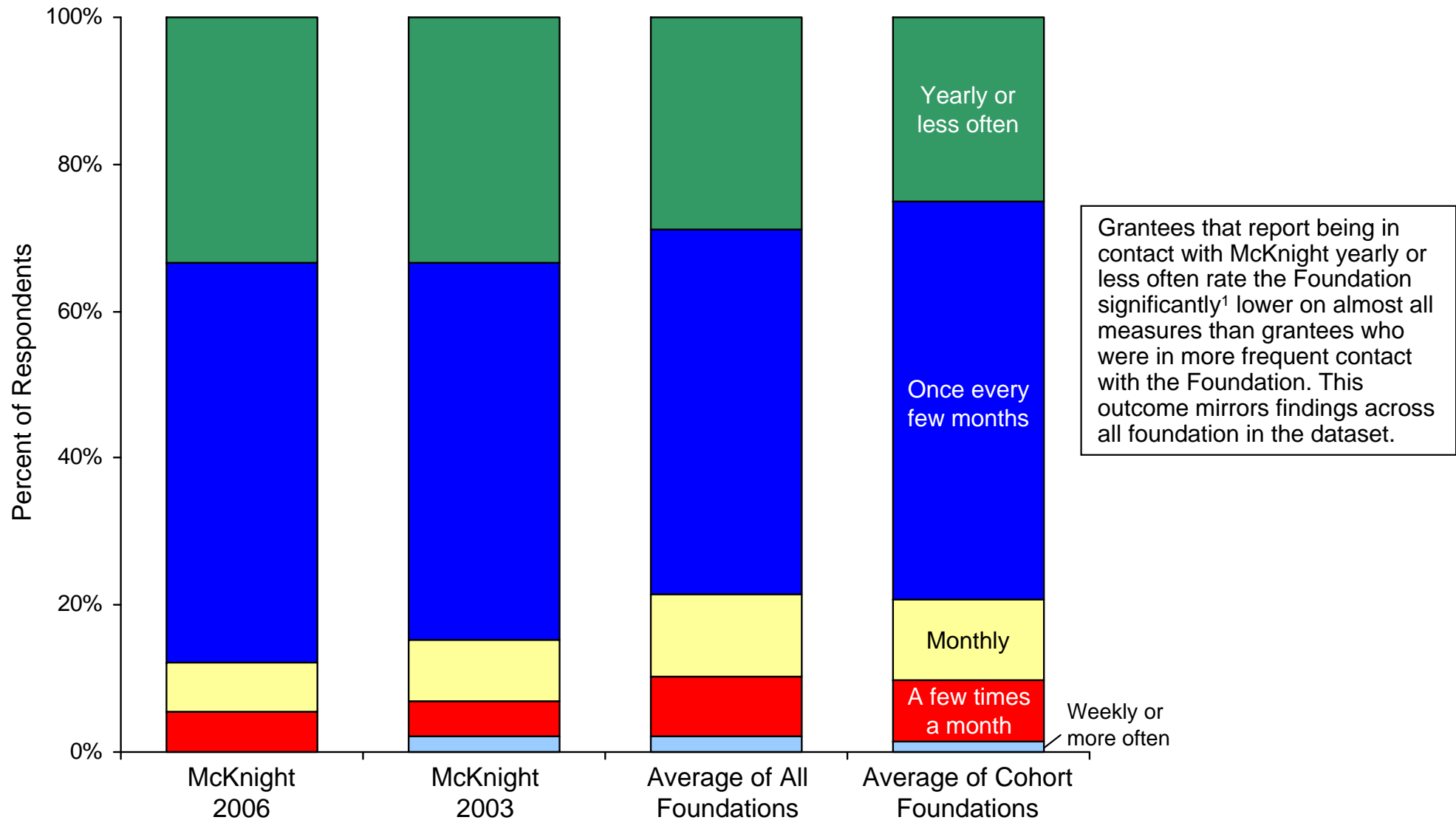
## Selected Grantee Comments

- ◆ *“The Foundation has one of the best approaches to program development and applicant interaction that we have seen. It is focused and clear without being overbearing.”*
- ◆ *“Communication had been A+ until last year’s turnover and re-examination of McKnight’s priorities. With so many new people, it’s been very difficult to get calls returned and to know who to contact.”*
- ◆ *“I have always found the Foundation staff and resources to be extremely accessible and helpful. They are also terrific problem solvers and listeners when questions or concerns arise.”*
- ◆ *“Communications can be very sporadic which causes disjointed direction, input, and perceptions. Foundation staff appear very overwhelmed.”*
- ◆ *“The McKnight Foundation is a very professional/friendly foundation. We have received only the most professional and courteous treatment from the Foundation employees.”*

# Frequency of Interactions

A larger than typical proportion of McKnight grantees report interacting with their program officers yearly or less often.

