



# NCRP Assessment of Winthrop Rockefeller Foundation

BY LISA RANGHELLI

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# I. Executive Summary

The mission of the Winthrop Rockefeller Foundation is to improve the lives of Arkansans in three interrelated areas: education, economic development and economic, racial and social justice. The foundation's 2008-2013 "Moving the Needle" (MTN) strategic plan had four core goals: reduce the number of families living in poverty, increase high school and college graduation rates, support local community change efforts and strengthen nonprofit capacity.

NCRP assessed the foundation's progress in these areas through the lens of *Criteria for Philanthropy At Its Best* and the recent report, *Real Results*, which argues that to maximize impact, foundations must be both strategic and just. This means that in addition to having clearly aligned goals and strategies and a way to measure impact, grantmakers also need to consider who benefits from the foundation's grantmaking and how, seek input from affected communities and attempt to change systems that perpetuate inequity.

NCRP's review found that the Winthrop Rockefeller Foundation is an exemplar of strategic-just philanthropy in its goals and strategies. Overall, the extensive information and data gathered through this review process paint a picture of a highly focused, effective foundation with extremely competent leadership and staff that is well respected and is making progress on its ambitious goals.

Stakeholders view the CEO's leadership and vision as the starting point for this success, and the highly-valued staff team is a strong asset for the foundation. Some aspects of its MTN strategic plan are seen as more successful than others. Its agenda is a long-term and ambitious one.

Feedback from grantees and other stakeholders and NCRP's analysis of the data raise specific issues that warrant further examination. As the Winthrop Rockefeller Foundation board and staff look ahead to the next iteration of MTN, NCRP offers several recommendations that we believe will strengthen the plan and sharpen its focus, leading to greater impact.

## A. KEY FINDINGS

Below are the key findings from NCRP's assessment:

1. Winthrop Rockefeller Foundation's strategic, yet flexible "Moving the Needle" agenda clearly promotes systemic change to reduce poverty and inequity in Arkansas.
2. The foundation's comprehensive and inclusive approach to strategic planning has resulted in strong stakeholder buy-in to the MTN agenda.
3. The foundation's grantmaking and other practices demonstrate a consistent commitment to the inclusion and empowerment of rural and underserved communities in creating change.
4. Many grantees and stakeholders see specific signs of progress in Moving the Needle, especially in the areas of education and immigration.
5. Beyond its grantmaking, WRF exercises leadership effectively by engaging and convening multiple sectors of society to work toward common goals.
6. Grantee respondents from the Delta and other rural regions of the state did not perceive as much clear evidence of progress on the foundation's poverty reduction goals compared to grantees from other parts of Arkansas.
7. Although the foundation has taken a multi-pronged approach to building nonprofit and community capacity, grantees and other stakeholders see ongoing challenges and needs, and urge greater focus and attention on this goal.
8. Grantees overwhelmingly view WRF as a highly effective partner, primarily because of the open, accessible foundation staff and the strong sense of shared purpose.

9. WRF fosters collaborative, noncompetitive relationships among nonprofits, which has contributed to more effective collective impact.
10. The foundation has furthered the alignment of its funding and investment practices with the Moving the Needle agenda to be more strategic and impactful.
11. The foundation's commitment to good governance practices supports its mission and enhances its external relationships, yet the foundation can take further steps to strengthen its practices.
7. Communicate clearly to the foundation's grantees and other stakeholders in Arkansas what the MTN agenda has accomplished since 2008, the measures the foundation has used to gauge progress and its specific objectives for the future.
8. Increase grants payout to build on success and momentum of Moving the Needle to date.
9. Provide timely and comprehensive grants data to the Foundation Center so that WRF and its stakeholders can monitor its progress in meeting benchmarks for good grantmaking practices.

## B. RECOMMENDATIONS

Below are NCRP's recommendations to WRF that we believe will help further boost the foundation's effectiveness and impact:

1. Maintain the overarching goals and toolkit of strategies for Moving the Needle, seeking refinements to address a few discrete issues that have proven especially challenging.
2. Continue exercising leadership through combined capacities of research, content expertise, relationship building, bully pulpit and convening.
3. Preserve the foundation's open, accessible, transparent, collaborative and communicative practices.
4. Increase core funding and capacity support for effective grassroots constituency engagement and community organizing, and continue to connect those groups to state policy advocacy efforts.
5. Augment capacity building and leadership development efforts in rural parts of the state, perhaps with targeted efforts in specific regions.
6. Clarify and, if needed, strengthen the foundation's strategy for poverty reduction in the Delta and communicate it to grantees and other stakeholders in that region.

## II. About Winthrop Rockefeller Foundation

In 1974, the year after former Arkansas Governor Winthrop Rockefeller died, the trustees of his estate established the Winthrop Rockefeller Foundation (WRF). Today, its mission is to improve the lives of Arkansans in three interrelated areas: education, economic development and economic, racial and social justice. In 2012, \$132,822,483 in assets and made grant payments of \$4,559,370..

In June 2008, under the new leadership of Dr. Sherece West-Scantlebury, the foundation's board adopted a five-year "Moving the Needle" strategic plan that had four core goals: reduce the number of families living in poverty, increase high school and college graduation rates, support local community

change efforts and strengthen nonprofit capacity. The foundation identified a handful of strategies to achieve those goals: public policy and advocacy, place-based grantmaking, direct services, program support and research.

As it prepared to undertake a new strategic planning process in 2013, the foundation was interested in assessing its impact under Moving the Needle. WRF contracted with NCRP to conduct such a review. (Disclosure: NCRP received funding from WRF to conduct the assessment. Also, Sherece West-Scantlebury, the CEO of the foundation, was the vice chair of the NCRP board of directors at the time of the assessment. She is currently the board's chair.)

## III. Overview of Methodology

NCRP wanted to use this opportunity to explore the creation of an assessment tool for foundations that would address the strategic practices outlined in *Criteria for Philanthropy at Its Best* and its recent report, *Real Results: Why Strategic Philanthropy is Social Justice Philanthropy*.

*Criteria for Philanthropy at Its Best* provides a comprehensive and nuanced set of benchmarks that foundations can use for effective operational and grantmaking practices. *Real Results* argues that to maximize impact, foundations must be both strategic and just. This means not only having clearly aligned goals and strategies and a way to measure impact, but also considering who benefits from the foundation's grantmaking and how, seeking input from affected communities and attempting to change systems that perpetuate inequity.

A comprehensive, nuanced examination of foundation goals, strategies and practices is needed to understand how well a foundation can marry strategy and justice to be more impactful. Key questions the assessment addressed were:

### A. Overall Goals and Strategy

- What are the foundation's primary goals, and is it employing strategies likely to achieve those goals?
- Which stakeholders and what sources of data and best practice have informed these strategies?
- Given its mission and goals, is the foundation appropriately seeking to benefit or empower underserved communities? Is the foundation applying an equity lens or analysis to its grantmaking? Is it addressing disparities in outcomes for the issues or constituencies it prioritizes?
- Does the foundation pursue systemic change strategies? Does it support grantees to use the full range of advocacy tools legally at their disposal? Is the foundation leveraging its limited dollars in ways that are consistent with the foundation's mission and goals?

- Is the foundation looking at the ecosystem of actors within the sphere it seeks to influence and strategically collaborating with others?

### B. Outcomes and Impact

- Has the foundation worked across sectors and silos to achieve impact?
- Has the foundation effectively supported community-driven collaboration and coalitions among grantees and other nonprofits?
- How does the foundation measure its progress and impact?
- Can the foundation and its stakeholders point to specific signs of progress?

### C. Partnership with Grantees

- Does the foundation employ responsive grantmaking practices, such as providing core support and multi-year funding? How do the foundation's grantmaking practices advance or hinder achievement of its goals?
- How does the foundation go beyond the grant to leverage its relationships, convening power, expertise and other assets to help grantees achieve mutual goals?
- Does the foundation solicit feedback from its grantees and applicants and act on that feedback?

### D. Other Effective Practices

- How do the foundation's investment and payout policies and practices support its own mission and the goals of its grantees?
- Does the foundation operate in a transparent and ethical manner, with policies in place to prevent fraud and abuse?
- Is the board of directors large and diverse enough to allow for effective and ethical decision making?

