

ROBERT W. WOODRUFF FOUNDATION

WILL ATLANTA'S QUIET CHANGEMAKER ADAPT TO 21ST CENTURY OPPORTUNITIES?

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BY **ELIZABETH MYRICK**



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EXECUTIVE SUMMARY

The Robert W. Woodruff Foundation, Inc., is an independent private foundation with a broad charter to support charitable, scientific and educational activities. The foundation is governed by a self-perpetuating board of trustees under the laws of the state of Georgia. Its namesake and primary donor, Robert W. Woodruff, led the Coca-Cola Company from 1923 until his death in 1985. In 1937, Woodruff established the Trebor Foundation, which was renamed the Robert W. Woodruff Foundation following his death.

At the close of 2012, the Woodruff Foundation had assets of \$2,841,725,477 and made 53 grants totaling \$133,510,011. The Woodruff Foundation makes grants to well-established public charities located and operating in Georgia, emphasizing:

- Elementary, secondary and higher education.
- Health care and education.
- Human services, particularly for children and youth.
- Economic development and civic affairs.
- Art and cultural activities.
- Conservation of natural resources and environmental education.

According to its succinct website, the foundation “gives preference to one-time capital projects and to the needs of well-established public charities.” Three smaller – though significant – foundations are affiliated with the Woodruff Foundation and endowed “primarily by Coca-Cola interests.”¹ Proposals are submitted to a single Woodruff Foundation address and are referred to (and funded by) the affiliated foundations for which they are best suited. The affiliated foundations share Woodruff’s staff of 12, but

each is governed by its own board and submits a separate 990PF. Together, the foundations represent total endowed assets of more than \$5 billion. While several grantees interviewed referenced grants from an affiliated foundation, the focus of this report is the Robert W. Woodruff Foundation, which is recognized in Atlanta as the region’s largest and most well-known foundation.

To assess the Woodruff Foundation, it has been helpful to learn as much as possible about philanthropy in the city of Atlanta, the state of Georgia and the southeastern United States. The findings of Grantmakers for Southern Progress² (GSP) and its publication, *As the South Goes: Philanthropy and Social Justice in the US South*, have been instructive. This report has taken the findings of *As the South Goes* seriously. While the words *equity* and *opportunity* may not appear in Woodruff Foundation grants and documents, what did emerge was Woodruff’s commitment to community change, problem-solving and increased access and opportunities for marginalized populations. The primary grantmaking strategy employed by the foundation can be captured in three related questions: Is it good for Atlanta or Georgia? Can it be done? Is it sustainable? Within these broad questions, a set of screens emerge that help to demystify and lend strategic intent to Woodruff’s decision-making.

KEY FINDINGS

1. **Respect for donor values, local knowledge and relationships, and “unabashedly responsive” grantmaking are among the strategic strengths of the Robert W. Woodruff Foundation.** To an outsider, Woodruff’s mission and grantmaking priorities appear quite broad and focused almost exclusively on build-

ings, major capital campaigns and equipment. Upon closer inspection and based on feedback from most of its grantees, Woodruff grantmaking can be said to run the gamut and include local community theater, large-scale building and university campaigns, and child welfare and social service organizations. While Woodruff staff and board are measured and formal in their grant review process, Woodruff's strategy was described as no-frills and relationship-driven, based on genuine trust and respect for grantees. Expectations are communicated in person; grantees described site visits or personal meetings as a proposal was being developed and reviewed. These meetings tended to emphasize organizational efficiency, leadership, financial standing and direct impact on residents.

- 2. Reputation is perhaps Woodruff's greatest asset; stakeholders see an opportunity for the foundation to leverage this asset more fully.** Numerous grantees and other stakeholders reported that a grant from the foundation served as the "Good Housekeeping seal of approval." Even with the foundation's rigor and high standards, stakeholders deeply appreciated their relationship with Woodruff's small staff. The foundation's size, age and reputation have contributed to a perception that Woodruff has the capacity – when it chooses – to influence government, business and nonprofit sectors in Greater Atlanta and across Georgia. As one stakeholder suggested, "The president of the Woodruff Foundation is more powerful than the governor of Georgia." Grantees and stakeholders wished the foundation would take on more public leadership and convening roles.
- 3. On issues of equity and inclusion, the Woodruff Foundation has been a quiet but deliberate funder; Woodruff was urged to become more explicit and**

transparent with grantmaking aimed at increasing opportunity for marginalized populations.

