

WILLIAM PENN FOUNDATION  
IS PHILADELPHIA'S  
LEADING PHILANTHROPY  
BACK ON TRACK?

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**philamplify**  
honest feedback to improve philanthropy

# EXECUTIVE SUMMARY

For close to seven decades, the William Penn Foundation has played and continues to play a central role as a philanthropic and civic leader in the Philadelphia region. The foundation's mission is "to close the achievement gap for low-income children, ensure a sustainable environment, foster creativity that enhances civic life and advance philanthropy in the Philadelphia region." William Penn holds \$2.2 billion in assets and will make grants totaling \$90 million this year.<sup>1</sup>

Local stakeholders greatly value the foundation's long-term commitment to helping Philadelphia be a vibrant, equitable and economically thriving city. NCRP found that for the most part, the William Penn Foundation is viewed as an effective and impactful institution in the region, whose imprint can literally be seen everywhere – in the parks and on the waterfront, at performance venues and in early education classrooms. To a great extent, grantees and other stakeholders support the foundation's strategies and find the foundation to be a helpful partner and collaborator.

However, the foundation has experienced "bumps in the road" as it has undergone leadership changes and implementation of a new strategic plan. Some of the foundation's new strategies, as well as the foundation's handling of its executive transitions, have challenged its values of transparency and equity. In particular, many education stakeholders locally and nationally expressed concern about the impact on low-income students from the foundation's initial shift in education strategy. Also, the foundation appeared to have moved away from some of its most effective support for engagement and organizing of underserved communities. The foundation's recently reported education grantmaking signals a stronger commitment to equity. William Penn also

has bolstered funding for advocacy to strengthen both pre-K and K–12 public education systems.

Changes in the philanthropic landscape, with the declining role of other major foundations, leave William Penn as the "800-pound gorilla" in Philadelphia philanthropy, whether or not it wants to be. Local stakeholders urge the foundation to adapt to this new reality by expanding its public leadership role, strengthening its commitment to the underserved, working across silos more and increasing transparency. Local philanthropic peers are especially eager to see the foundation use its bully pulpit and convening capacity to rally all the city's sectors to tackle major issues facing Philadelphia. Today, the William Penn Foundation appears well equipped to do so if it can strike a balance between its quest for modesty and stakeholder requests for proactive public communication and civic leadership.

## KEY FINDINGS

1. **Across the board, grantees and other stakeholders see clear signs of impact from the William Penn Foundation's long-term investments in the arts, environment, neighborhoods and families.** The most positive feedback came from grantees and other stakeholders knowledgeable about the foundation's role in arts and culture. Those working on issues related to the foundation's Environment and Communities grant center, and subsequent Watershed Protection portfolio, also saw strong signs of impact and effectiveness. Stakeholders with the foundation's Children, Youth and Families (CYF) portfolio praised the impacts of organizing and advocacy grants, but questioned the results of youth development efforts.

- 2. The William Penn Foundation has a stated commitment to underserved communities and equity, yet the foundation has not communicated these intentions effectively, creating the perception that some current strategies no longer address these issues or do so less effectively than in prior years.**

The Watershed Protection and Creative Communities grant guidelines show little or no explicit focus on equity or benefit for underserved communities (except for the arts education strategy). Many grantees and stakeholders believe some aspects of the foundation's Closing the Achievement Gap endeavor are not based on evidence, have harmful impacts and actually may be increasing inequity in education access. However, the foundation offered specific examples of recent grants in education and Great Public Spaces (part of the Creative Communities grant center) that demonstrate a clear commitment to equity and to evidence-based solutions.

- 3. The William Penn Foundation has a clear dedication to long-term systemic change under the new strategic plan, and stakeholders urge the foundation to break down the walls among its program silos to support a more holistic approach.** Many stakeholders and grantees believe the current foci have been too narrowly construed and implemented, and that the foundation has enough resources to take a broader view that fosters interconnections within and across the three program areas, while remaining committed to measurable impact. In fact, the foundation reported that it recently had made operational and grantmaking changes that will support new ideas and more collaborative grantmaking across the three grant centers.

- 4. Under the prior program areas, William Penn Foundation had a strong track record of funding nonprofits that engaged affected communities in problem solving, and community leaders urge a continuation and renewal of that commitment.**

Although the recent strategic planning process involved extensive stakeholder input, some grantees and other stakeholders expressed concern that this commitment may have diminished under the new strategic plan because funding had been discontinued for many constituent-led organizations. Based on the foundation's reporting of recent and pending grants to support advocacy and organizing focused on securing access to high quality pre-K for economically disadvantaged children and adequate public funding for K-12 education, William Penn has signaled that it is taking steps to renew its commitment to advocacy, community organizing and civic engagement.

- 5. The William Penn Foundation is viewed as an effective collaborator, and stakeholders urge the foundation to assert more leadership as a community convener.** The foundation received high marks for its support of collaboration among grantees, and it is seen as effective in working with some sectors of society, especially nonprofits and philanthropy, followed by educational institutions and government, to further its goals. Yet, many stakeholders and grantees want the foundation to step up more as a visible community leader, especially now that it is the biggest local philanthropy that funds in the city.
- 6. The vast majority of grantees view their partnership with the William Penn Foundation as effective, but many also critiqued the foundation's handling of**

**recent institutional shifts.** Grantees appreciate their relationship with staff; the consistent, large, long-term investments that the foundation has made in nonprofits; application and evaluation processes; and various types of capacity support beyond the grant. Yet, the foundation's effectiveness as a partner with grantees has been hindered by weak transparency and uneven communication during a pivotal time of leadership change and implementation of a new strategic plan.