NCRP employed the following methods during the review process:

1. **Extensive review of foundation materials** that could help answer the assessment questions, such as strategic plan and theory of change, 990-PFs, annual reports, grantmaking guidelines, grant descriptions, application and reporting requirements, board manual, investing policies, transparency practices, ethical codes of conduct recently completed assessments or evaluations and news articles referencing the foundation from the prior 12-month period.
2. **Interviews with key staff** including Sherece West-Scantlebury, president and CEO; Cory Anderson, vice president; Andrea Dobson, chief operating and financial officer; Regan Gruber Moffitt, senior associate, public policy; and Takema Robinson-Bradberry, senior associate, education. The point person for the project with whom NCRP had ongoing communication was Sarah Donaghy, program associate. A follow-up group interview was conducted with Cory, Regan and Takema.
3. **Confidential survey** of current and prior year grantees. NCRP created a grantee survey and gave WRF staff an opportunity to provide input. WRF sent email letters to grantees, encouraging them to participate. The participation rate of grantees in the survey was quite high: three grantees tested the survey instrument for us and then an additional 36 completed the final version of the survey. There were only eight nonrespondents. The response rate was 83 percent.
4. **Interviews with selected grantees.** To delve more deeply into topics raised in the survey responses, NCRP conducted interviews with 11 grantees selected based on the relevance of their survey responses to identified themes and their indicated willingness to be interviewed. For example, NCRP interviewed grantees that could address regional differences in perception of the foundation's effectiveness at addressing its poverty goals.
5. **Interviews with declined applicants.** WRF provided a select list of declinations and emailed letters to them to encourage participation. Of the 14 applicants contacted, five agreed to be interviewed, a response rate of 36 percent.
6. **Interviews with local, regional and national stakeholders.** NCRP interviewed a cross-section of individuals in the sector who are very familiar with the foundation's work. WRF staff suggested stakeholders to interview and emailed them to encourage participation. These included state, regional and national grantmakers, public officials, consultants to the foundation and nonprofit leaders that were not current grantees. As stakeholders suggested additional names, NCRP conducted outreach to them directly. In all, NCRP contacted 27 stakeholders and conducted interviews with 17 of them. At that point, researchers reached "data saturation" for the themes and opinions interviewees expressed.
7. **Analysis of survey and interview data.** NCRP analyzed the survey data to discern if any correlations existed between the grantees that held certain characteristics (e.g. geographic location, program area) and their responses about key topics such as foundation effectiveness and partnership with grantees. Researchers used an iterative process to do a content analysis of open ended survey responses and interview transcripts. Two researchers read through all of this qualitative data, identified key themes, compared notes and further refined the codes. These themes were then probed in the follow-up interviews with WRF staff and, as noted above, in the grantee interviews.

## IV. Key Findings

### A. GOALS AND STRATEGIES

#### 1. Winthrop Rockefeller Foundation's strategic, yet flexible, "Moving the Needle" agenda clearly promotes systemic change to reduce poverty and inequity in Arkansas.

- Winthrop Rockefeller Foundation's 2008–2013 Strategic Plan has goals<sup>1</sup> and strategies<sup>2</sup> that explicitly focus on changing systems over the long term to get at the root causes of poverty. Systemic change strategies include funding of policy advocacy and community organizing, creation of demonstration initiatives that pilot institutional reforms on the ground and the use of research, convening and the bully pulpit to inform public opinion.
- The foundation developed a theory of change that directly links its strategies to broad outcomes and impacts.
- The foundation intentionally shifted from what one person described as "a piecemeal grantmaking approach" to a targeted grantmaking approach that could achieve greater impact – an impact that was shaped by Arkansas communities themselves. According to Cory Anderson:

*"The focus on systemic change acknowledges that none of us in philanthropy have the resources to make change with just what we have. As a small foundation with a statewide goal, we don't. We couldn't scratch the surface of our Moving the Needle goals without looking at systems. This prevented us from being too siloed. We couldn't just focus on one aspect of the education system or economy to deal with poverty. To the extent that we limit ourselves in what we do, we are guided by these questions: (1) What were the ways our stakeholders articulated that we could have the most impact on or fill a gap no one was filling? (2) Will this give*

*us something useful to say to these bigger systems that impact poverty and education? Are we going to learn something to help policy makers change the way they do things to have an impact on an affected population?"*

- Interviewees universally praised the foundation for the set of goals and strategies it developed under Moving the Needle.

*"Racial and social justice, poverty and education are all huge issues here. To have leadership in those areas is very important. It's really the premier foundation in the state – it isn't the largest by any stretch, but in terms of making positive, long-term change, it is **it**."*

- Many stakeholders applauded the tight focus of the plan. Other adjectives used to describe the approach were: "clear," "unwavering," "targeted," "intentional" and "transformational".
- Stakeholders noted that in formulating its strategies, WRF gave itself the flexibility to identify appropriate activities and to seize new opportunities that fit within the broad plan. "The foundation didn't pick one magic bullet," said one stakeholder. Another commented, "I think it has a very good end goal and multiple ways to get to that, but I've also seen flexibility with that. The staff adjusts as they go. They are trying to guide the activity while keeping it at the local level."
- The data show that the foundation seeks to address disparities in myriad ways through its MTN agenda. For example:
  - The Marginalized Males Workforce and Education Consortium (MMWEC) seeks to raise college success rates for African American men.
  - The University of Arkansas Clinton School's Center on Community Philanthropy, a grant-

ee, hosts an annual summit on racial healing and equity in the South.

- Anderson’s rationale for MMWEC exemplifies how a targeted approach benefits everyone, not just individuals who are direct beneficiaries of services:

*“If the goal is to increase the number of folks in Arkansas who have some sort of education degree or certificate after high school, then we have to look at populations that are disproportionately represented in the negative part, such as African American and Latino men, single moms and rural white males. First, we know that if we can do better with those groups, the impact of our investment will increase numbers overall and more quickly than if we just took a broad approach. We increase our return on investment. Second, if you invest in the services and structures that those who are struggling most need, what you end up with is a system that better supports everyone at the end. Over time, any student who is doing all right may have one of the many key challenges we address. So, if you have a system that covers the people at the very bottom (have the most challenges), then the people who are doing the worst and the guy who only struggles in one area will both do better.”*

- Although WRF may not use an “equity” message to describe its work publicly, others perceive this as an explicit core value of the foundation. Cory Anderson described the foundation’s commitment to equity as implicit rather than explicit. The words “inequity,” “equity” and “disparities” do not appear anywhere in the main section of the strategic plan. However, “economic, racial and social justice” is a stated mission and goal of the foundation. And one stakeholder reflected broader consensus when praising the foundation for “its commitment to issues of equity, poverty, justice – explicit naming of those issues in a state and a region and a nation and a world where explicitly naming these things takes a lot of courage.”

## **2. The foundation’s comprehensive and inclusive approach to strategic planning has resulted in strong stakeholder buy-in to the MTN agenda.**

- NCRP’s review found that WRF developed its strategies after a comprehensive and inclusive information gathering process that entailed reviewing its existing grants portfolio; researching Arkansas poverty and demographic data; conducting an ecosystem analysis of the fields of community change, community development and policy advocacy in the state; and consulting with more than 100 stakeholders across Arkansas, from the grassroots to the grasstops. The leadership also tested out ideas with philanthropic peers regionally and nationally.
- Interviews with staff indicated that the foundation was intentional about the niche it wanted to fill in relation to others that are seeking to reduce poverty and improve educational outcomes in the state. For example, WRF sees its grantee partners, and the communities they represent and mobilize, as the primary voices in the policy arena. Interviewed grantees also said that the foundation’s role is appropriate in terms of when it exercises leadership and when it plays a supportive role.
- Yet, the staff does not shy away from being advocates within the legal parameters of a private foundation. Regan Gruber Moffitt explained:

*“I think we try to use our voice where we are uniquely suited to carry a message or where we can amplify things that our partners are doing. We don’t try to speak on behalf of grantees but to amplify their voice. We don’t insert ourselves everywhere. We figure out where we have a unique voice and we speak up ... For example, with the issue of equitable school finance, we’re uniquely suited to have a voice here because of some of the research we’ve done on our own.”*

- Numerous stakeholders and grantees expressed concern about the shifting political landscape

in Arkansas, and its implications for the Moving the Needle agenda. Out-of-state money poured into the 2012 elections and helped finance the first Republican-controlled legislature since Reconstruction. Many fear that a longstanding moderate political temperament in both political parties has been jeopardized by more polarizing influences.

- Staff interviews showed that the strategic planning process involved structured stakeholder engagement and the ongoing process of gaining input has been more informal. An ad hoc study group of grantees and other nonprofits interested in federal budget and funding issues that was set up by the foundation has morphed into the Moving the Needle Working Group. This group has proven to be a useful sounding board for program staff as they explored new program ideas to achieve MTN goals. Moffitt described its evolution:

*“The group had been meeting regularly and started to get to know each other. We found that it was pretty representative: a real cross-section of nonprofits across the state — advocacy groups, CDCs, direct service agencies and groups from all regions of the state. A lot of them are grantees, but not all. So we decided the group could be more collaborative, finding ways we could work together. Not only was it valuable for them to be connected with us and with their peers, but they also could provide beneficial feedback to us. When we launched the Campaign for Grade Level Reading, we did a webinar with them to talk about what it was about. We did the same thing when we released our immigrant study. With each, we used the group as a sounding board. Its members liked that role because there can be a huge power differential between foundations and the nonprofits they work with. This gives us a context to work together. We came to them needing their input and influence.”*

- Although the foundation solicited input during its strategic planning process and gained

informal feedback through the MTN Working Group, 72 percent of grantee survey respondents said they had *not* been asked for feedback in the last two years. And among the 28 percent that did respond “yes,” all but one said they did not know if that feedback was used and one said it had *not* been used.

