

High Expectations, High Opportunity

In a Time of Crisis, Engaged Americans
Look to Foundations to Find Solutions,
Speak Up, and Stand Apart



Results from Survey of Engaged Americans
*A Follow-up to *Philanthropy's Awareness Deficit**

Contents

Engaged Americans Raise the Bar for Philanthropy	1
Findings	
Find Solutions: Foundations Urged to Support Innovation, Respond to Crisis	5
Speak Up: A Push for More Openness and Influence	6
Stand Apart: Foundations Expected to Be Independent, Accountable, Perpetual	8
The Foundation Experience: A Game-Changer	10
A Call to Action	12
Methodology	13

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The **PHILANTHROPY AWARENESS INITIATIVE** is a short term R&D project that works with foundations and philanthropy associations to improve communications and outreach to influential Americans. We aim to accomplish this purpose primarily by tracking how influential leaders see foundations and identifying, developing and sharing ways foundations can communicate about their unique role, work and impact in American society.

Better connecting with leaders in government, business, nonprofit and media for greater mutual understanding and impact is a critical opportunity for U.S. philanthropy today. It will help the foundation sector build necessary political support, take promising programs to scale, invite new ideas, and encourage more philanthropy. For more information, visit www.philanthropyawareness.org.

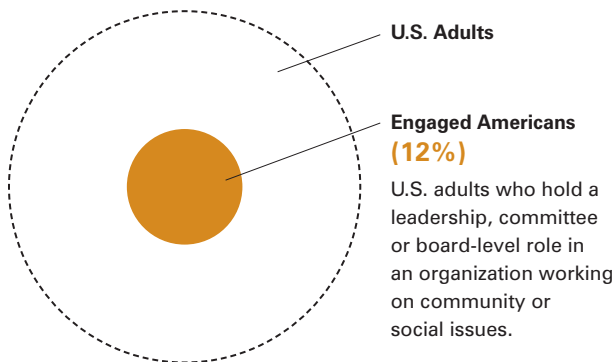
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Engaged Americans Raise the Bar for Philanthropy

Survey Reveals High Expectations for Foundations and Urgency about Economic Downturn

In a climate of economic uncertainty, engaged Americans are increasingly looking to foundations to find and fund new ways of solving society's problems, according to a survey by Harris Interactive. They believe foundations should voluntarily shift funding priorities to help the nation address fallout from the economy's downturn, but oppose government requiring them to do so. And they want foundations to be independent from government but accountable to the public, more effective in making a difference in society, more transparent in their work, and perpetual in their funding of causes and organizations.

Commissioned by the Philanthropy Awareness Initiative, the survey, conducted in four waves, posed questions about foundations to individuals who hold a leadership, committee or board position in an organization working on community or social issues.¹ This is not the general public but a far narrower slice—making up just 12 percent of the American adult population.



The survey findings provide the most detailed picture of these engaged Americans to date—and may suggest a new communications opportunity for philanthropy.

Foundation leaders have been sharpening their focus on these citizens. Important constituents for philanthropy in their own right, they are also key influencers of government, business, nonprofit and news media decisionmakers, whose programmatic partnership and political support are so vital to organized philanthropy's continued impact.

“Opening new channels of communication with engaged Americans can only help foundations achieve greater impact,” says Carol Larson, president and CEO of the David and Lucile Packard Foundation. “It can help us take promising solutions to scale, bring the best and brightest government, business and nonprofit leaders and ideas into active participation in philanthropy, and ultimately increase the flow of dollars and other kinds of support to the nonprofit sector.”

What do engaged Americans know about foundations? Not much, according to the earlier waves of the survey. What do they expect from foundations? A lot, according to the latest waves. These citizens—who include city officials and grassroots advocates, church leaders and business proprietors volunteering for community groups—have high expectations for foundations. In many cases, these are expectations that foundations are well-positioned to meet. Unfortunately, most engaged Americans don't appear to know it.

1. This survey was conducted by Harris Interactive on behalf of the Philanthropy Awareness Initiative and funded by the Packard, Gates, Hewlett and Irvine foundations. It was conducted online in four waves in May 2007, January 2008, August 2008 and January 2009 among national samples of 2,379, 2,275, 2,017 and 2,049 U.S. adults aged 18 and older respectively, who have volunteered, donated or advocated for a nonprofit or charitable organization within the past twelve months. Of these, a total of 1,265 (371 in wave 1, 362 in wave 2, 301 in wave 3, and 231 in wave 4) have held leadership, committee or board level roles in a group or organization that works on a community or social issue and are the sample analyzed in this report. *High Expectations, High Opportunity* focuses on the findings from the last two waves of the survey but includes findings from all four. For a full summary of the survey methodology, please see page 13.

As reported in *Philanthropy's Awareness Deficit*², the first waves of the survey delivered a message from engaged Americans that was sobering, but with a silver lining:

We don't know you. Fewer than two in ten can name an example of foundation impact on their community or an issue they care about. Only 38% can name a foundation on the first try.

But we support you. More than three-quarters think it would be a moderate to great loss to their community if foundations no longer existed.

The more recent two waves of the survey add new dimensions to the story. Even with limited knowledge of their work, engaged Americans see foundations as playing pivotal roles for the nation, especially in a time of crisis. Three expectations rose to the top, and are explored in depth in the findings section of this report:

We want you to *find solutions*. Between 2006 and 2009, the percentage of engaged Americans who say they want private foundations to focus grants on finding new and better ways of solving problems jumped from 48% to 79%.

We want you to *speak up*. Nearly 90% think foundations should be more open with the public about their activities, mistakes, and lessons learned.

We want you to *stand apart*. A solid majority oppose stricter government controls on foundations or requiring them to direct funding to fill government gaps created by the economic downturn. At the same time, nine in ten think it's important for foundations to accept responsibility to serve the public.

Foundation leaders responded to the findings with a call for better communications and outreach.