*Frequency of Grantee Contact with Program Officers During Grant*



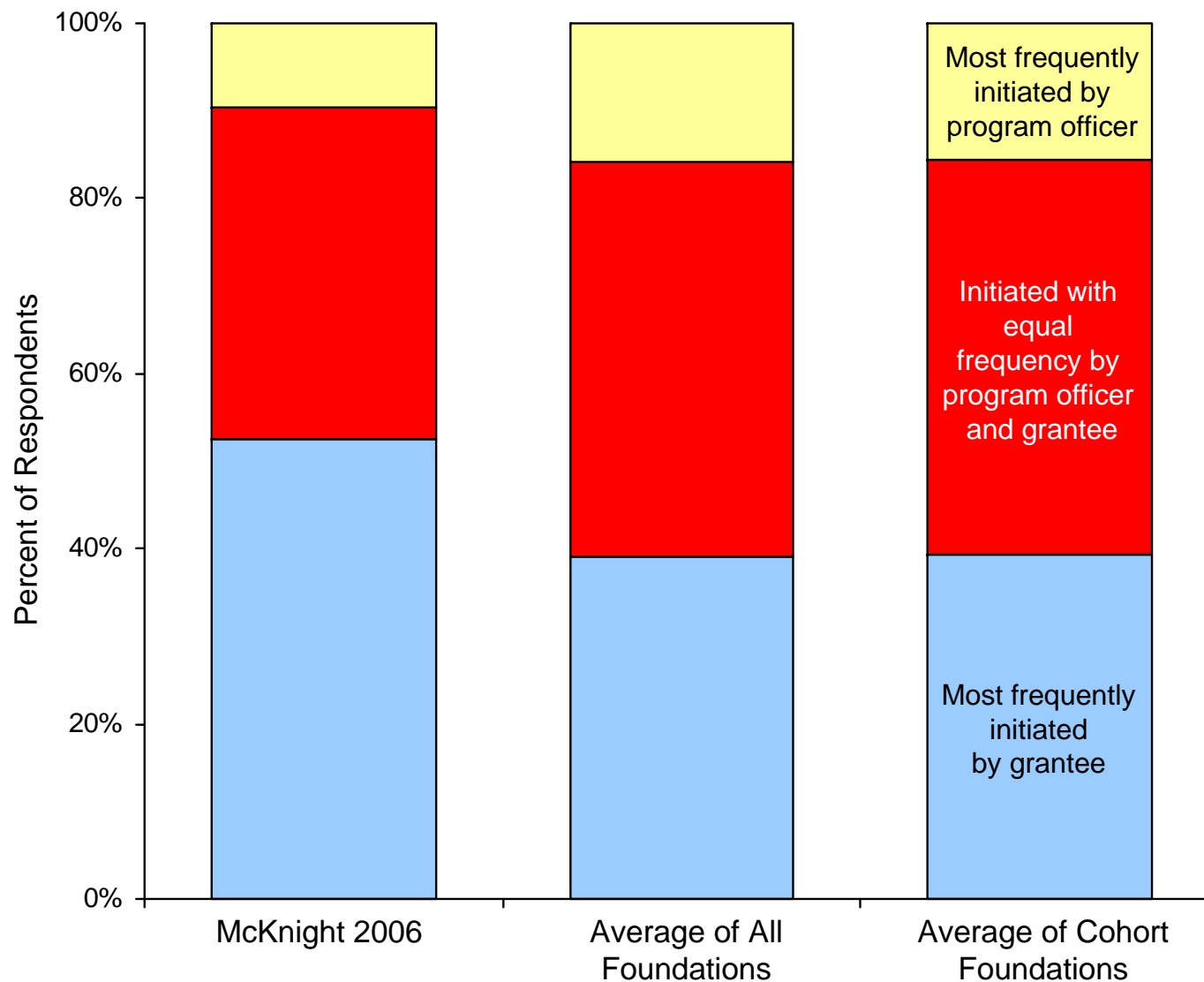
Grantees that report being in contact with McKnight yearly or less often rate the Foundation significantly<sup>1</sup> lower on almost all measures than grantees who were in more frequent contact with the Foundation. This outcome mirrors findings across all foundation in the dataset.