**7. As an outsize private family foundation with community-oriented aims, William Penn has struggled to find the right balance in governance and leadership style that is true to the Haas legacy and effectively supports mission implementation.**

The foundation is described as having a preference for lean, understated, quiet philanthropy that focuses on the grantees, not the foundation itself. Yet, increasingly complex and challenging issues call for more visible public leadership. Meanwhile, the foundation is experimenting with new staff leadership roles, opting for a managing director instead of a chief executive officer at the helm. Also, the board has undergone a change in composition that brings the next generation of the Haas family into the philanthropy, a laudable move. However, the board lacks diversity in several key ways that are directly pertinent to its mission and geographic focus.

## RECOMMENDATIONS

**1. Continue the effective practices that have made William Penn an impactful and valued partner.**

These include the foundation's steadfast dedication to Philadelphia, long-term commitment to its three grantmaking priorities, strong relationships with grant-

ees, support for collaboration, and helpful application and outcome measurement processes. Maintain a strong commitment to core support and multi-year funding, using a flexible approach that continues to enable grantees to achieve their intended outcomes through a variety of means.

**2. Be flexible in strategic plan implementation and pursue opportunities for more cross-silo grantmaking and convening across the three grant centers.**

As the foundation has honed its strategies and sought more measurable outcomes, potential trade-offs include less focus on broader systemic issues that effect seeding of innovative ideas in each program area or cross-fertilization within and between program areas that could result in new solutions and greater impact. To realize William Penn's vision of a vibrant, thriving city, stakeholders believe it will be important to weave together the three strands of arts, environment and education more intentionally and holistically. William Penn can build on the recent steps it reportedly has taken to incentivize innovative ideas and support cross-silo collaboration and grantmaking. A higher payout rate, of at least 6 percent in grants, can support these new operational and grantmaking strategies.

**3. As a highly respected voice in the city, maximize impact by exercising more public leadership on the foundation's key priorities and other pressing issues facing the city.**

William Penn has a reputation of quiet, behind-the-scenes leadership, and history suggests that CEOs with a highly visible presence don't last long in that environment. Yet, grantees and stakeholders are urging the foundation to step out more and "own" its influence. As a major institution with a strong web of relationships, William Penn is uniquely

poised to advance its mission by using its bully pulpit and bringing diverse and sometimes divergent stakeholders together to tackle challenging issues.

**4. Strengthen the foundation's impact by funding organizing and civic engagement among affected communities.** William Penn clearly has the intent to support underserved Philadelphia residents. The foundation can take a number of steps to better articulate and realize that intent: (a) develop deliberate and focused strategies that can have an impact on child poverty in the city, which directly affects student learning and outcomes; (b) share learning from Closing the Achievement Gap and exercise leadership to help ensure all low-income and marginalized students have access to a good education, including by promoting strong accountability across all K–12 education providers in the city; (c) bring a more explicit equity lens to the other two program areas, Watershed Protection and Creative Communities; and (d) fund more advocacy and organizing by (not just on behalf of) low-income communities of color and other marginalized groups.

**5. Develop board and staff capacity to more effectively govern and implement a very ambitious agenda.** Build off the foundation staff's mostly positive relationships with grantees by ensuring an adequate number of program staff, including those with nonprofit and advocacy experience in underserved communities. Also, carefully adding individuals with diverse backgrounds and experience to the board will lead to better grantmaking by ensuring that some "on-the-ground" perspectives, especially related to marginalized communities and inequity, inform the foundation's strategies and practices. Clarify governance roles

and inform stakeholders about who the public face of leadership is and who makes decisions about strategy and implementation.

**6. Practice greater transparency related to all facets of the foundation's work.** According to William Penn's values statement: "Communications advance the foundation's mission by enhancing the impact of our grantmaking and the effective use of our resources. Members, directors and staff value clarity, coherence and simplicity in communications. They listen and seek to learn from others in order to function with maximum efficacy." Survey and interview data indicate that the foundation has not consistently held itself to this value. Sharing data annually on the progress the foundation is making toward its goals, and sharing how ongoing learning is informing strategy, will help the foundation maintain trust and buy-in from grantees and other stakeholders. Providing public information about the foundation's investment strategies will help stakeholders understand whether and how the foundation is using its assets to advance its mission.

## ABOUT PHILAMPLIFY

Philamplify is an initiative of the National Committee for Responsive Philanthropy that aims to maximize the impact of our country's grantmakers. At the center of Philamplify is a series of comprehensive reports conducted by highly regarded researchers assessing foundation grantmaking and operations. Assessments include key findings and recommendations, along with in-depth analysis of foundations' funding strategies and feedback from peer funders, nonprofit leaders, issue experts, community members and more. By making these assessments public, Philamplify seeks to build a culture of transparency, mutual accountability and knowledge sharing.

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