"Foundations must do a much better job of building understanding and relationships with citizens and policymakers in order to maintain the flexibility that we need to achieve the greatest impact," says Paul Brest, president of the William and Flora Hewlett Foundation. "To do that, we need to be more articulate about how our foundations are making a difference in people's lives. It is troubling that so few engaged citizens know about foundations, but I'm encouraged by the finding that most want to preserve the sector's independence from government."

"This survey underscores the need for us to proactively communicate about how foundation support of our nonprofit partners adds value to society," says Jim Canales, president and CEO of The James Irvine Foundation.

"Our communications need to go beyond noting the grants we make to describing how we know whether we are making a positive difference."

A New Communications Opportunity?

For leaders of American foundations looking to use communications to shape a stronger public mandate for the philanthropic sector, the expectations revealed by the survey provide a useful and promising place to start. In a sense, they are like voter views as seen by elected officials: meet those expectations that are realistic, reshape those that are not, and you can build a constituency of support for your work; fail to address them, and you squander support, fuel uncertainty, even encourage opposition.

Some perceptions unearthed by the research are on the unrealistic side and good candidates for reshaping. For example, nearly half of engaged Americans think private foundations have enough money to fix many of the problems that government cannot afford to spend money on—a belief that is far from accurate. Such a finding raises alarm bells in the minds of philanthropy leaders, reminders that the challenge foundations face isn't only lack of understanding but often *mis*understanding of their work and scale.

2. You can download a copy of this 2008 report, covering the first two waves of the survey by Harris Interactive from PAI's website at www.philanthropyawareness.org.

Yet those leaders might on the whole be encouraged by the survey findings and see opportunities to tap into the three core expectations and build greater support:

Find solutions: Engaged Americans appear to be hungry for philanthropy to encourage innovation, a role many consider foundations well-positioned to play.

Speak up: Over the last decade, foundations have significantly strengthened their communications muscle and might be readier than ever not only to answer this call but to better show how foundations can and do meet engaged Americans' high expectations of their work.

Stand apart: In light of intensifying efforts within philanthropy to increase the sector's partnership with government, while preserving its independence from government, and to promote public accountability generally, this expectation has improving chances of being fulfilled.

The economic downturn has also created communication openings for the sector. Engaged Americans feel urgency about consequences of the struggling economy and want foundations to respond.

"It seems clear that the desire for foundations to do more to 'fill the gap' has intensified due to the recent economic downturn," says Dave Clayton, vice president of strategic communications at Neimand Collaborative, who has been tracking public opinion of foundations over the last decade. "Engaged Americans appear to see shortcomings in public solutions and in the ability of the public and private sectors to fund existing solutions for basic human services. As a result, their trust in and need for foundations to shoulder part of this burden has intensified. From a communications standpoint, now is the time to step into the forefront because people expect foundations to step up. Communicating their vision and action is part of 'filling the gap' and shouldn't be seen as self-promotion."

Indeed, the coming year—in which many nonprofits are likely to take more hits in the wake of shrinking public and private funding—should be pivotal for philanthropy.

"The stakes have never been higher," says Marcia Sharp, CEO of Millennium Communications Group and leader of Outreach 2010, a project to help foundations communicate during the downturn. "How foundations are seen to respond to the economic crisis during 2010 and beyond will drive the whole discussion of foundations as either hoarders or caring and creative forces in their communities. As these data clearly show, the downturn creates threats, and also opportunities."

Are foundations seizing the communications moment brought by urgency about the recession? While many appear to be *doing* a great deal to help nonprofit organizations cope with declining public and private support, they don't appear to be *saying* a great deal about those efforts—at least to engaged Americans. The survey showed that, as of January 2009, only 19% of them had heard, read or seen anything in the news about philanthropy's response to the economic downturn.

To further explore how foundations are communicating about their responses to the struggling economy, PAI commissioned the firm Spitfire Strategies to conduct an analysis of news media coverage in the nation's top 50 newspapers (by circulation). They investigated two questions: Did the number of news articles about the economic downturn that mentioned foundation responses increase from 2008 to 2009? And, if there was an increase, did it reflect a successful push by foundations to communicate more through the news media about their responses to the struggling economy?

The answer to the first question was yes. The amount of news coverage about the downturn that mentioned foundation responses—in programs as well as in points of view—was significantly higher between January and September of 2009 than during the same period of 2008. But while this finding might appear to indicate a new effort by foundations to share their downturn strategies

via the news media, further analysis found that wasn't the case. The increase in articles mentioning foundation responses directly paralleled a rise in news media coverage of the downturn generally. In fact, the percentage of all downturn articles that discussed foundation responses remained roughly consistent between 2008 and 2009—steadily under 1%. In short, foundations are riding the wave of the downturn story. There's little evidence that they're trying to make philanthropy *part* of the story.

All told, what are the best ways for foundations to shape expectations and build support among influential citizens?

While the survey by Harris Interactive generally underscores the need for better communications with engaged Americans—to learn more about their expectations and clarify what foundations can and cannot do to meet them—it also yielded a more concrete clue: provide a foundation *experience*.

If engaged Americans have some kind of direct involvement with foundations—engaged as a partner, given a grant, convened in a meeting—they tend to have higher awareness and more favorable appraisal of philanthropy's work. They're more likely to see foundations as effective and accountable. They're more likely to consider it a loss to their community if foundations no longer existed. They're half as likely to feel uninformed about philanthropy.

In short, the more engaged Americans get involved with foundations, the more they tend to like what they see.

"These engaged Americans are change agents in their communities and vital potential partners for philanthropy. The good news is that the more they know foundations, the more they support them. The bad news is that too many still don't know any foundations," says Chris DeCardy, vice president and director of communications of the David and Lucile Packard Foundation. "At a time when marshalling resources and broadening constituencies is more critical than ever to addressing society's biggest challenges, the philanthropic sector is still leaving an enormous potential resource on the sidelines."