Practicality and efficiency have marked Woodruff's grantmaking, not surprising given the region's conservative political and cultural environment. Nevertheless, Woodruff has not avoided high-risk grants. Grady Hospital is the largest and most public example. The foundation's \$200 million grant is generally agreed to have saved Grady. The public hospital serves primarily low-income people and people of color, and is both a major source of employment and of pride for African American residents of Greater Atlanta. More often, Woodruff operates either quietly or anonymously when it makes grants aimed at increasing opportunity and access for disadvantaged populations. Grantees and stakeholders urged Woodruff to embrace more transparency and risk with its grantmaking.

- 4. Concrete examples, quite literally, of Woodruff Foundation's impact are obvious in Atlanta and throughout Georgia.** Today, Emory University, Grady Memorial Hospital and the Atlanta BeltLine are most often cited as "concrete signs of progress or results." Woodruff's role in "saving" Grady Hospital is an example of impact aligned with NCRP's criteria regarding equity, access and collective impact. More recently, though still quietly, the Woodruff Foundation has sought to link capital projects with less tangible but crucial forms of social connectivity and impact.
- 5. Woodruff's rigorous review process helps to establish its high standards and has earned genuine admiration among individual grantees; its approach is limited, however, when it comes to impact on the nonprofit community as a whole.** Over time, the foundation's emphasis on operational efficiency and

sustainability has contributed to durable nonprofit institutions in Georgia and especially in Atlanta. The foundation has maintained “arms-length grantmaking” that reflects its donor’s personality, but also can limit the foundation’s impact. The sector as a whole was described by grantees and other stakeholders as fragmented and “lacking a collaborative culture.” Stakeholders believe Woodruff could play a role in cultivating greater cooperation in the region.

- 6. Areas of the foundation’s operations seem unnecessarily opaque, leading to confusion about grantmaking priorities and missed partnership opportunities.** The foundation offers very little written information about its goals, strategies and impact. One consequence of opacity is that potential nonprofit and foundation partners don’t realize that their goals and missions may be aligned with the foundation. Open-ended responses in grantee surveys most often identified increasing transparency as a step the foundation could take to become more effective and deepen impact.
- 7. While grantees and other stakeholders regard staff with genuine admiration, the majority of individuals interviewed suggested that adding more staff would deepen the foundation’s expertise and impact.** Woodruff and its affiliated foundations represent \$5.5 billion in assets, and employ 12 full-time staff. Their public and grantmaking responsibilities fall on four individuals. The Woodruff Foundation operates with an atypically small staff, which may limit its capacity to reach smaller organizations and take on more public leadership and convening roles. Foundations with comparable assets, even those considered lean for the field, have 40 or more staff.

- 8. The Woodruff Foundation is led by a small homogeneous board; the majority of grantees and other stakeholders interviewed believe the foundation would benefit from a larger, more diverse board.**

The Woodruff Foundation’s five board members are white men at or near retirement age. They are people who knew or, based on professional affiliations, would have been peers of Robert W. Woodruff. Each has professional experience in Atlanta’s elite banking, business and legal sectors. Stakeholders suggested that the board was not representative of today’s Atlanta and that, as one philanthropic stakeholder suggested, “new voices would certainly help the foundation achieve greater impact.” This sustained personal connection to the donor has helped keep the values and interests of Robert W. Woodruff present in the foundation’s grantmaking, but research into group decision-making has found such insularity to be less effective and productive.³ Drawing board members from both traditional and new networks would help the foundation honor its past while staying connected to a changing region.

- 9. The foundation’s investments are highly concentrated in one company and represent greater risk than most foundation endowments.** The foundation maintains \$2.3 billion of its total \$2.8 billion assets in Coca-Cola stock. In spite of the fact that Coca-Cola is the source of the foundation’s wealth and has performed well over time, such a risky investment strategy limits the ability of the foundation to make certain kinds of grants. The volatility of a highly concentrated portfolio makes providing multi-year and general operating support more challenging. Beyond this, Coca-Cola represents a complicated relationship for the Woodruff Foundation, made all the more so by the foundation’s commitment to environmental and health outcomes.