1: Statistically significant at a 90% confidence level.  
 Note: This chart includes data about 142 foundations.

# Initiation of Interactions

The majority of McKnight grantees report that interactions with Foundation staff were initiated most frequently by the grantee – a larger proportion than typical.

**Initiation of Grantee Contact with Program Officers During Grant**



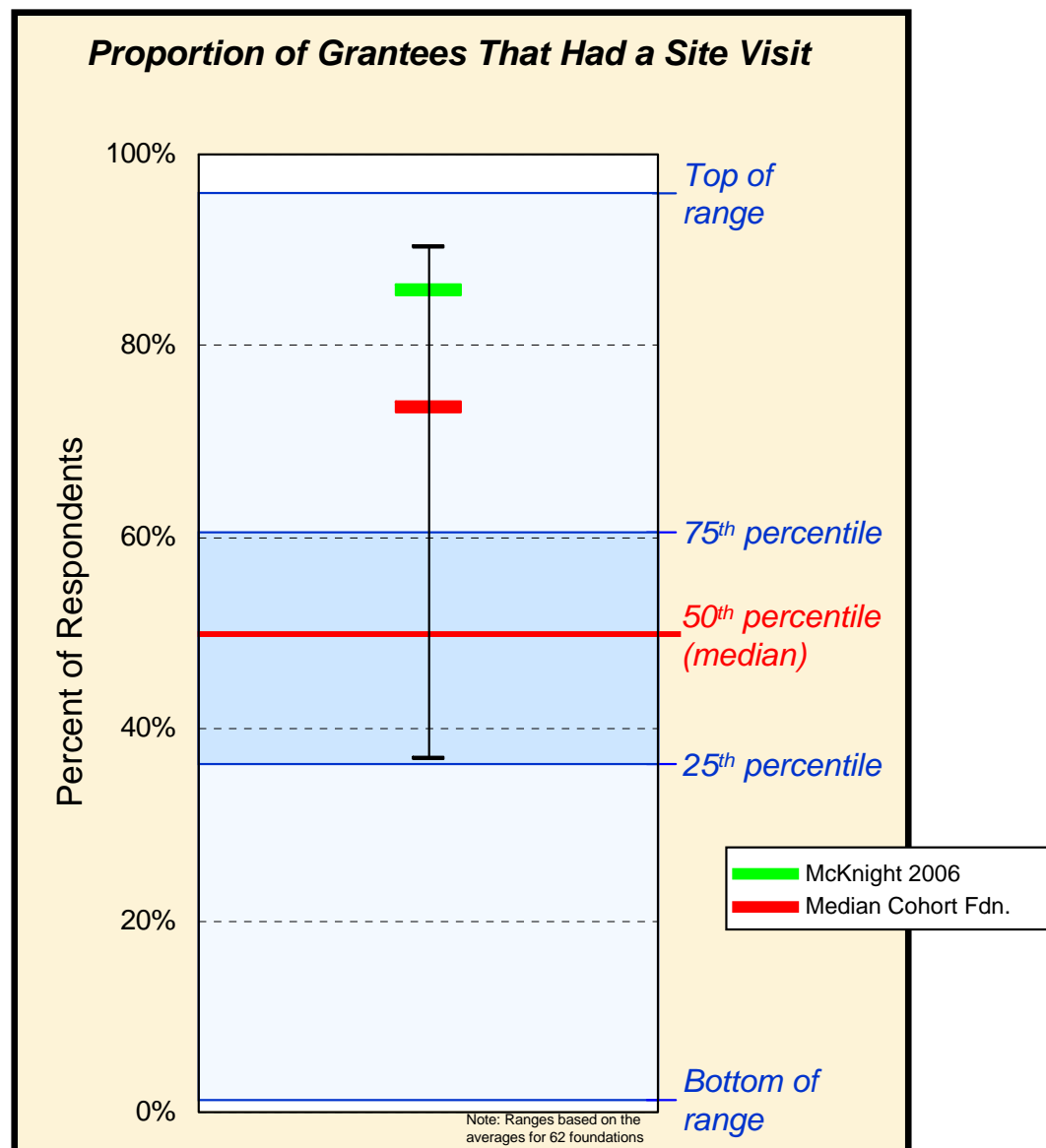
Grantees that report that they most frequently initiated contact with their program officer rate McKnight significantly<sup>1</sup> lower on many measures including all measures of quality of interactions and satisfaction. This outcome mirrors findings across all foundations in the dataset.