Portrait of an Engaged American



The survey helps us begin to build a more detailed profile of Americans engaged in organizations focused on community or social issues. Here's how a random sample of 100 might be grouped, based on the findings from Harris Interactive:

93 vote in national elections

71 follow decisions of the Supreme Court

59 read the newspaper daily

54 work for a for-profit company, **28** for a nonprofit organization, **18** for the government

57 are between the ages of 18 and 49, **43** of them would be 50 and over

42 are women, **58** men

34 contribute to political campaigns

31 serve their organization in a leadership role, **32** serve as a board member, **37** serve as a committee member

30 live in the city, **36** in a suburb, **33** in a small town or rural community

17 of them are retired

"Engaged Americans are distinct from the general public in ways that make them especially receptive to communications from foundations," says Michele Salomon, Senior Research Director, Public Affairs and Policy, at Harris Interactive. "They report higher levels of volunteering for and financial support of nonprofits and are more likely to have expressed their opinions to an elected official, local newspaper, radio program or other forum. Compared to the general public, our research has shown that engaged Americans have more favorable views toward the foundation sector, are more likely to think the sector is headed in the right direction, and are more likely to think there would be a loss if foundations no longer existed."

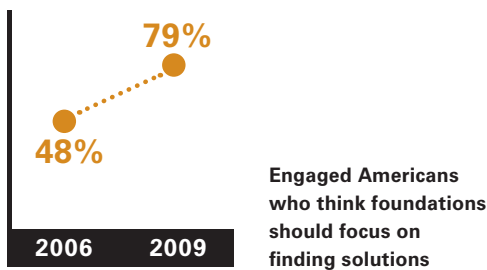
The Findings

EXPECTATION 1: FIND SOLUTIONS

Foundations Urged to Support Innovation, Respond to Crisis

Engaged Americans expect foundations to focus their grants on finding innovative solutions, help address the fallout from an economy in crisis, and make more of a positive difference in society generally.

The last three years have seen a dramatic rise in the proportion who think private foundations³ should focus their grants on finding new and better ways of solving problems. In 2006, 48% thought this. By 2009, it had jumped to 79%. Perhaps in light of the nation's struggles to rebound from economic and other challenges over the last three years, more engaged Americans are looking to foundations to be gardeners—both finders and funders—of innovation.



More practically, those surveyed want foundations to help respond to an economy in crisis. Six in ten say that in the current economic downturn, if the government is not able to adequately fund certain areas, they support foundations voluntarily revisiting their funding priorities to align funding where shortfalls exist.

The survey seemed to reveal an overall rise in concern about problems in American society and the struggles that institutions—public and private—are having in solving

them. In one of several findings underscoring this concern, the survey tracked an increase in the number of engaged Americans who think it's important for foundations to focus on filling the gaps created by shrinking support for social services across the board. Between 2006 and 2009, the percentage of respondents who thought private foundations should focus grants on filling the gaps not covered by government spending increased from 53% to 72%.

Of course, foundation leaders might respond that this expectation rests on an assumption that is simply unrealistic—that foundations can actually bring enough dollars to the table to effectively fill the mammoth funding shortfalls facing federal, state and local government in recent years. Indeed, increasing numbers of those surveyed make just that assumption.

In 2006, 36% of engaged Americans thought private foundations have enough money to fix many of the problems that government cannot afford to spend money on. By 2009, that figure had climbed to 48%.



5 in 10 engaged Americans think foundations have enough money to fix problems government can't afford to

One look at how government budgets in reality dwarf those of foundations makes clear that nearly half of these citizens expect something from foundations that they can't deliver. For example, weighing federal government 2007 expenditures (\$2.73 trillion) against foundation expenditures⁴ that year (\$42.9 billion) is like comparing the Sears Tower to a two-story building. Philanthropy's awareness deficit appears to be alive and well.

3. Because Harris Interactive was originally commissioned to ask engaged Americans about their perceptions of private foundations, several questions in the 2008 and 2009 surveys for PAI also focused on private foundations to measure any changes in perceptions.

4. "Highlights of Foundation Yearbook," Foundation Center, 2008 Edition. Includes all U.S. grantmaking foundations.

The survey also pointed to a fairly steep hill foundations have to climb in order for engaged Americans to see them as effective as they'd like them to be. Nine of every ten of those surveyed (92%) think it's important for foundations to make a positive difference in society. But far fewer—52%—think foundations actually are effective in this way.

Finally, another sign of interest in innovation emerged from the findings. Not only are engaged Americans calling for foundations to find and fund new solutions to public problems. They're also expressing greater interest in learning about how foundations support innovation than in other aspects of foundation work. Respondents were given statements about foundations that captured five different dimensions of their work and roles: time, opportunity, independence, impact and innovation. Then they were asked which of the statements most makes them want to learn more about foundations. As shown below, innovation topped the list.

Which of the following statements makes you want to learn more about foundations?

Foundations fund innovative projects that others won't fund (innovation)	35%
Foundations provide an opportunity for individuals to take private action in the public interest (opportunity)	26%
Foundations are able to commit to supporting projects over the long term (time)	16%
Foundations have the expertise to invest in projects with the greatest chance of success (impact)	12%
Foundations are able to decide which are the best projects free from political influence (independence)	12%

EXPECTATION 2: SPEAK UP

A Push For More Openness and Influence

Engaged Americans are calling for better communications from foundations.

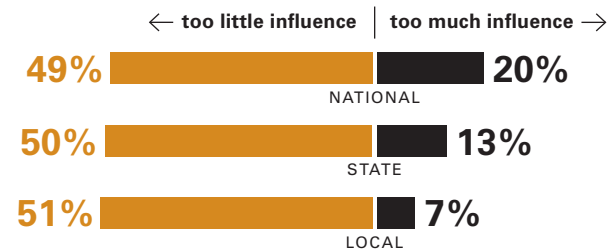


9 in 10 engaged Americans think foundations should be more open

Nine out of every ten engaged Americans think foundations should be more open with the public about their activities, mistakes, and lessons learned. They also place a high premium on financial transparency. Eighty-seven percent of respondents said they think it's important for foundations to be transparent in their financial dealings, costs and processes, whereas only 32% thought they were performing well on this trait. This was the largest gap found between their assessment of "importance" and "performance" on all foundation traits asked about.