- The grantee survey found that the most common form of feedback the foundation solicited was through one-on-one conversations. Both the surveys and interviews indicated that the staff is seen as very approachable and open to dialogue and new ideas.

### **3. The foundation’s grantmaking and other practices demonstrate a consistent commitment to the inclusion and empowerment of rural and underserved communities in creating change.**

- Survey data indicate that at least three-quarters of grantees view the foundation as “very” or “somewhat” effective in supporting the empowerment of underserved communities in specific ways detailed in Table 1 (see page 8).
- NCRP’s analysis found that the third goal of the strategic plan, to support local community change efforts, is the key locus of WRF’s commitment to empowerment of communities affected by poverty. Two grantees that exemplify this commitment are Rural Community Alliance (RCA) and Arkansas Public Policy Panel (APPP).<sup>3</sup>
  - RCA has organized rural residents to retain their economic and civic vitality by fighting to maintain anchor institutions such as schools and post offices, and it has developed an innovative model in the Ozarks to network small communities together to foster community revitalization projects.
  - APPP organizes in local communities and helps those leaders create their own independent organizations such as the Gould Citizens Advisory Council, which over-

came apathy to nurture fresh leadership that pulled this small southeast Arkansas town out of bankruptcy. APPP also supports the Citizens First Congress, a statewide coalition of such local organizations, to affect state policy in a coordinated way.

- Interviews with staff demonstrated the foundation’s commitment to this principle. Takema Robinson-Bradberry observed:

*“We’re always trying to benefit the “end users.” In terms of education, that’s the student, then parents. With community change work, it’s the resident. The value is important but it’s also a challenge to make sure the end users are part of the process of deciding what happens or that we’re working on behalf of them. When we’re talking about poverty in Arkansas, we’re talking about low-income families, black and brown families, but also rural white families. We want to make sure that the people we work on behalf of are a part of making the changes that affect them.”*

- NCRP’s data gathering revealed that this commitment to grassroots empowerment also manifests in WRF’s support for traditional service providers to foster more civic engagement at the local level.

- For example, a homeless shelter created a community advisory group of former participants and community leaders to advocate at the city level, resulting in an increase in spending for youth programs.
- A statewide food security group is organizing communities to develop a stronger local infrastructure for food distribution and hunger relief activities.

- The foundation has turned down partnerships with other stakeholders that did not share the same value of inclusion. Robinson-Bradberry noted, “It’s really hard for us to maintain the values sometimes or incorporate that element, for example if working with a large university or large advocacy organization. We try more and more to do it authentically, because when you’re driving change at the systems level, it can be an insular conversation and one about efficiency.”

- In one case, WRF declined to partner with a local official who wanted help to implement county improvement plans but, despite WRF’s advice, failed to use an inclusive process within the community to develop the plan.
- In another instance, the foundation decided not to fund an immigrant education initiative because the planners did not involve the immigrant community when crafting the proposal.

TABLE 1: How effective were the foundation’s strategies in supporting underserved communities to:

Answer Options	Very effective	Somewhat effective	Not very effective	Completely ineffective	I don’t know
Determine and lead their own strategies for change?	44%	38%	0%	0%	18%
Have a more powerful public voice?	46%	31%	3%	0%	21%
Gain greater access to resources?	56%	23%	3%	3%	15%

answered question 39

## B. OUTCOMES AND IMPACT

### 4. Many grantees and stakeholders see specific signs of progress in Moving the Needle, especially in the areas of education and immigration.

NCRP asked WRF staff, grantees and other external stakeholders about the foundation's progress in achieving the goals of Moving the Needle. Separately, the staff prepared for its board a lengthy report, "Moving the Needle 2008–2012: Impact, Influence and Leverage."

- Overall, a majority of grantees rated the foundation "very" or "somewhat" effective at making progress toward each of the four MTN goals.
- A majority of external stakeholders also agreed that the MTN strategies have been effective. The most frequently cited examples of this success were the education work, particularly the Campaign for Grade Level Reading, and the foundation's recent report on immigration in Arkansas. Both of these initiatives have had recent high-visibility activity, which may explain in part why they were mentioned more than other foundation work.
- Table 2 (pages 10-11) shows a strong alignment in the outcomes and impacts cited by foundation staff and by grantees and stakeholders.
- On the other hand, several stakeholders said they believed the foundation was having an impact but could not point to specific examples. There is a strong overall impression that the foundation is doing excellent work, but that does not always translate into tangible signs of advancement.
  - One stakeholder said "That's a good question. My assumption is that they are making progress. They are certainly working hard enough to ... As far as measurement is concerned, I'm not sure how they are progressing."
  - Another acknowledged, "They are out there leading, so I don't see change per se, but with

leadership and talking about it and deploying resources to nonprofits doing the work, it's got to be moving us in the right direction."

- Staff interviews indicate that the foundation uses a variety of tools internally to assess its performance. Grantee reports help convey impact at the grant level. Across a set of grants with the same objectives, there are common measures. Across programs, some common metrics can be aggregated. For the board, the staff provides a quarterly outputs and impacts dashboard that summarizes what the foundation staff worked on (activities as well as grants) and what was accomplished. Finally, impact briefs provide a thematic analysis after a body of work has produced results. The foundation is in the process of implementing a new measurement system, Grantee Outcomes and Assessment Learning System (GOALS).
- ### 5. Beyond its grantmaking, WRF exercises leadership effectively by engaging and convening multiple sectors of society to work toward common goals.
- Many stakeholders and grantees credited the CEO and her staff for their efficacy in working across sectors of society to further common goals. Surveyed grantees rated the foundation most effective in working with nonprofits, philanthropy and government. (See Table 3 on page 11)
  - Stakeholders frequently commented on the foundation's inclusive approach to outreach and its "recognition of the power of partnerships and collaboration."
    - About Grade Level Reading, one person commented, "They try to find stakeholders and invite them to be part of the conversation; they are not exclusive. If those [invited] people identified other stakeholders, they too were invited. There are no barriers to participation if you're interested in the topic."
    - Referencing the foundation's convening role in the Opportunity to Learn campaign,

**TABLE 2: COMPARISON OF FOUNDATION AND GRANTEE/STAKEHOLDER SIGNS OF PROGRESS AND IMPACT IN MOVING THE NEEDLE**

Foundation Staff	Grantees and Stakeholders
<p>The Arkansas Legislative Taskforce on Reducing Poverty and Promoting Economic Opportunity produced recommendations and state benchmarks for poverty alleviation.</p>	<p>Grantee reported that the state legislature has enacted policies related to tax policy, education and health care.</p>
<p>Support for tax filing has helped low-income families retain more money through claiming the Earned Income Tax Credit.</p>	
<p>Leveraged up to \$1 million in small business loans from federal government.</p>	<p>Grantee commented, “We have been able to use WRF funds to leverage an additional \$17 million from both federal and private sources.”</p>
<p>The foundation is sought out as an expert on key issues, such as education.</p>	<p>Grantee reported that WRF funds have been instrumental in increasing literacy rates for K-12 students and the level of professional development has been raised due to educators attending nationally recognized conferences and workshops.</p>
	<p>Stakeholders involved in the Grade Level Reading Campaign reported progress in bringing stakeholders to the table, getting buy-in for specific goals (to achieve 100 percent of children reading at grade level in third grade by 2020), choosing from a menu of four evidence-based strategies, and shaping the state debate around education in important ways.</p>
<p>Equipped the state’s educational leaders with data needed to make positive change.</p>	<p>Grantees observed that collaborative advocacy nurtured by WRF helped create a united front by some organizations to advance educational objectives, such as supporting increased parent involvement in schools and blocking proposals that would undermine public education through vouchers and charter schools.</p>
<p>Provided evidence that quality early care helps narrow the achievement gap.</p>	<p>A stakeholder reported the significance of funding for state pre-kindergarten being increased from \$10 million to \$110 million per year.</p>
<p>A college that is part of the Marginalized Males Workforce and Education Consortium (MMWEC) is achieving higher retention rates semester to semester for African American students in its program than for its campus overall.</p>	<p>A grantee commented, “We are able to provide matching dollars for high school senior college savings. With WRF funding, we will be able to follow these students through their first year in college and evaluate health, mental health and financial education knowledge outcomes over time.”</p>
<p>Enhanced coordination of nonprofit capacity building resources.</p>	<p>Several grantees noted increased capacity to succeed, for example: “The foundation has provided various trainings and other services such as evaluation which have certainly increased our capacity to provide programs.”</p>

(continued on page 12)

**TABLE 2: COMPARISON OF FOUNDATION AND GRANTEE/STAKEHOLDER SIGNS OF PROGRESS AND IMPACT IN MOVING THE NEEDLE (continued)**

<b>Foundation Staff</b>	<b>Grantees and Stakeholders</b>
Strengthened key nonprofits as well as collaborative capacity in rural communities.	Grantees and stakeholders observed that advocacy and organizing groups have gotten stronger because of WRF’s ongoing investments, especially in “mission critical” organizations. (Grantees given this designation receive general support funding from the foundation.)  A regional stakeholder observed, “The fluidity of diverse organizations that work together on policy issues in Arkansas ... helps to move a policy agenda along.”
The foundation is creating an “echo chamber” in which other stakeholders such as policymakers pick up the messages of MTN and repeat them.	Stakeholders and grantees noted that WRF’s work on immigration has helped create an informed discussion on this issue in the state, brought to the fore the need to integrate immigrants into the state’s economy and offered concrete strategies to do so.  A grantee observed (and stakeholders echoed), “The issue of race and equity is now making its way to a lot of people’s agendas. Winthrop Rockefeller Foundation is one reason for the greater familiarity – not comfort, but familiarity – with racial equity ... People are not hush-hushing about it and it is not seen as bold to have a conference about it.”
Leveraged philanthropic resources from outside the state.	Grantees and stakeholders noted that the “Why Arkansas?” campaign has attracted outside philanthropic resources for MTN grantees.