1: Statistically significant at a 90% confidence level.

Note: This chart includes data about 62 foundations. McKnight 2003 data not available due to changes to the survey instrument.

# Proportion of Grantees That Had a Site Visit

McKnight conducts site visits to a larger proportion of its grantees than typical.



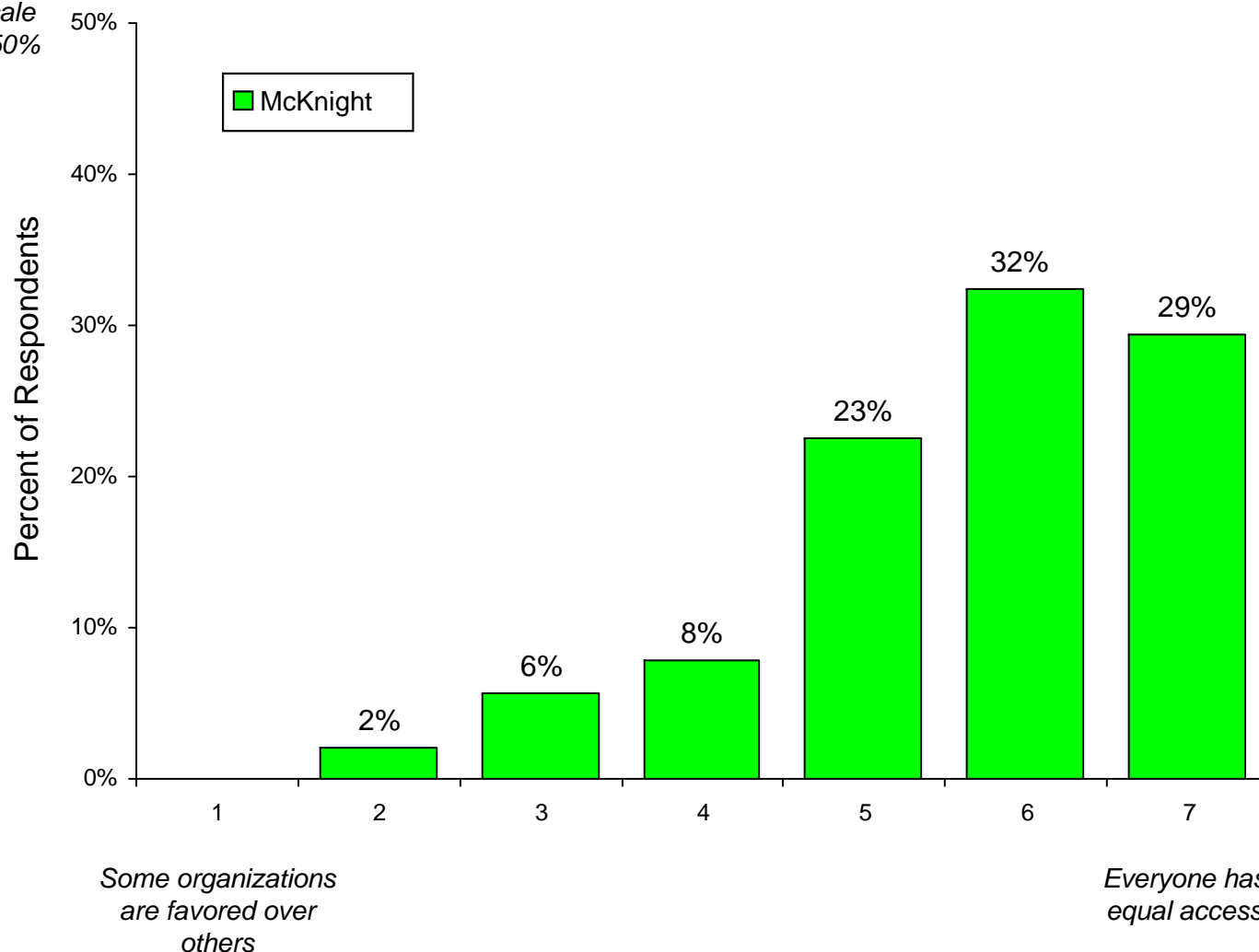
Note: Chart created by aggregating data about site visits that occurred during the selection, reporting, and evaluation processes and during the course of the grant.