Beyond transparency, a sizeable number of engaged Americans seem to want foundations to have more of a voice on major issues of the day.

Roughly one out of every two thinks foundations have too little influence in public discussion—among policymakers, government officials, community leaders and the media—about social issues and solutions in American society. On national issues, 49% say foundations have too little influence, compared to 20% saying too much. On state issues, 50% say foundations have too little influence, compared to 13% saying too much. On local issues, 51% say foundations have too little influence, compared to 7% saying too much.



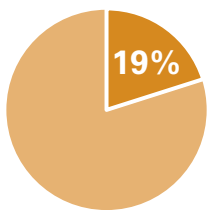
Amount of influence engaged Americans think foundations should have in public discussion

And on local issues, 51% say foundations have too little influence, compared to 7% saying too much.

Although they push for more openness and influence, nearly six in ten engaged Americans still feel that foundations clearly communicate the value they bring to society. But can engaged Americans identify the value that they say foundations clearly communicate? The survey indicates they cannot. Only small numbers of respondents can actually identify examples of such value—either foundation impact on their community (15%) or on an issue they care about (11%). If foundation communications might be contributing to the reservoir of good faith engaged Americans have for philanthropy, they don't appear to be building a concrete basis for that good faith. The foundation sector appears to be continuing its struggle to demonstrate impact.

Are foundations speaking up about the downturn?

On the question of foundation openness, the rubber appears to meet the road when it comes to the economy. Engaged Americans are looking for foundation action in this area. But they're not seeing it: as of January 2009, only 19% had heard, read or seen anything in the news about foundations' responses to the economic downturn.

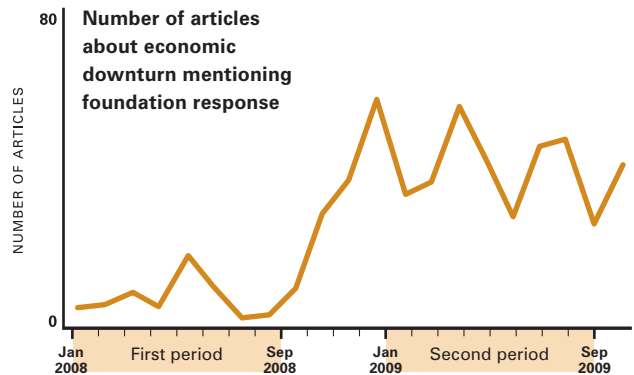


Engaged Americans who have seen news about foundations' response to downturn

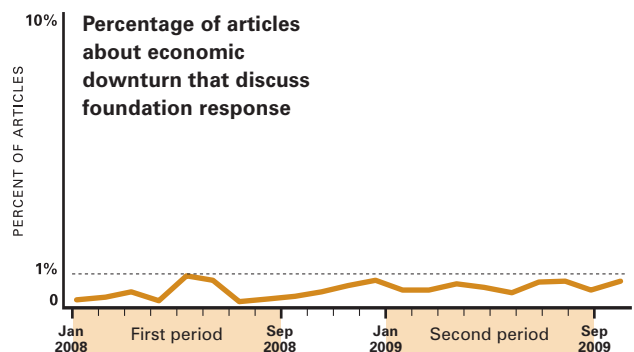
At the same time, that survey question was asked in January, when many foundations had not crafted, much less communicated, their response to the downturn. Could the 19% finding have missed subsequent foundation communications through the news media after the survey was fielded? To further explore this issue, PAI commissioned the communications consulting firm Spitfire Strategies to conduct an analysis of news media coverage in the nation's top 50 newspapers (by circulation).⁵ They investigated two questions: Did the number of news articles about

the economic downturn that mentioned foundation responses increase from 2008 to 2009? And, if there was an increase, did it reflect a successful push by foundations to communicate more through the news media about their responses to the struggling economy?

As shown in the graph below, the number of articles about the downturn that mentioned foundation responses—in programs as well as in points of view—was indeed higher between January and September of 2009 than during the same period of 2008.



But further analysis found that this increase directly paralleled a rise in news media coverage of the downturn generally and “did not appear to be caused by increased communications efforts by foundations, but rather by increased coverage of the economic downturn,” according to Spitfire. In fact, the percentage of all downturn articles that discussed foundation responses remained roughly consistent between 2008 and 2009—steadily under 1%.



5. The full set of findings from the Spitfire Strategies study will be featured in a report to be released by PAI in the coming months.

Spitfire also examined a random sample of 100 articles about foundations' responses to the economic downturn from January 2008 to September 2009. The main trend they identified was that nonprofits' fundraising struggles were the most common news hook, with foundations cited simply as examples of the dwindling funding sources contributing to these struggles. In short, most foundations were covered solely in terms of their funding role, with little attention to their broader program efforts to respond to the downturn's consequences. This parallels the findings of a previous PAI report, *Philanthropy in the News*⁶, which found that the vast majority of news media stories about foundations between 1990 and 2004 were transactional in nature—about the process and amounts of grantmaking—while only 1% focused on the benefit or impact of such funding.

Another trend was also striking. When individuals from foundations or foundation groups—such as regional associations of grantmakers—were quoted, “their messages tended to carry themes of optimism, hard work, and concern.” But when news articles didn't feature a quote by a foundation representative and instead featured a third-party response—e.g. from leaders of nonprofit organizations—those responses “tended to only mention the recession's impact on foundations' endowments and scaled-back grantmaking,” according to Spitfire. In other words, when foundation representatives didn't speak up, allowing others to do so for them, they missed an opportunity to counteract an impression of foundations as remote, faceless banks and convey a sense of caring and commitment for the nonprofits they support.