While Coca-Cola was central to both the donor's life and the growth of Atlanta, the corporation has faced criticism⁴ for poor environmental practices, especially in India and Latin America, and for its products' negative impacts on health. Diversifying its investments would bring the foundation's investments and grantmaking goals into closer alignment.

RECOMMENDATIONS

- 1. Continue the many exemplary practices that have made the foundation a trusted partner.** The care, thoughtfulness and humility with which the foundation operates are exemplary and should be maintained. Similarly, the foundation's vast knowledge of the community and its strong relationships are incredibly valuable. The staff's integrity and commitment to the foundation's mission are especially strong. Seventy-five percent of stakeholders interviewed could readily point to specific achievements of progress, suggesting that Atlanta would not be the city it is without Woodruff. In addition to its obvious achievements, the Woodruff Foundation was credited in stakeholder and grantee interviews for achievements for which it sought no recognition, but simply knew to be "the right thing to do."
- 2. Invest in the social fabric of Atlanta to advance equity and opportunity.** The foundation's large capital and facility investments have been and will continue to be critically important. Alongside these investments, the Woodruff Foundation could achieve even greater impact by providing operating and program grants to efforts that weave the social fabric needed to make diverse communities strong and resilient. Steps in that direction would include: convening nonprofits serving communities and

issues of regional importance; facilitating opportunities for cross-sector communication and cooperation; supporting emerging leaders, especially those representing low-income, people of color and other marginalized communities; and providing both the grants and leadership required to address issues of race and equity in Georgia. When targeting social fabric goals, a strategy that explicitly includes multi-year and general operating grants has proven most effective. Smaller and more targeted grants that might be a stronger fit for this kind of grantmaking could have operational implications; nevertheless, Woodruff has a history of adapting to the needs of the community and is positioned well to do so again.

- 3. Embrace inclusion and add more voices to expand and deepen the foundation's impact.** The consistency of Woodruff's question "Is it good for Atlanta?" is practical and highly valued but, as Atlanta changes, answering this question will require elevating new voices and practices. The foundation would benefit from engaging constituencies beyond the traditional leaders already in its orbit. Woodruff can be more explicit in its commitment to making Atlanta a better place for underserved and marginalized residents as a first step toward developing and expanding the relationships required to be successful in that mission. The communities served by Woodruff would benefit from the foundation adding more and different voices to its staff and board. A larger and more diverse board and staff would help the foundation engage effectively with a wider pool of grantees and other stakeholders. A variety of tools is available to identify new leaders and secure input from low-income people of color and other marginalized communities. The genuine respect the foundation has earned makes it highly likely that

new voices would sustain the foundation's core values while increasing its responsiveness and impact.

- 4. Increase transparency to make new grantmaking and partnership opportunities more likely and more impactful.** Specificity regarding the outcomes the foundation seeks and the strategies it pursues would allow potential applicants, partners and peers to learn from and join Woodruff in achieving its place-based goals. While Woodruff does make multi-year and flexible grants, its impact would be enhanced by increasing transparency about when and why these grants are made. Given Woodruff's standing as the "Good Housekeeping seal of approval," increased transparency would add Woodruff's reputational capital to the efforts it makes on behalf of marginalized populations. To increase transparency, Woodruff can begin by improving its grant coding to allow the Foundation Center and others to more accurately represent its priorities and impact. Participation in the Foundation Center's GlassPockets would help others to adopt Woodruff's most successful strategies. While sensitive to the foundation's core value of humility, NCRP would urge Woodruff to teach and learn alongside other large foundations.

- 5. Diversify the foundation's holdings to allow for more flexible and strategic grantmaking.** The Woodruff Foundation is a tremendous asset for the greater Atlanta community. Maintaining a high concentration of assets in Coca-Cola stock is inherently risky and limits the ability of the foundation to meet the needs of the broader community. Some of the corporation's practices are at odds with the foundation's mission. The foundation should develop a plan for incremental and gradual diversification of assets to reduce volatility

and enable it to pursue more diversity in its grantmaking portfolio. Woodruff also might seek opportunities for mission-related investments that benefit Atlanta's most marginalized communities while producing a return for the foundation.

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.

www.philamplify.org



Address 1331 H Street NW, Suite 200
Washington, D.C. 20005

Phone (202) 387-9177

Fax (202) 332-5084

Web www.ncrp.org