**TABLE 3: How effective has the foundation been in working with the following types of organizations to achieve its goals?**

<b>Answer Options</b>	<b>Very effective</b>	<b>Somewhat effective</b>	<b>Not very effective</b>	<b>Completely ineffective</b>	<b>I don’t know</b>	<b>Response count</b>
Business	33%	31%	5%	0%	31%	39
Government	33%	51%	0%	0%	15%	39
The media	49%	21%	5%	0%	26%	39
Nonprofits	71%	21%	3%	0%	5%	38
Philanthropy	62%	18%	3%	0%	18%	39

another interviewee said, “There is a wide variety of sectors and stakeholders at the table to create the campaign. Philanthropy is critical but takes a back seat. Grassroots groups are really driving this. Sometimes in these situations, it’s the grassroots that drive this, but this is the exact opposite, which is a fundamental value for us.”

- Numerous interviewees praised how effectively the foundation utilizes a multipronged approach that includes research, relationship building, advocacy and convening. [A Profile of Immigrants in Arkansas 2013](#), a follow-up to the report WRF wrote on immigrants in 2007, illustrates this point.
  - WRF staff members used the MTN Working Group as a sounding board on the research paper.
  - They networked with business leaders before the report was released to build their interest, and then invited them to be part of the release to talk about what the report meant for the business community.
  - After the report was released, they met with congressional offices to share the findings.
  - They worked effectively with the media and landed a positive editorial about immigrants in a newspaper not known for taking pro-immigrant positions.
  - A new grantee, Hispanic Women’s Organization of Arkansas, organizes the growing Latino and immigrant communities in Northwest Arkansas. HWOA has used the report to bring student leaders to legislators to talk about the implications of immigration policy for their future.
- Interview and survey data indicate that the current staff’s reputation and WRF’s historic character as a credible, nonpartisan institution enable the foundation to use its bully pulpit effectively with diverse audiences, including policymakers, the business community and the media – even on issues that could be deemed controversial. One stakeholder observed, “They have

done a really good job of reaching out beyond narrowly defined progressive or grassroots communities without giving up their identity.”

- Stakeholders from outside Arkansas perceive the CEO and her staff as effective leaders in regional and national philanthropy venues. “They participate in the Southeastern Council of Foundations as a leader, and they are very good about disseminating their information. They are very active in trustee leadership circles, in the Association of Black Foundation Executives. They show up at these convenings; they’re on panels and committees; they recommend sessions; they make sure their agenda items and areas of interest are being talked about and people are learning about them.”
- Several stakeholders locally and outside the state described the Why Arkansas? campaign as a “brilliant” example of effective leadership and convening. It seeks to educate regional and national foundations about the opportunities to have an impact by funding social change efforts in Arkansas. The foundation worked closely with a team of grantees to plan and execute the campaign in 2011–2012. WRF commissioned a well-researched persuasion paper, “Ripe for Reform: Arkansas as a Model for Social Change,” and conducted a tour with its grantee partners for outside grantmakers. This ongoing effort has already resulted in new investments by at least one national funder.
- When asked the question, “Overall, what would you say are the foundation’s strengths?”, 59 percent of stakeholders credited CEO Sherree West-Scantlebury for modeling a collaborative and strategic approach to leadership. One local stakeholder observed,

*“One of the best things that has happened for Arkansas and the nonprofit sector is that over the last five years or so Winthrop Rockefeller Foundation has become more active in an external way. Before that, for a while the foundation was doing great things but its*

*people sat in their office and didn't really associate with anyone else or reach out or see it as their role to be a peer. That has changed under Sherece's leadership. WRF is much more interested in not just financial resources to invest [in nonprofits] but also what they can do with leadership and partnership."*

**6. Grantee respondents from the Delta and other rural regions of the state did not perceive as much clear evidence of progress on the foundation's poverty reduction goals compared to grantees from other parts of Arkansas.**

- While a majority of grantees was positive overall about the foundation's effectiveness at moving the needle, the proportion of grantees that checked "very" or "somewhat" effective at making progress on poverty reduction (61 percent) was somewhat lower than for education (72 percent), local change efforts (75 percent) and nonprofit capacity (73 percent).
- The contrast in point spread between the "very effective" and "not very effective" ratings for poverty (28 points) and education (47 points) was notable. The very small sample size requires caution in identifying trends or patterns. However, because effectiveness in reducing poverty was the one question that received

the most negative responses in the entire survey, NCRP analyzed the data based on type of grantee and then probed this topic more deeply in follow-up interviews.

- Grantee respondents who said the foundation was "not very effective" in reducing poverty were from the Delta primarily and northwest Arkansas secondarily, and respondents from these two regions were more likely than central Arkansas or statewide grantees to answer "I don't know" to this question.
- All of those who stated that the poverty reduction strategy was "not every effective" indicated that they engage in community development; three-quarters are current grantees and the same proportion stated that they were funded to work on poverty reduction by WRF.<sup>4</sup>
  - One Delta grantee said, "I am not seeing change. Legislation was passed around the poverty reduction commission, but when I look at legislative advances, I didn't see those as things that were really going to impact statewide. Certainly in the Delta, I'm certainly not seeing change there."
  - A Northwest Arkansas grantee observed, "What drives poverty is lack of a living wage. This is a monumental problem be-

**TABLE 4: To the best of your knowledge, how effective were the foundation's strategies at making progress towards these objectives?**

Answer Options	Very effective	Somewhat effective	Not very effective	Completely ineffective	I don't know	Response count
Reduce poverty	38%	23%	10%	0%	28%	39
Increase high school, vocational education and college graduation rates	50%	22%	3%	0%	31%	38
Strengthen communities to engage in local change efforts	44%	31%	3%	3%	21%	39
Increase nonprofit capacity	42%	31%	8%	0%	19%	36

yond what Rockefeller can do. It can't tackle the whole thing, but it can bring the conversation, which is now out there on the social extremes, more toward the center. Make it clear that we are always going to have a poverty problem if we don't have a living wage. It is not enough to create jobs; they need to be living wage jobs. Foundations need to drive that conversation and to move that type of thinking to move the needle. Until that happens, we are always just addressing the aftermath."

- Even a Delta grantee who was positive about the foundation's progress on poverty in the survey commented, "WRF has developed a strong media and social media presence, especially around education and reading programs. This has generated a lot of attention on these issues [that] these efforts would not have received. We welcome this approach in other areas like poverty reduction as well."
- The interview and survey data suggest several possible reasons for these lower ratings.
  - Some grantees in regions with acute poverty apparently do not see the foundation's highly-touted education and immigration work as poverty reduction strategies. Yet, the foundation staff views all of its MTN work as aiding poverty reduction. This disconnect has implications for how the foundation communicates about its strategies and progress.
  - WRF staff has noted that even though the poverty reduction task force got momentum quickly, it later stalled. They indicated that the effort required more of an ongoing hands-on approach by the foundation than staff intended or had the capacity to maintain.
  - The Delta region, with its economic roots in plantation slavery, has a deep history of African American poverty and includes some of the poorest counties in the nation. Northwest Arkansas, home to Tyson's, Walmart and many of its vendors, represents the extremes of corporate wealth and child poverty. These

conditions may contribute to a diminished sense of progress for some grantees.

- A few grantees working in the Delta reported negative experiences in which other foundations made investments and then pulled out of the region, perhaps adding to a sense of failed expectations.

**7. Although the foundation has taken a multi-pronged approach to building nonprofit and community capacity, grantees and other stakeholders see ongoing challenges and urge greater focus and attention on this goal.**

- Survey results indicate that grantees appreciate the capacity support the foundation provides: 54 percent of surveyed grantees reported having received technical assistance (TA)/capacity building (CB) and all but one rated it very or somewhat useful.
- Survey results show there is both ongoing and new demand for capacity building.
  - When asked what "other kinds of assistance" grantees would like to be offered (grantees could each submit up to four answers), 27 percent of responses were requests for direct TA/CB or funding for CB. This was the category with the second highest number of responses. (Requests for access to funder convenings and donors accounted for 31 percent of responses.)
  - 46 percent of grantees reported receiving no technical assistance/capacity building from the foundation. Of those respondents, 41 percent indicated they would like to receive it in the future.
- While the foundation's goal of increasing nonprofit capacity was rated as very or somewhat effective by 73 percent of grantees surveyed, 8 percent said it was "not very effective." With such a small survey sample, this finding should be interpreted very cautiously. As with the poverty reduction goal, the negative answers came from organizations in the Delta and northwest Arkansas.