# Accessibility to Applicants

McKnight grantees were asked to rate the Foundation's accessibility to applicants. On average, grantees rate McKnight a 5.7 on a 1 to 7 scale, where 1 = "Some organizations are favored over others" and 7 = "Everyone has equal access."

***"How accessible do you believe the Foundation is to applicants?"***

Note: Scale ends at 50%



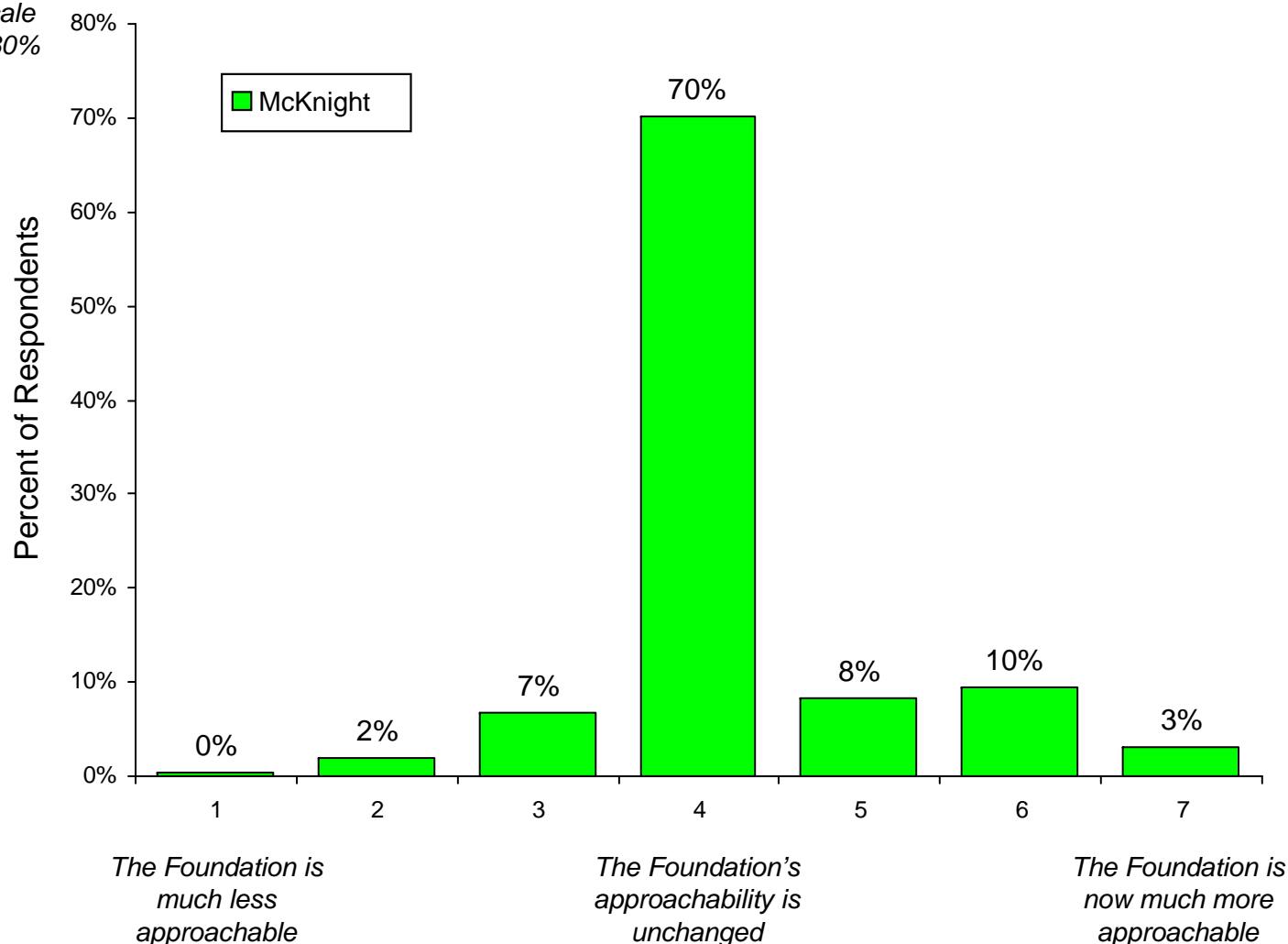
Note: No comparative data available because this question was only asked of McKnight grantees. Three grantees did not answer the question.