EXPECTATION 3: STAND APART

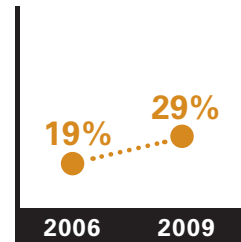
Foundations Expected to Be Independent, Accountable, Perpetual

Engaged Americans expect foundations to be independent from government and continue providing perpetual sources of support for nonprofit organizations, but also to remain accountable to the public.

A solid majority (61%) oppose government regulation of foundations, though that opposition is lessening. A minority of respondents—29%—think the government needs to place stricter controls on how private foundations make grants. Though it's still not a widely-held viewpoint, the push for more regulation does appear to be growing: three years ago, only 19% called for stricter controls.



While 6 in 10 engaged Americans oppose stricter government controls on foundations...



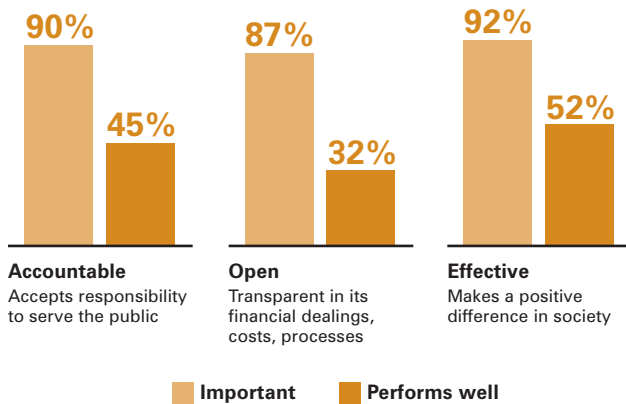
...the percentage who support government controls on foundations is increasing.

Support for foundation independence is also revealed in the views discussed earlier on foundations' response to the economic downturn. While 60% support foundations *voluntarily* revisiting funding priorities to align funding with where government shortfalls exist (and only 11% oppose), opinion dramatically shifts when the scenario is changed to foundations being *required by government* to revisit funding priorities. In that case, support falls from 60% to 21% and opposition rises from 11% to 64%.

The fundamental view seems to be that foundations should be a *partner with* government but not an *agent of* government.

6. You can download a copy of this 2005 report from PAI's website at www.philanthropyawareness.org.

At the same time, engaged Americans place a high premium on public accountability from the philanthropic sector. Is it important for foundations to accept responsibility to serve the public? Ninety percent say “yes.” Do foundations perform well on this trait? The proportion saying “yes” falls by half, to 45%. Here’s how engaged Americans responded when asked about key foundation traits:



How engaged Americans assess foundations in terms of three traits

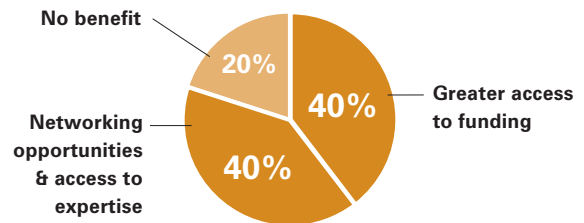
The interest in philanthropy’s independence appears to come not only from a resistance to government as regulator but from a preference for foundations over government as funder. Respondents were asked to compare foundations and government as sources of support for the groups or organizations at which they’re leaders, board members or committee members. They clearly prefer foundations on a range of fronts, finding them more likely than government to allow independence in how funds are used (84% of engaged Americans feel this way), more willing to fund projects (80%), more responsive to requests for assistance or insight (76%), and more interested in outcomes (74%). Meanwhile, they consider government to be more difficult to obtain a grant from (77%) and more stringent about reporting and application requirements (69%). In all the findings, engaged Americans appear to clearly support the existence of a source of funding separate from government.

Who is more...?

	FOUNDATIONS	GOVERNMENT
Willing to fund projects	X	
Difficult to obtain a grant from		X
Likely to allow independence in how funds used	X	
Responsive to requests for assistance	X	
Stringent about requirements		X
Interested in outcomes	X	

Even more potentially heartening for philanthropy leaders, the survey found that money is not the only value that engaged Americans think foundations provide.

Respondents were asked how they think the organization for which they hold a leadership, committee or board role would most benefit from a stronger relationship with foundations. While four out of ten responded that the top benefit would be greater access to funding, an equal proportion said the greatest benefit to their organization would be non-financial, including networking opportunities with other community leaders and funders and access to foundation expertise. For foundation communicators, this finding suggests that influential citizens are ready for communications that present foundations as more than cash machines, a transactional frame that the 2005 PAI study *Philanthropy in the News* found dominated more than 98% of news media coverage of foundations.

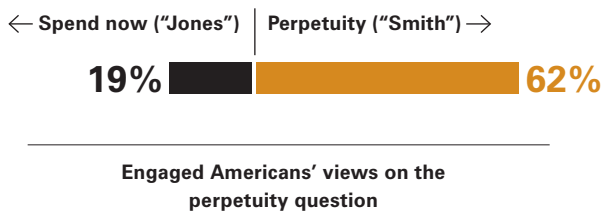


How engaged Americans think their organization would most benefit from foundation relationship

Finally, the survey asked engaged Americans to weigh in on a burning issue increasingly debated within the halls of American foundations: perpetuity.

In light of the economic crisis, and their desire for foundations to help government respond, it might be reasonable to hypothesize that engaged Americans would want foundations to grant more funds now, even if it ultimately meant a shorter institutional life span down the road. In fact, the opposite was true.

Respondents were presented with two individuals: “Smith,” who believes the best way for foundations to help society is to exist over the long-term, even if it means limiting their annual spending so their endowments last long into the future, and “Jones,” who believes the best way for foundations to help society is to do the most they can to fund projects now, even if it means they run out of funds in a decade or two. Among engaged Americans, Smith wins by a large margin. A majority (62%) say that Smith’s view endorsing perpetuity is somewhat or exactly like their own, compared to just under 20% for Jones and his “spend now” philosophy (with the rest saying they supported neither).