- In survey comments and interviews with stakeholders, the Delta and rural areas more generally were identified as needing greater capacity at the organizational level and at the community level. Half of the grantee survey comments on this topic came from Delta organizations. Several noted the decline in the number of nonprofits in the region compared to a decade ago.
  - One grantee elaborated, “We need more nonprofit, grassroots partners in the Delta, and it would be helpful for the foundation to be engaged in increasing [nonprofits’] management capacity as well as being a catalyst for closer collaboration among nonprofits.”
  - Another Delta grantee urged a more methodical approach and greater accountability for what capacity building achieves. “First, we need to define capacity building and set specific goals and objectives. How does the [staff] position look different at the end of the year? Or the organization? Second, Winthrop Rockefeller Foundation needs to look at what I call infrastructure. We need to look across the Delta and figure out what are the holes and gaps. Three community development organizations are now gone. Where do we need organizations to fill in gaps in services?”
- Well-respected capacity builders who were interviewed called for the foundation to give rural capacity building further attention, time and resources.
  - “International foundations are much better at rural philanthropy than domestic foundations are. They make a ten-year commitment. The first three years is relationship building, then three years of planning, then four years of launch. U.S. funders would see more change in rural communities with this approach. How do you get scale and traction in tiny places? Do you bundle them? Look for regional strategies in the state? Social change and social justice has been very urban biased. So, here is a place for Winthrop Rockefeller Foundation to come into its own.”
  - “The issue of growing or planting new capacity is very difficult. There is a temptation to move too fast. We need a civic process to define engagement in a small rural community. If you have a process that assumes people have the capacity to participate when they may not, then when people act wrong, you may view it as a failure. But is it a failure of process? People need time to practice and fail in order to learn. They need to be embedded in a process of leadership development, which is tied to organizational development, which is tied to civic learning.”
  - “There isn’t very much capacity on the ground to put feet under the [MTN] agenda. You need to have this kind of intermediary infrastructure that you can call on to build the capacity on the ground in communities. Figuring out how to deal with that is going to be a big thing for the foundation in the end. It costs too much to have outside capacity builders come into Arkansas once a month. How do you provide more immediate first-hand assistance and support? They have made some internal adjustments, namely they brought on a program staff person who understands how to make the ground game work. But they can’t be the grantmaker *and* the TA provider. They have to build out that intermediate level of support.”
- Interviews with relevant stakeholders affirmed that the foundation has taken numerous positive steps under MTN to address capacity issues, and these steps are indeed making a difference.
  - WRF created a “mission critical” designation so that organizations central to achieving its goals could receive general support grants.
  - It has worked to enhance the capacity of the statewide nonprofit association, Arkan-

sas Coalition for Excellence (ACE), which has been in a period of leadership change and rebuilding. And it has fostered collaboration between ACE and the state agency that provides nonprofit support.

- Finally, WRF convened regional funders and capacity builders to try to increase resources for and improve coordination of capacity building.
- In interviews, staff acknowledged that capacity building was an ongoing concern. Regan Gruber Moffitt reflected, “The capacity challenge is bigger, at both the community and nonprofit levels, than we anticipated, although not with each and every nonprofit. Already, we had a perception that there was a challenge in this area since it was one of the four Moving the Needle goals, but we’ve been surprised by the lack of capacity builders. There aren’t people to do the heavy lifting to help nonprofits become stronger.”

### C. RELATIONSHIP WITH NONPROFITS AND GRANTEES

#### 8. Grantees overwhelmingly view WRF as a highly effective partner, primarily because of the open,

#### accessible foundation staff and the strong sense of shared purpose.

- When asked to compare WRF with other foundations, the overwhelming majority of surveyed grantees viewed the relationship with WRF as a “very effective” (72 percent) or “somewhat effective” (26 percent) partnership. Only one grantee said the relationship was “not very effective.” Grantees gave the following reasons for such high ratings:
  - **Common Purpose** – Grantees value the sense of shared goals, mission and understanding of the problems, “likemindedness” and the foundation’s collaborative approach.
  - **Quality of Staff** – Grantees value personal relationships with the staff; the staff’s sincere, frequent communication; and its openness to discussion and to new ideas. Staff members are viewed as professional, knowledgeable, helpful, supportive, sensitive, respectful and accessible.
  - **Networking Role** – Grantees appreciate the opportunity to network with other organizations and “key players” working on the same issues.
  - **Valuable Nonmonetary Assets** – Grantees

TABLE 5: Has the foundation provided any support, either monetary or non-monetary, for the following? If so, please rate its usefulness. If not, please select “N/A”.

Answer Options	Very useful	Somewhat useful	Not very useful	Not at all useful	N/A
Inviting grantees to funder convenings to share and discuss their work	49%	13%	0%	0%	38%
Peer learning opportunities	41%	21%	0%	3%	36%
Providing access to other donors	33%	23%	3%	0%	41%
Providing access to policymakers	31%	21%	8%	0%	41%
Stakeholder convenings	54%	18%	5%	0%	23%
Technical assistance/capacity building	41%	10%	3%	0%	46%
Other	14%	0%	0%	0%	86%

answered question 39

value the foundation’s “resources,” research and expertise. The foundation’s name, reputation, history and base in Arkansas are all cited as valuable to grantees.

- **Technical Assistance** – Grantees value one-on-one technical assistance as well as workshops. There was a strong demand for more localized TA, TA on specific topics and trainings for policymakers.
  - **Increased Visibility** – Grantees appreciate that foundation staff attend and sometimes even speak at their events and promote their work through social media.
  - **Flexible Funding** – Grantees value multi-year funding, support for capacity building goals, general support grants and flexibility in how funding is used.
- In a separate survey question, a significant majority of grantees that received some form of assistance beyond their grant rated it as “somewhat” or “very” useful, especially stakeholder convenings, followed by peer learning opportunities and invitations to funder convenings. It should be noted that 10 percent of respondents reported no assistance beyond the grant, and another 13 percent received only one form of assistance.
  - As noted in Finding #7, grantees have ongoing and new needs for capacity building, especially in rural communities and the Delta. When asked what kinds of assistance beyond the grant they would like the foundation to offer in the future, respondents asked for more funder convenings and access to donors; general technical assistance and funding for capacity building; more briefings, publications and white papers; and trainings for policymakers.
  - Another aspect of the grantee–funder relationship is evaluation and reporting requirements. In the survey, 64 percent of grantees said the foundation consulted them about their outcome measures, 87 percent said the measures were relevant and useful for their work, and
- more than 92 percent said the outcome measurement and reporting requirements were appropriate relative to the size and capacity of their organization. Also, WRF has involved grantees in the formulation of its new GOALS outcome tracking system to ensure that the tool will dovetail with and build off of the information that the nonprofits already collect.
- The grantee survey enabled respondents to list up to four characteristics of the partnership that make it more or less effective. Of 95 comments, only 5 percent were critical. These centered on:
    - Delays in the grant decision-making process or frustration at the number of applications submitted before finally receiving a grant. One grantee commented, “Less effective when work that is underway has to wait on strategic direction, and therefore delayed funding.”
    - Lack of communication or miscommunication. One newer grantee noted, “We’ve had very little communication from the foundation during the course of our project. We anticipated more opportunities to network with other grantees and participate in trainings and conferences.”
  - NCRP also interviewed declined applicants who were willing to comment. The sample size of five is extremely small, so the results cannot be viewed as broadly representative of the applicant experience. All of those interviewed described the application process as fair, simple and straightforward. Three-fifths received timely responses about their declined applications but two-fifths had not received any response. Suggestions for improving the process were:
    - Make sure every applicant gets a response.
    - Communicate directly with the contact person at the organization, and not just through snail mail.
    - Provide an online questionnaire that helps the potential applicant gauge whether its

project is a good fit with the foundation's strategic plan.

- Despite these few criticisms, grantees and other stakeholders consistently praised the foundation for its relationship with nonprofits and its attention to overcoming inherent power imbalances to be a true partner. This grantee observation captures why the foundation earns such high marks:

*"We have a pretty strategic relationship; we call them for advice and have pretty frank discussions and vice versa. We have funders that we consider as 'funders' [only] and manage the relationship that way. They are definitely a funder, beginning and end of it. Then there are others that we view more as partners or collaborators, like Winthrop Rockefeller Foundation. Sherece has really built a stellar team. Everyone is hypercompetent and super dedicated; the whole crew has been a joy to work with. The biggest thing is that we all understand our roles; they understand they are the funder and are very respectful of not telling us what to do or how to think ... We view them as allies, as partners. Clear and transparent relationships make that possible. They have a culture that is focused on making progress and getting things done, not on who is getting credit or on baloney. That's been huge. A big part of it is the team she has hired; there is not a lot of BS. That has not been our experience with a lot of other funders. It's quite rare actually."*

**9. WRF fosters collaborative, noncompetitive relationships among nonprofits, which has contributed to more effective collective impact.**

- 72 percent of surveyed grantees said they or an organization they knew had received financial support from WRF to work with other organizations. Of those answering yes to receiving collaborative assistance, 74 percent described the support as very or extremely useful or criti-

cal. One grantee commented, "Our work is not possible without the foundation's support for collaboration. It is critical that we collaborate with private and public sectors in Arkansas to achieve our goal."