# Change in Foundation Approachability

McKnight grantees were asked to rate how the Foundation's approachability has changed. The majority of grantees rate McKnight a 4 on a 1 to 7 scale, where 1 = "The Foundation is much less approachable," 4 = "The Foundation's approachability is unchanged," and 7 = "The Foundation is now much more approachable."

***"Over the last year, how has the Foundation's approachability changed, if at all?"***

Note: Scale ends at 80%

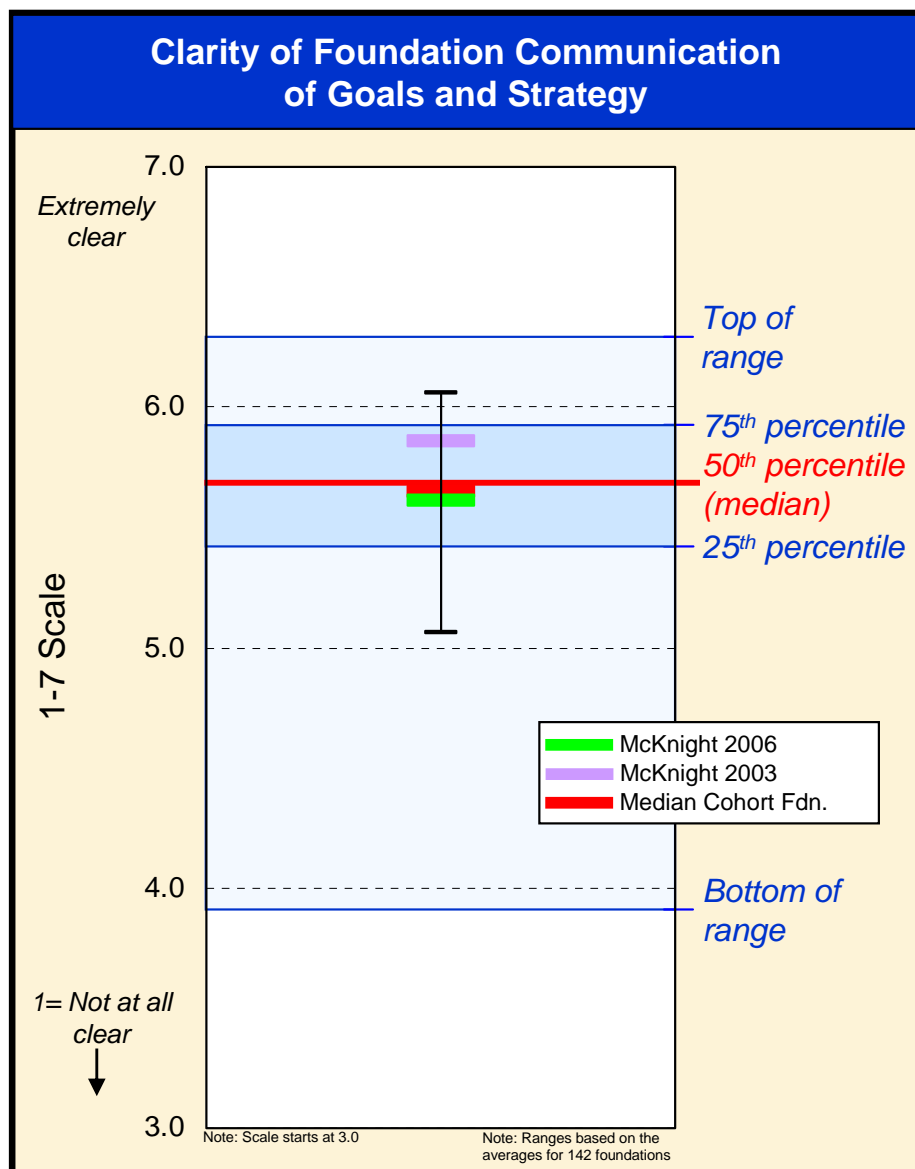


Note: No comparative data available because this question was only asked of McKnight grantees. Ten grantees did not answer the question.

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# Communication of Goals and Strategy

McKnight grantees rate the Foundation's clarity of communication of its goals and strategy similarly to the rating of the median foundation and the median cohort foundation.