Engaged Americans seem to want foundations to save in a way that American government and consumers have not.

The Foundation Experience: A Game-Changer

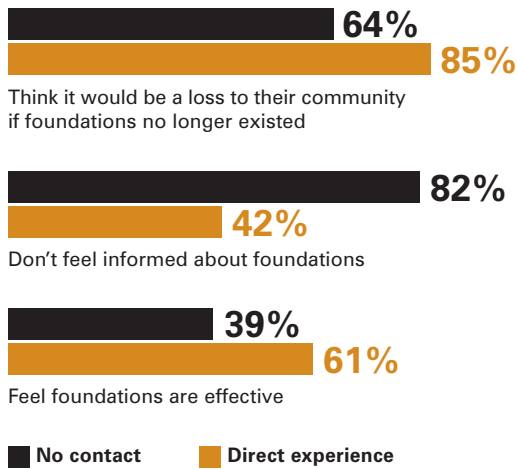
Whether engaged Americans have had direct experience with foundations can make a big difference in their awareness and assessment of them.

Harris Interactive tracked respondents’ varying degrees of involvement with foundations. On one side of the spectrum are those with no involvement whatsoever—44% of all engaged Americans. On the other side are those with direct involvement with foundations, including those who have worked as a partner with a foundation on an issue (13%); those who have served as a foundation trustee (9%), staff member (11%) or consultant (10%); those who have received a grant (16%) or applied for one (21%); and those who learned more about an issue through a meeting or briefing convened or sponsored by a foundation (27%).

The proportion of engaged Americans who haven’t had any contact with foundations is sizeable. But what is even more striking are the different perceptions between the “no contact” and “direct experience” engaged Americans.

As reported in *Philanthropy’s Awareness Deficit*, the first two waves of the survey showed that the “direct experience” engaged Americans were more likely than those with no contact with foundations to consider it a loss to their community if foundations no longer existed (85% to 64%). And they were half as likely (42% to 82%) to consider themselves uninformed about foundations.

The latest survey waves show such direct experience to be critical to an engaged American’s assessment of foundations as effective and accountable. Experience with a foundation accounted for a 22-point swing on effective (61% with experience vs. 39% without). It meant a 20-point swing on accountable (54% with vs. 34% without). It also was a factor in whether engaged Americans think it is important for foundations to be effective (95% with experience vs. 85% without).



Differences in perceptions between engaged Americans who have had experience with foundations vs. those with no contact.

But assessments of foundations on other traits were low regardless of involvement level. On the question of financial openness, although there's a definite difference in views between those who have experience with foundations and those who don't, in either case foundations score low on this trait. Among those with experience, 39% felt foundations perform well on transparency about their financial dealings, costs and processes. Among those without experience with foundations, that number drops to 25%.

And both groups appear to be in rough agreement in the belief that foundations aren't good risk-takers. Only 34% of engaged Americans who have experience with a foundation think foundations perform well on being willing to implement cutting-edge solutions that others won't support, whereas 27% of those without such experience think foundations are good risk-takers in this way.

Call to Action

For foundation leaders interested in building greater awareness and support for philanthropy's work, the four waves of the survey by Harris Interactive provide the most detailed picture to date of perceptions held by these important stakeholders. That picture can be interpreted in three ways:

- 1. Foundations face a deficit of awareness.** Engaged Americans, leaders in their communities, feel uninformed about organized philanthropy. Many can't even name a foundation. More can't identify a foundation's impact on their community or on an issue they care about. Few have heard about philanthropy's response to the economic downturn. Many haven't had even minimal experience with a foundation.
- 2. Foundations enjoy a surplus of good faith.** Despite the lack of engagement, most engaged Americans still have positive feelings about the idea of philanthropy and the work of foundations. A majority think their community would suffer if foundations no longer existed. They have more positive feelings toward foundations than most other institutions. The more identifiable experience they have with foundations, the more they like what they see.
- 3. Foundations are the focus of a complex but promising mix of high expectations.** Engaged Americans want foundations to find and fund more innovative solutions to the country's problems. They want foundations to help respond to the economic downturn. They want foundations to be more open about their work and lessons. They want foundations to remain independent from the government but be accountable to the public.

In turn, organized philanthropy leaders seem to face some important strategic questions:

How can foundations collectively close the awareness deficit, tap into the good faith, and shape and meet the expectations?

What communications and outreach strategies can be used to build a broad constituency of support and a clear and realistic mandate for action among influential community leaders and government, business, news media and nonprofit decisionmakers?

What are the implications if a constituency of support is not built? If a mandate for action is not clarified?

As foundations seek to engage these stakeholders in developing solutions to pressing needs, how can they better communicate the value of what philanthropy is doing? How do foundations give voice to their actions in a way that speeds accomplishment now and in the future? In short, what next?

A growing number of foundations leaders have some ideas. Reacting to pressure from the economic downturn, increasing legislative and media scrutiny, and new imperatives and opportunities for stronger partnership with government, business and communities, they're wrestling with these questions in earnest and taking action.

What You Can Do

Join forces with others working on these issues, including leaders of other foundations, your regional association of grantmakers or national organizations like the Council on Foundations, Independent Sector, Association of Small Foundations and others.

Tell us your take on the critical questions raised in the preceding pages.

Share lessons you've learned about the best ways to communicate foundations' unique roles, contributions and value in American communities.

Arrange a PAI workshop or session with your foundation or regional association of grantmakers.

Suggest research or tools that would be useful to you in efforts to communicate your value and build relationships with influential Americans.

Go to the PAI website at www.philanthropyawareness.org for more resources and steps you can take.

We invite you to join the effort.