- Grantees and stakeholders frequently praised the foundation staff for creating the conditions that enabled nonprofits to want to work together, rather than feeling a pressure to do so. As one grantee said:

*"They have done a good job. They have had some convening tables to get us working together, and a lot of us work well together anyway. One thing they did: some foundations inadvertently put groups in competitive relationships with each other – Winthrop Rockefeller Foundation has avoided that trap, and everyone is relaxed and knows that good work will get funded. It all gets back to competence, transparency and creating a noncompetitive space so folks can relax and focus on the work. I can think of situations with other funders where you have dysfunctional dynamics between program staff within the foundation, so you have to worry about who is taking credit or not. In other cases, a funder invites 20 groups to a meeting, and everyone knows that only three will get funded, so it's more like a caged death match. Other funders tell us what to do rather than having a genuine dialogue. With WRF staff, it will put stuff on the table but also hear what you have to say."*

- In particular, the ways that WRF connects different groups that can benefit from strategic alliances is notable. Several local grantees commented that they appreciated being able to connect to and benefit from the statewide advocacy efforts of "mission critical" WRF grantees, Arkansas Public Policy Panel and Arkansas Advocates for Children and Families. Organizations that had not previously worked together were able to build new trust because

the foundation created the space for them to interact and eventually partner.

*“There are one or two groups that we didn’t always agree with in the past on policy issues. The foundation has helped us work with them. We have found that there are many things we do have in common and can work together on, rather than focus on policies where we may differ, so that has been something useful that the foundation brought to pass. It was an intentional thing: they have working groups and we sit around the table and hammer out these policy issues and go figure out what we can agree on, how we can bring about change ... So the foundation leveraged our voice by combining us with other grantees.”*

- For some grantees that do not otherwise sit at statewide tables, the MTN Working Group and long-time grantee ACE (WRF provides membership to ACE for new grantees) have afforded an opportunity for networking among nonprofits – both grantees and others – and to develop more capacity and knowledge about advocacy and statewide issues. A new grantee commented:

*“They are really doing a great job. We have been able to reach out to them and have a conversation or discuss issues or get some guidance on how to do things, and they also support organizations or events where nonprofits organizations can learn more about other nonprofits. For me, that is a good opportunity to learn what other organizations are doing and compare and contrast to what we are doing, and see how we can do better. We can share with other organizations our success, and see how other groups manage certain issues. We have participated with ACE. I met a lot of people there, and that opens the door for more collaboration.”*

- When grantees were asked in interviews about the foundation’s strategies for the future, strikingly, several respondents looked beyond their

self-interest to promote the broader MTN vision of the foundation. Statewide advocates were quick to say that the foundation needed to continue to invest in local, place-based strategies, and local service providers urged that funding continue to go toward statewide policy change. With rare exception, the message was “Keep funding everyone else, too,” not “Give more to me or my type of organization.” It is likely that the noncompetitive, collaborative atmosphere fostered by the foundation has contributed to this sentiment.

#### D. OTHER EFFECTIVE PRACTICES

##### **10. The foundation has furthered the alignment of its funding and investment practices with the Moving the Needle agenda to be more strategic and impactful.**

- 59 percent of surveyed grantees indicated that the foundation provided general operating support and 67 percent reported receiving multi-year funding commitments. In their survey comments, grantees requested that WRF use these grantmaking practices in the future. Extensive literature on funder best practices highlights the value of multi-year and core support funding to help nonprofits maximize their impact.
  - These high levels of core and multi-year support are notable, given financial constraints faced by the foundation. Andrea Dobson, CFOO, noted that during the MTN strategic plan implementation period, the foundation’s grantmaking was limited by a multi-year capital investment in a cancer research facility and by the economic recession, which caused assets to decline. “We weren’t big [historically] on operating support, but we have a long history of multi-year support – it was in the fabric of the organization from the get-go. We had to pull back from multi-year giving because of the medical center grant and the corpus imploding.”

- For the first time, under MTN, the foundation board agreed to designate certain grantees as “mission critical,” enabling the foundation to award them general support grants.
- NCRP’s analysis of foundation payout rates indicates that WRF went beyond its legal mandate and paid out higher amounts under MTN. The foundation’s spending policy only mandates that it pay out the legally required 5 percent of assets as defined by the IRS. Table 6 shows that the foundation’s payout rate, which combines grants and allowable operating expenses, averaged 6.2 percent over five years, and notably peaked at 8.6 percent in 2008, the year the recession hit.
- NCRP sets a higher standard for grantmakers than the legal minimum, urging foundations to pay out 6 percent in *grants only*. WRF paid out an average of 4.7 percent when spending is calculated according to NCRP’s benchmark. In 2008, the foundation exceeded NCRP’s standard.
- Staff interviews indicate that in making yearly payout decisions, the foundation sought to balance its mandate to grow the endowment over time with the desire to maintain its MTN commitments. Dobson explained the thinking process:

*“We decided against stopping grants to make payout, and instead we continued digging into the corpus. That sometimes led to us doing more than the calculation would’ve come up with. We didn’t want to harm perpetuity, but we also recognized that when the investment balance plummeted, we’d be doing harm to grantees if we pulled funds. We try not to harm our constituency or the goals of the organization. We looked at average balances and what we projected them to be. How much in the future was multi-year? What was pre-committed? Can we achieve our mission with that amount? If not, we decide how deep we can dig without harming anything. In 2011, we stretched because we hoped to have a good year, and ended up digging into the corpus more than we wanted to. So we pulled back in 2012; we granted \$4 million [for MTN] in 2011 and \$2.5 million in 2012.”*

- According to foundation documents and staff interviews, WRF expanded its use of program-related and mission-related investment tools under MTN.
  - The foundation’s investment policies contain guidelines for program-related investments (PRI). The foundation made its first

TABLE 6: WINTHROP ROCKEFELLER FOUNDATION PAYOUT RATES 2007-2011

Year	Winthrop Rockefeller Foundation Assets	Grants & Operating Expenses	Payout	Grants Only	Grants Only Payout
2011	125,737,289	7,483,054	5.9%	5,652,319	4.5%
2010	134,561,780	7,140,301	5.3%	5,189,709	3.9%
2009	126,305,246	7,987,024	6.3%	6,028,391	4.8%
2008	109,402,740	9,473,169	8.6%	7,269,433	6.6%
2007	155,472,214	7,750,315	4.9%	5,936,591	3.8%
<b>Five-Year Average</b>			<b>6.2%</b>		<b>4.7%</b>

Source: WRF 990 PFs for 2007–2011

PRI in 1980 and in the ensuing years has placed greater emphasis on due diligence and on making shorter-term investments that support grantmaking goals. The foundation established a freestanding program investment committee in 2002.

- Southern Bancorp has been a key PRI partner and, more recently, the Fund for Arkansas' Future, FORGE and Alt Consulting, which make business loans, became PRI partners.
- The policies also include the option to engage in mission-related investing (MRI). Dobson indicated that in 2008 the board received training from knowledgeable staff at the F.B. Heron Foundation, which is a philanthropic leader on MRI. The loss of corpus created board receptivity to doing more PRI and MRI. The foundation committed 10 percent of assets, or \$12 million, to a fixed-income fund that invests in affordable housing in the state.

**11. The foundation's commitment to good governance practices supports its mission and enhances its external relationships, yet the foundation can take further steps to strengthen its practices.**

- NCRP's analysis determined that the foundation's staff and board are diverse in several ways that support the MTN agenda, including gender, race and ethnicity, and in terms of the issues and activities reflected in their expertise and experience. Some stakeholders cited the diverse board leadership as a strength of the foundation.
- Yet, other stakeholders critiqued the lack of certain kinds of diversity on the board. NCRP and stakeholders identified areas of limited board experience in public policy and legislative relations and community organizing. To succeed in moving the needle, the foundation should strongly consider growing board expertise and capacity in these areas in the future.
- The foundation freely shares information about

its mission, strategies and activities on its website. Several interviewees indicated that WRF also uses social media effectively to advance its goals and promote the work of its grantees.