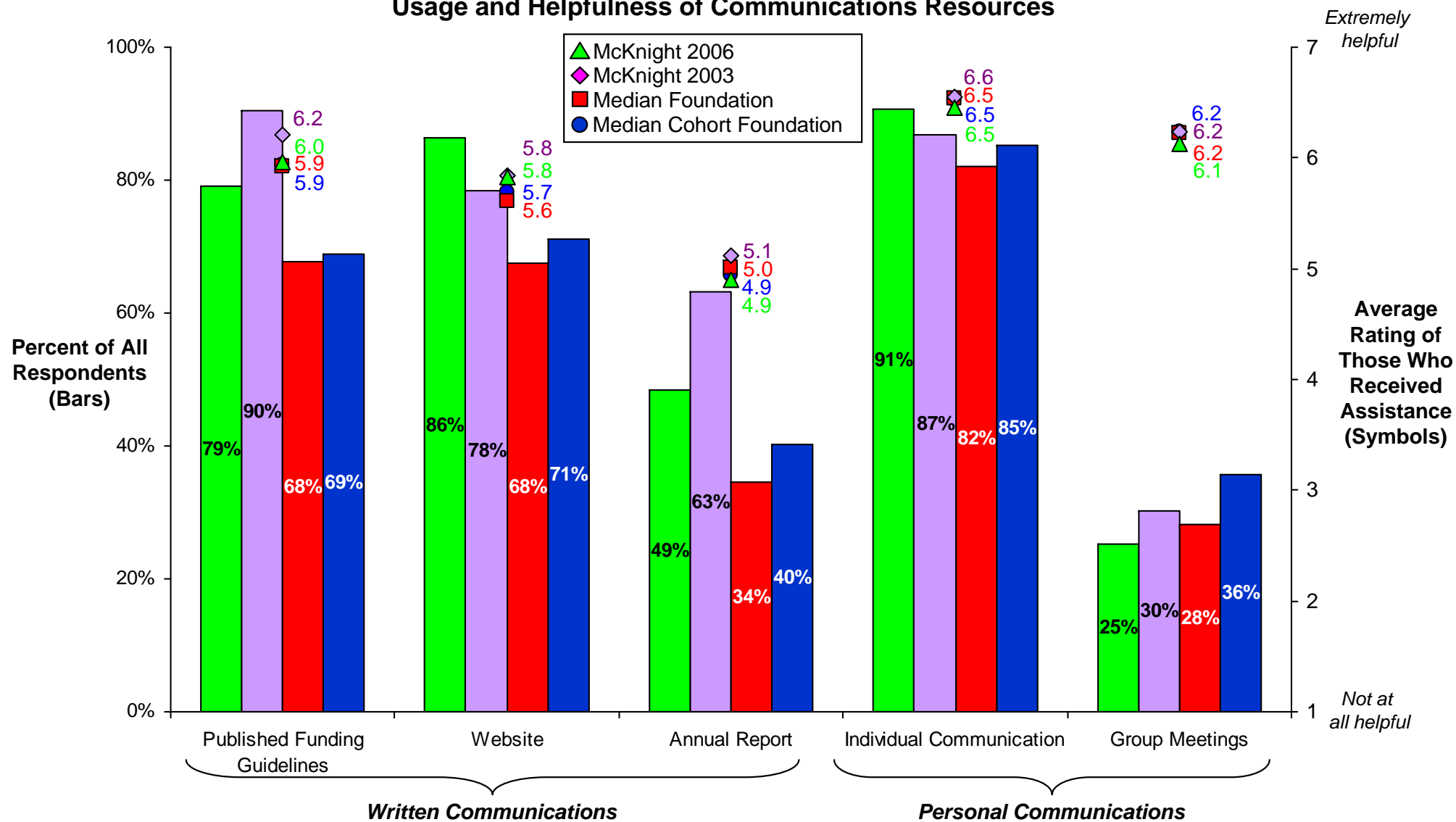
## Selected Grantee Comments

- ♦ *The McKnight Foundation has consistently provided understandable delineation of goals and objectives of their giving and been willing to work with our organization in defining the outcomes we and they are looking for.*
- ♦ *“Our experience with the McKnight Foundation has been excellent. The Foundation has clearly communicated their mission and interests through their staff and web site information. Our community arts program is a good fit to their mission and interests.”*
- ♦ *“The Foundation has two areas of interest that apply to our organization. It has been challenging to work through how to deal with what approach to take. We were asked to submit in one area, but think we may fit better in another area.”*
- ♦ *“The Foundation's goals are very broad so it's a bit difficult to pinpoint specific goals, strategies, and trends the Foundation is going through.”*