Contact Mark Sedway at mark@philanthropyawareness.org

Methodology

This survey was conducted by Harris Interactive on behalf of the Philanthropy Awareness Initiative and funded by the Packard, Gates, Hewlett and Irvine foundations. It was conducted online in four waves in May 2007, January 2008, August 2008 and January 2009 among, respectively, national samples of 2,379, 2,275, 2,017 and 2,049 U.S. adults aged 18 and older, who have volunteered, donated or advocated for a nonprofit or charitable organization within the past twelve months.

Wave 1 was conducted between May 7 and May 22, 2007, wave 2 was conducted between December 27, 2007 and January 7, 2008, wave 3 was conducted between August 5 and August 14, 2008, and wave 4 was conducted between December 22, 2008 and January 5, 2009.

Of these, a total of 1,265 U.S. adults—or 371 in wave 1, 362 in wave 2, 301 in wave 3, and 231 in wave 4—held a leadership, committee or board level role in a group or organization that works on a community or social issue within the past year and completed the survey.

Results were weighted as needed for age, sex, race/ethnicity, education, region and household income. Propensity score weighting was also used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words "margin of error" as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

FINDINGS: Early Waves

1. “Can you offer an example of a way a foundation has benefited the community in which you live?”

	MAY 2007 & JANUARY 2008 ENGAGED AMERICANS N=733
Yes, cites an example and mentions a foundation	15%
<i>Mentions a private foundation</i>	4%
<i>Mentions a community foundation</i>	11%
Yes, cites an example and mentions a nonprofit organization	19%
Yes, cites an example but cannot name a specific organization	13%
No, does not cite an example	52%

2. “Can you offer an example of a way a foundation has had an impact on an issue you care about?”

	JANUARY 2008 ENGAGED AMERICANS N=362
Yes, cites an example and mentions a foundation	11%
<i>Mentions a private foundation</i>	5%
<i>Mentions a community foundation</i>	6%
Yes, cites an example and mentions a nonprofit organization	18%
Yes, cites an example but cannot name a specific organization	7%
No, does not cite an example	65%

3. “When you think of foundations, which ones come to mind? Which ones can you name?”

	MAY 2007 & AUGUST 2008 ENGAGED AMERICANS N=672
Name a foundation	38%
<i>Name a private foundation</i>	24%
<i>Name a community foundation</i>	14%
Name a nonprofit organization	30%
Don’t know, none, decline to answer	32%

4. “As someone who is engaged in your community, how much of a loss would it be to your community if foundations no longer existed?”

	MAY 2007 & JANUARY 2008 ENGAGED AMERICANS N=733
A great loss	30%
Very much of a loss	22%
A moderate loss	24%
Somewhat of a loss	16%
None at all	8%

FINDINGS: Portrait of an Engaged American

5. “For each of the following statements, please indicate whether you agree or disagree.”

	AUGUST 2008 ENGAGED AMERICANS N=301
SUMMARY OF AGREE	
I usually vote in national elections	93%
I usually follow decisions made by the Supreme Court	71%
I read the newspaper daily	59%
I usually contribute to political campaigns	34%

6. “What is your employment status?”

	AUGUST 2008 ENGAGED AMERICANS N=301
Employed full time	45%
Employed part time	13%
Self-employed	18%
Not employed, but looking for work	7%
Not employed and not looking for work	2%
Retired	17%
Student	11%
Homemaker	7%

7. “For which of the following types of organizations are you currently employed?”

	AUGUST 2008 ENGAGED AMERICANS N=198*
For-profit company	54%
Nonprofit or charitable organization	28%
Federal, state or local government	18%

*Asked all employed

8. "How old are you?"

	AUGUST 2008 ENGAGED AMERICANS N=733
18-19	8%
20-24	3%
25-29	7%
30-34	4%
35-39	10%
40-44	5%
45-49	20%
50-54	8%
55-59	9%
60-64	9%
65 and over	18%

9. "Are you...?"

	AUGUST 2008 ENGAGED AMERICANS N=301
Male	58%
Female	42%

10. "What type of role do you hold at this group or organization working on a community or social issue?"

	AUGUST 2008 ENGAGED AMERICANS N=301
Leadership	31%
Committee	37%
Board-level	32%

11. Which of the following best describes the area where you currently reside?

	AUGUST 2008 ENGAGED AMERICANS N=301
In an urban or city area	30%
In a suburban area next to a city	36%
In a small town or rural area	33%

FINDINGS: High Expectations, High Opportunity

12. "Please indicate your level of agreement with each of the following statements:"

	JANUARY 2009 ENGAGED AMERICANS N=231	JANUARY 2006 ENGAGED AMERICANS N=381
SUMMARY OF AGREE		
Private foundations should focus their grants on finding new and better ways of solving problems.	79%	48%
Private foundations should focus their grants on filling in the gaps not covered by government spending.	72%	53%
Private foundations have enough money to fix many of the problems that government cannot afford to spend money on.	48%	36%
The government needs to place stricter controls on how private foundations are allowed to make grants to charities and nonprofit organizations.	29%	19%

13. "The government needs to place stricter controls on how private foundations are allowed to make grants to charities and nonprofit organizations."

	JANUARY 2009 ENGAGED AMERICANS N=231
Strongly agree	17%
Somewhat agree	12%
Somewhat disagree	27%
Strongly disagree	34%
Not sure	10%

14. "In the current economic downturn, if the government is not able to adequately fund certain areas, how strongly would you support or oppose foundations *voluntarily revisiting/being required by government* to revisit their funding priorities to align funding with where government shortfalls exist?"

	JANUARY 2009 ENGAGED AMERICANS N=231	
	VOLUNTARILY	REQUIRED
Strongly support	23%	10%
Somewhat support	37%	11%
Neither support or oppose	29%	15%
Somewhat oppose	8%	15%
Strongly oppose	3%	49%

15. "Please rate how important you feel it is for foundations to possess/well most foundations are performing on each of the following traits. Use a scale of 1 to 5, where a "1" means that trait is not at all important for foundations to have/most foundations are not doing well at all, and a "5" means it is extremely important for foundations to have/most foundations are doing extremely well."