- WRF has policies in place that are hallmarks of transparency and high ethics. The trustees serve without compensation. The foundation maintains a conflict of interest policy, a whistleblower policy and a policy against self-dealing. An executive compensation committee of the board decides CEO pay, guided by an executive compensation handbook.
- However, one area in which the foundation lacks transparency is its inconsistent reporting of grants data to the Foundation Center. WRF reported that it has lacked the capacity in recent years to prioritize the grants coding for the Foundation Center's online reporting system. However, from a national perspective, accurate data about the foundation's grantmaking would allow for peer comparisons on several key good grantmaking practices that WRF has identified as critical to its MTN agenda: general support grants, multi-year funding commitments, grants benefiting underserved communities and grants for systemic change strategies such as advocacy and community organizing. As a signatory to NCRP's Philanthropy's Promise initiative, WRF has agreed to specific benchmarks for the two latter practices. Accurate grants data would help the foundation hold itself accountable to its own objectives. *(See Appendix A for a discussion of sectoral benchmarking data.)*

## V. Recommendations

The Winthrop Rockefeller Foundation is an exemplar of strategic-just philanthropy in its goals and strategies. Overall, the extensive information and data gathered through this review process paint a picture of a highly focused, effective foundation with extremely competent leadership and staff that is well respected and is making progress in its ambitious goals. Stakeholders view the CEO's leadership and vision as the starting point for this success, and the highly-valued staff team is a strong asset for the foundation. Some aspects of its MTN agenda are seen as more successful than others. Its agenda is a long-term and ambitious one. Grantees and other stakeholders and NCRP's analysis of the data did raise specific issues that warrant further examination. As the Winthrop Rockefeller Foundation board and staff look ahead to the next iteration of the MTN strategic plan, these are recommended areas to give stronger or renewed focus:

- 1. Maintain the overarching goals and toolkit of strategies for Moving the Needle, seeking refinements to address a few discrete issues that have proven especially challenging.**

Arkansas stakeholders and regional allies overwhelmingly support the goals and strategies of MTN and want the foundation to make a long-term commitment to achieving its objectives. The foundation has effectively combined a range of strategies, including grants for direct services, new demonstration projects, rural organizing and state-level advocacy. At the same time, many are concerned about the implications of the more politically polarized atmosphere in the statehouse. Some call for an even greater focus on the policy change goals, as well as more support for community organizing in rural parts of the state. Others seek more investments in place-based community development. In the next strategic plan, WRF may need to refresh its ecosystem analysis and theory of change to examine what roles it can play most effectively in this new environment. For example,

WRF may consider limiting the number of new demonstration projects or program commitments in the next MTN iteration and focus instead on helping its existing "best practice" programs become self-sustaining while strengthening advocacy and organizing capacity.

- 2. Continue exercising leadership through combined capacities of research, content expertise, relationship building, bully pulpit and convening.**

The resources the foundation has invested in having top-notch staff with a strong understanding of education, workforce, community development and poverty issues, as well as deep backgrounds in place-based community development, policy advocacy and grassroots civic engagement have been funds well spent. The CEO and staff are adept at playing the many roles needed for WRF to be not just a grantmaker but an active leader and advocate that is a respected voice for change and brings stakeholders together to solve complex societal problems. All of these roles will continue to be necessary to succeed, especially as the policy environment becomes less predictable.

- 3. Preserve the foundation's open, accessible, transparent, collaborative and communicative practices.**

The WRF staff has an excellent rapport with the vast majority of grantees, as well as other stakeholders, and they can build on this solid foundation to continue moving the needle on poverty and education. More regular and consistent opportunities for grantee and stakeholder feedback can help the foundation make midcourse corrections as needed. Also, tensions around unmet expectations can arise simply because the foundation, as the "premier" funder in the state, faces high demand for its limited financial and staff resources. The surveys and interviews revealed that local stakeholders want to see the foundation do even *more* convening and networking, be

more available as a thought partner to grantees, and persuade more funders in and out of state to support its agenda. There were a few complaints of inconsistent communication with grantees and applicants and of slow administrative processes. Soliciting more intentional feedback from grantees and sharing the findings of this assessment may help manage expectations.

**4. Increase core funding and capacity support for effective grassroots constituency engagement and community organizing, and continue to connect those groups to state policy advocacy efforts.**

In the new political environment, it will be increasingly important to engage constituents at the local level who can be the authentic voice of community needs and policy solutions, offering a counterweight to ideologically driven (and out-of-state) influences. Bridge-building between grassroots residents and grassroots civic leaders in small communities may become more valuable. Some grantees that carry out grassroots organizing spoke of the elevated importance of nonpartisan get out the vote (GOTV) and voter education. These voter engagement activities may become essential capacities to strengthen and grow across the state.

Other grantees and stakeholders called on the foundation to not only fund more policy and systems change work, but also to directly train and cultivate relationships with state and local policymakers to advance the MTN policy agenda. The MTN Working Group could play a more strategic and focused role in the future to complement other statewide policy coalitions. NCRP recommends that the foundation add more policy and organizing expertise and capacity to the board, which currently lacks depth in these areas.

Finally, as the foundation looks ahead to the next iteration of MTN, it may want to be more strategic geographically as it allocates limited resources to support grassroots engagement. Robinson-Bradberry reflected:

*“It was always about geographic diversity. For example with grade level reading, we talked about geographic diversity of partici-*

*pants. We always had that screen or those questions, but not a geographic strategy. I would say that as we move forward, because of the changing politics of the state, we should be a little more geographically strategic, especially in terms of place-based community organizing and advocacy. With the [changing political climate] we are losing allies and need to make new friends in new places.”*

**5. Augment capacity building and leadership development efforts in rural parts of the state, perhaps with targeted efforts in specific regions.**

As the findings indicated, there was consensus that this is a challenging but critical issue to tackle. The foundation can build on the multiple efforts already underway to help strengthen and build in-state intermediaries that can provide capacity building over time. Formal leadership development and peer mentoring opportunities among nonprofit directors and volunteer leaders may make sense. One grantee suggested creating a fellowship to cultivate individuals who can take on these capacity building roles. Other foundation efforts to support a capacity building infrastructure for grantees, such as that created by the French American Charitable Trust,<sup>5</sup> could be instructive. A regional approach to capacity building may help to address specific gaps and needs and strengthen local nonprofit infrastructures.

**6. Clarify and strengthen the foundation’s strategy for poverty reduction in the Delta, and improve communications with grantees and other stakeholders in that region.**

The foundation is very committed to funding organizations throughout Arkansas and being inclusive of voices from across the state in its convenings and campaigns, and on its board. However, staff has noted that they do not view their MTN strategies through a regional lens. Different stakeholders who are working in the Delta did not seem to be aware of each other’s efforts and some wished the foundation would do more to boost nonprofit

and community capacity and use its convening ability more in the region to help spur collaboration there. From the limited data gathered in this review, it is not entirely clear whether the issues raised signal a communications challenge or a strategic challenge, or both. Articulation of a cohesive strategy across the region that engages (or at least informs) all the players based in the Delta and serving the Delta would help. The foundation should clarify for Delta stakeholders how its anti-poverty efforts are working in that region and consider whether other strategies or activities would help augment WRF's current approach. Given the long history of entrenched poverty in the Delta and a culture of cynicism about philanthropy – “you do what the funder tells you to do for as long as you can get its resources, then you move on to the next one” – local organizations urge the foundation to combine support for greater capacity with strong mutual accountability.

**7. Communicate clearly to the foundation's grantees and other stakeholders in Arkansas what the MTN agenda has accomplished since 2008, the measures the foundation has used to gauge progress and its specific objectives for the future.**

There is a general sense that the MTN strategies are making a difference, but not everyone can articulate what that impact is. The foundation is viewed as highly effective and a visible cheerleader on education, but less so with poverty, even though the two are obviously related. There has indeed been progress, but it is not well understood. Although the foundation created a theory of change with short- and long-term outcomes, these are not easily measured in terms of concrete changes in educational attainment and poverty reduction (e.g., grade level reading attainment, college retention, policy reforms enacted, jobs created). The new GOALS system, once implemented, will allow for much greater specificity in these types of outcomes. The foundation is already on its way to developing a more systematic way to reflect on progress, and this will enable it to better share learning both internally and externally.

**8. Increase grants payout to build on success and momentum of Moving the Needle to date.**

WRF is achieving some impact and success as it aligns strategy and justice to tackle poverty and education in Arkansas. Yet, the surveys and interviews revealed that grantees and stakeholders want even more foundation resources to support their work to achieve the MTN agenda – specifically for capacity building, multi-year grants and core support. Going forward, the foundation will have more grant resources available for its core goals and strategies because prior funding commitments have ended. NCRP has examined payout literature extensively and concluded that a higher payout rate is feasible while supporting a foundation's perpetuity goals. NCRP recommends that the Winthrop Rockefeller Foundation pay out 6 percent in grants to capitalize on the MTN success to date and ensure continued momentum in a changing policy landscape, which will require greater community capacity on the ground.