# Communications Resources

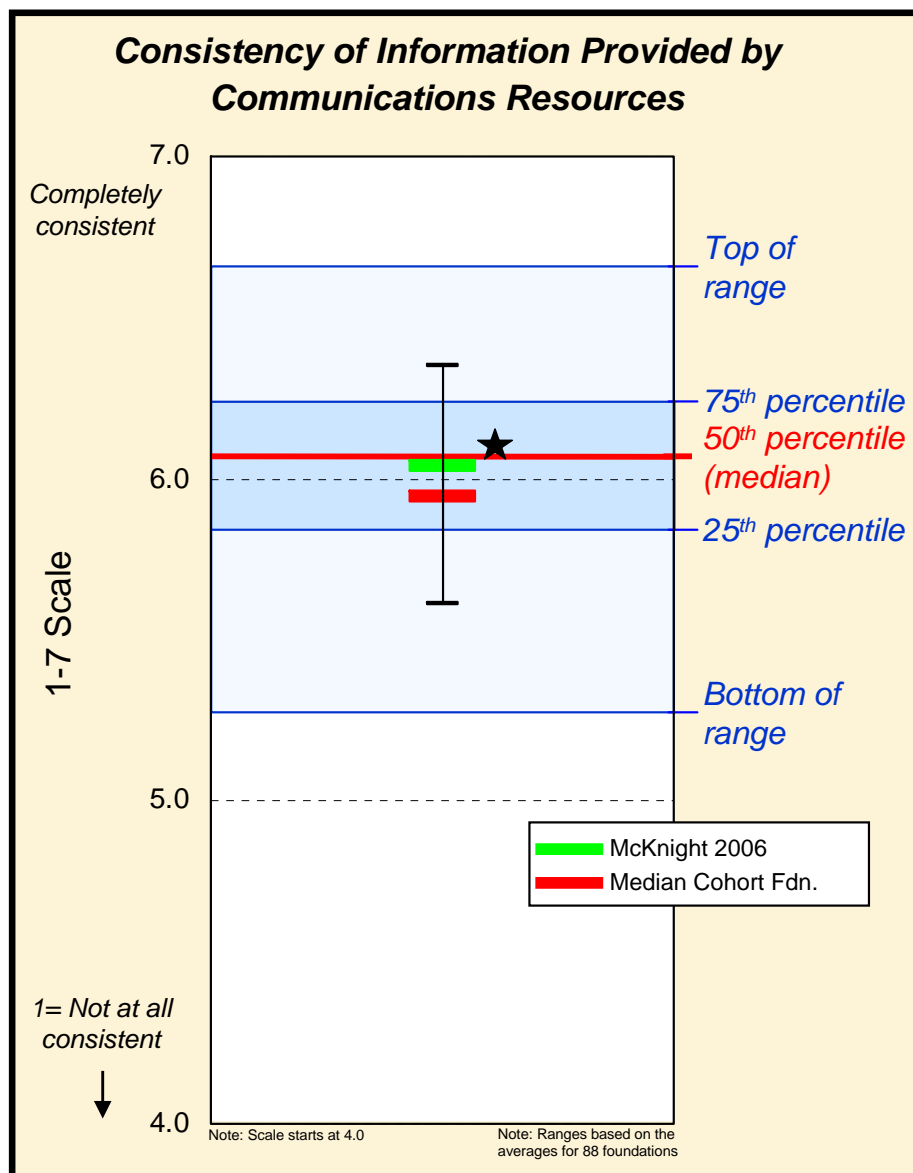
Compared to the median foundation and median cohort foundation, a larger than typical proportion of McKnight grantees report using all of these communications resources except group meetings. The Foundation's communications resources are rated similarly to those of the median foundation and median cohort foundation on their helpfulness to grantees.

Usage and Helpfulness of Communications Resources



# Consistency of Communications

McKnight grantees rate the Foundation's communications as consistent as the communications resources of the median foundation and more consistent than those of the median cohort foundation.



*Survey-Wide Analysis Fact: Consistency of Communications, both personal and written, is the best predictor of grantee ratings of a foundation's clarity of communication of its goals and strategy. Other predictors are 1) Quality of Interactions with Foundation Staff: fairness, responsiveness, approachability and 2) The helpfulness of a foundation's selection and reporting/evaluation processes in strengthening grantees' programs and/or organizations – key moments that can reinforce or undermine foundation messages. For more on these findings, key resources most valued by grantees, and management implications, please see CEP's report, *Foundation Communications: The Grantee Perspective*.*