AUGUST 2008 ENGAGED AMERICANS N=301		
	SUMMARY OF IMPORTANT	SUMMARY OF PERFORMING WELL
Effective: Makes a positive difference in society	92%	52%
Accountable: Accepts responsibility to serve the public	90%	45%
Open: Transparent in its financial dealings, costs, processes	87%	32%

16. "Which of the following statements most makes you want to learn more about foundations?"

	JANUARY 2009 ENGAGED AMERICANS N=231
Foundations fund innovative projects that others won't fund	35%
Foundations provide an opportunity for individuals to take private action in the public interest	26%
Foundations are able to commit to supporting projects over the long term	16%
Foundations have the expertise to invest in projects with the greatest chance of success	12%
Foundations are able to decide which are the best projects free from political influence	12%

17. "Please indicate your level of agreement with the following statements: *Foundations should be more open with the public about their activities, including mistakes made and lessons learned.*"

	JANUARY 2009 ENGAGED AMERICANS N=231
Strongly agree	52%
Somewhat agree	36%
Somewhat disagree	7%
Strongly disagree	1%
Not sure	4%

18. "Please indicate your level of agreement with the following statements: *Foundations clearly communicate the value they bring to society.*"

	JANUARY 2009 ENGAGED AMERICANS N=231
Strongly agree	18%
Somewhat agree	41%
Somewhat disagree	31%
Strongly disagree	4%
Not sure	7%

19. "Would you say that foundations have too much, too little, or the right amount of influence in public discussion (including policymakers, government, community leaders and the media) about social issues and solutions in American society at each of the following levels?"

	JANUARY 2009 ENGAGED AMERICANS N=231		
	NATIONAL LEVEL	STATE LEVEL	COMMUNITY LEVEL
Too much	20%	13%	7%
Too little	49%	50%	51%
The right amount	32%	37%	42%

20. "Have you heard, read or seen anything in the news recently about how foundations are responding to address the impact of the economic downturn?"

	JANUARY 2009 ENGAGED AMERICANS N=231
Yes	19%
No	57%
Not sure	24%

21. "Thinking about support your organization might seek from the government or a foundation, which do you think would be more..."

	JANUARY 2009 ENGAGED AMERICANS N=231	
	FOUNDATION	GOVERNMENT
Likely to allow independence in how you use the funds	84%	16%
Willing to fund your project	80%	20%
Responsive to requests for assistance or insight	76%	24%
Interested in outcomes	74%	26%
Stringent about requirements (i.e. reporting, application)	31%	69%
Difficult to obtain a grant from	23%	77%

22. “Thinking about the organization where you hold a committee, board-level or leadership role, how do you think your organization would most benefit from a stronger relationship with foundations? Please select only one response.”

	JANUARY 2009 ENGAGED AMERICANS N=231
Greater access to funding	40%
Networking opportunities with other nonprofit or community leaders	21%
Greater access to foundations’ subject-matter expertise in my organization’s field	8%
Networking opportunities with other funders	7%
Greater access to foundations’ professional management expertise	4%
Other	1%
I don’t think my organization would benefit	18%

23. “Please evaluate the opinions described below of the two individuals, Smith and Jones, about annual spending of foundations, and please select the one that comes closest to your own:

Smith believes that the best way for foundations to help society is to exist over the long-term to provide consistent funding for projects. Therefore foundations should limit their annual spending so that their endowments last as long as possible.

Jones believes that the best way for foundations to help society is to do the most they can to fund projects now. Therefore they should be generous in their annual spending, even if this means they run out of funds in a decade or two.”

	JANUARY 2009 ENGAGED AMERICANS N=231
Exactly like Smith	19%
Somewhat like Smith	43%
Neither like Smith nor like Jones	20%
Somewhat like Jones	14%
Exactly like Jones	5%

24. “As part of your community leadership role, please indicate if you have had any of the following experiences with foundations? Please select all that apply.”

MAY 2007, JANUARY 2008, AUGUST 2008 & JANUARY 2009 ENGAGED AMERICANS N=1,265	
Direct experience	
Learned more about an issue through a meeting or briefing convened or sponsored by a foundation	27%
Applied for a grant	21%
Received a grant	16%
Worked as a partner with a foundation on an issue	13%
Served as a staff member of a foundation	11%
Served as a consultant to a foundation	10%*
Served as a trustee for a foundation	9%
Some exposure	
Learned more about an issue through written information prepared or sponsored by a foundation	25%
Helped to identify foundations that may be funding sources	25%
No contact	
None of the above	44%

*n=894

25. Loss to community by level of experience

MAY 2007 & JANUARY 2008 ENGAGED AMERICANS		
	N=363	N=311
	Direct experience	None
A great loss	40%	17%
Very much of a loss	28%	16%
Moderate loss	17%	31%
Somewhat of a loss	13%	19%
None at all	2%	16%

26. “How informed do you consider yourself to be with regard to foundations?”

MAY 2007 & JANUARY 2008 ENGAGED AMERICANS		
	N=363	N=311
	Direct experience	None
Extremely informed	9%	1%
Very informed	13%	1%
Informed	36%	16%
Somewhat informed	39%	47%
Not at all informed	3%	35%

27. Performing well by level of experience

AUGUST 2008 ENGAGED AMERICANS		
	N=153	N=124
	Direct experience	None
Effective: Makes a positive difference in society	61%	39%
Accountable: Accepts responsibility to serve the public	54%	34%
Open: Transparent in its financial dealings, costs, processes	39%	25%
Risk-taking: Willing to implement cutting edge solutions that others won't support	34%	27%

28. Important by level of experience

AUGUST 2008 ENGAGED AMERICANS		
	N=153	N=124
	Direct experience	None
Effective: Makes a positive difference in society	95%	85%