**9. Provide timely and comprehensive grants data to the Foundation Center so that WRF and its stakeholders can monitor its progress in meeting benchmarks for good grantmaking practices.**

WRF's strategic plan specifically identifies several good grantmaking practices important for its MTN agenda to succeed, including general operating support and multi-year funding commitments for grantees to maximize their effectiveness. Also, WRF has signed the NCRP Philanthropy's Promise pledge to allocate 50 percent of grants to benefit underserved communities and 25 percent to systems change strategies such as advocacy and organizing. These strategies also align with MTN. To hold itself accountable for employing these practices, enable peer benchmarking and support transparency, NCRP recommends that WRF create internal capacity to provide accurate, timely grants data each year – either by having foundation staff code it or by providing sufficiently detailed grant descriptions in the 990 PF to allow accurate coding by the Foundation Center.

## Notes

1. The MTN goals are to reduce the number of families living in poverty, increase high school and college graduation rates, support local community change efforts and strengthen nonprofit capacity.
2. The MTN strategies are public policy and advocacy, place-based grantmaking, direct services, program support and research.
3. Their stories of direct community engagement to create change in rural Arkansas are featured in NCRP's report, *[Strengthening Democracy, Increasing Opportunities: Impacts of Advocacy, Organizing and Civic Engagement in the Gulf/Midsouth](#)*, by Frontline Solutions. WRF provided a project grant to NCRP to support production of this report.
4. Three-quarters rated their partnership with the foundation as very or somewhat effective, but all said they had not been asked for feedback by the foundation in the last few years.
5. The French American Charitable Trust (FACT) report, *Strengthening Organizations: 2004-2012*, describes in detail the capacity building program FACT developed for its grantees. See [http://factservices.org/pdfs/FACT\\_CB\\_Report.pdf](http://factservices.org/pdfs/FACT_CB_Report.pdf).

## APPENDIX A: The Philanthropic Landscape

NCRP analyzes custom data sets from the Foundation Center to benchmark philanthropic practices in four key areas: funding for underserved communities; funding for advocacy, community organizing and other systems change activities (“social justice” grantmaking); general support funding; and multi-year funding. The Winthrop Rockefeller Foundation has signed NCRP’s *Philanthropy’s Promise* pledge, indicating that it is committed to meeting the first two benchmarks: 50 percent of grant dollars for underserved communities and 25 percent for social justice philanthropy. WRF does not provide timely grants data for the Foundation Center to be able to code its grants in these four areas. Table 7 indicates the current state of the field and of similar sized foundations, including those operating in the South.

Because the Foundation Center does not receive WRF grants data already coded accurately by the foundation staff, NCRP cannot make an apples-to-apples comparison of WRF to its peers. To get some sense of how the foundation uses these four practices, NCRP examined relevant data gathered during the assessment:

- 1. Underserved communities.** According to WRF (p. 31 of MTN report), 76 percent of its MTN grants from 2008–2012 were allocated to poverty reduction, educational attainment and community change strategies, all of which are intended to benefit the underserved. It is also likely that, indirectly, the other 24 percent that was allocated to nonprofit capacity building may ultimately benefit some of those populations as well.
- 2. Social justice philanthropy** (*systemic change strategies such as advocacy, community organizing and civic engagement*). The MTN report includes 2008–2012 totals for policy advocacy grants within the poverty reduction goal and within the educational attainment goal. When these two amounts are combined with the total grants for local community change strategies, the total is 22 percent of MTN grant dollars. It is notable that among grantees surveyed, 64 percent checked advocacy and/or community organizing as one of their activities.
- 3. General operating support.** In the grantee survey, 59 percent of respondents said the foundation provided general support funding.
- 4. Multi-year grants.** In the grantee survey, 67 percent indicated the foundation provided a multi-year funding commitment.

TABLE 7: AVERAGE SHARE OF GRANT DOLLARS TO MARGINALIZED COMMUNITIES, SOCIAL JUSTICE, GENERAL OPERATING AND MULTI-YEAR SUPPORT BY SELECT GROUPS OF SAMPLED FUNDERS, 2011

	NCRP- Recommended Benchmark	All Sampled Funders	Foundations in the South	Foundations Reporting Less than \$10 Million in Grants	Foundations in the South Reporting Less than \$10 Million in Grants
Underserved Communities	50%	29%	28%	30%	29%
Social Justice Grantmaking	25%	8%	6%	7%	5%
General Operating Support	50%	26%	26%	28%	28%
Multi-year Grantmaking	50%	5%	3%	3%	2%
Number of grantmakers	-	1121	285	680	180

## APPENDIX B: “If you became the CEO of the foundation ...”

NCRP asked grantees and other stakeholders to imagine themselves the CEO of the Winthrop Rockefeller Foundation and asked them which approaches they would continue to use and what they would do differently.

WHICH APPROACHES WOULD YOU CONTINUE TO USE?	WHAT WOULD YOU DO DIFFERENTLY TO INCREASE THE FOUNDATION’S IMPACT?
<b>MTN GOALS:</b>	
<p>Keep current “ambitious, quantifiable, objective performance goals” of MTN.</p> <p>Continue MTN focus on education, poverty, economic development, workforce, immigrants, social justice and arts, use of PRIs, grassroots change and statewide initiatives such as Campaign for Grade Level Reading, with emphasis on state level policy change.</p>	<p>Develop an even more targeted and focused effort for parts of MTN:</p> <ul style="list-style-type: none"> <li>• Fund more policy and systems change.</li> <li>• Fund outcome-oriented work and hold grantees accountable.</li> <li>• Develop more nonprofit capacity in the Delta to fight poverty.</li> <li>• Do more to cultivate relationships with state policymakers to advance the MTN policy agenda.</li> <li>• Engage more formal leadership group to develop policies and impact strategies.</li> </ul>
<b>FOSTERING RELATIONSHIPS WITH GRANTEES:</b>	
<p>Maintain its one-on-one, open, accessible relationship with grantees and its openness to discussing new ideas.</p>	<ul style="list-style-type: none"> <li>• Engage in more consistent communication and relationship building, especially with newer grantees.</li> </ul>
<b>NETWORKING, CONVENING AND COLLABORATIONS:</b>	
<p>Continue to convene and offer opportunities to network and collaborate with grantees, other nonprofits and other sectors.</p> <p>Continue aligning grantees and seeking shared impact on MTN goals.</p>	<ul style="list-style-type: none"> <li>• Provide more convening and networking opportunities for grantees and others.</li> <li>• Work with a broader array of nonprofits across the policy (political) spectrum. Sponsor regional workshops, capacity building conferences and topical forums with “high level contributors” to increase visibility.</li> </ul>
<b>EXTERNAL COMMUNICATIONS:</b>	
<p>Continue good communication to keep grantees abreast of policy issues.</p> <p>Use media and social media to promote goals of foundation and work of grantees.</p> <p>Come to community meetings with “grassroots folks,” especially in different regions of the state.</p>	<ul style="list-style-type: none"> <li>• Focus more on earned media.</li> <li>• Help grantees with communications strategies.</li> <li>• Do more to promote grantees with state and national philanthropy.</li> <li>• Bring more visible attention to poverty issues to match the foundation’s effective voice on education.</li> </ul>

(continued on page 12)

WHICH APPROACHES WOULD YOU CONTINUE TO USE?	WHAT WOULD YOU DO DIFFERENTLY TO INCREASE THE FOUNDATION'S IMPACT?
<b>GRANT APPLICATION AND REPORTING:</b>	
<p>Continue to provide simple, straightforward grant application and reporting requirements.</p>	<ul style="list-style-type: none"> <li>• Provide timely feedback to grantees after report submissions to stay on same page.</li> <li>• Have more accountability for outcomes by grantees.</li> <li>• Offer greater clarity about the likelihood of being funded.</li> <li>• Simplify the application process in rural areas where capacity is weaker.</li> <li>• Simplify technology tools used in application and reporting.</li> <li>• Improve reporting format.</li> <li>• Respond more quickly to funding requests.</li> <li>• Have more frequent interaction and site visits.</li> <li>• Assign one staffer to assist applicant for entire process.</li> </ul>
<b>CAPACITY BUILDING AND TECHNICAL ASSISTANCE:</b>	
<p>Continue to help grantees access other grant sources.</p> <p>Fund seed projects.</p> <p>Have open discussion about limited resources, and provide technical assistance.</p>	<ul style="list-style-type: none"> <li>• Develop more intensive capacity building efforts, especially in rural communities and in the Delta, such as leadership development programs, and peer mentoring between seasoned and new executive directors</li> <li>• Stronger engagement of immigrant community leaders as advisors, and more input from affected communities.</li> <li>• More formal leadership group to develop policies and impact strategies.</li> <li>• Provide technical assistance on grantee outcome measurement, evaluation and sustainability.</li> <li>• Help gain other philanthropic resources.</li> <li>• Provide more multi-year funding and general support.</li> <li>• Provide starter/seed grants and incubation of new organizations.</li> </ul>

# NCRP ASSESSMENT OF WINTHROP ROCKEFELLER FOUNDATION

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For more information or to join NCRP, please contact us at:  
1331 H Street NW, Suite 200 • Washington D.C. 20005 • Phone 202.387.9177 • Fax 202.332.5084  
E-mail: [info@ncrp.org](mailto:info@ncrp.org) • Web: [www.ncrp.org](http://www.ncrp.org)