

# The Field of Health Philanthropy

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A priority for many of this country's first philanthropists, health grantmaking has become one of the largest areas of giving, second only to education. Over the past 25 years, the field has experienced a significant period of growth and change with longstanding funders refocusing their efforts, new donors entering the scene or shifting their sights to health issues, the emergence of foundations created after the conversion of nonprofit health organizations, and new issues dominating discussion within the field.

## The Early Years

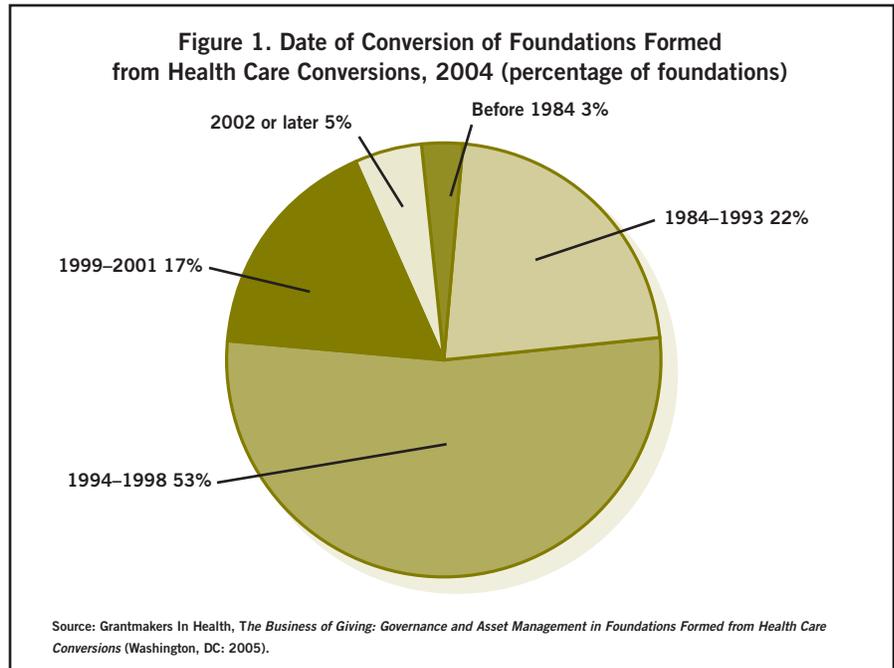
Health philanthropy as we know it today has its roots back in the late 19th and early 20th centuries. As Terrance Keenan noted in his 1992

**The work of early health philanthropists set a tone that continues today: focus on a few strategic goals, look at the root causes of social ills, and foster innovation to meet the health needs of the underserved.**

monograph, *The Promise at Hand: Prospects for Foundation Leadership in the 1990s*, “[Foundations] are the largest single source of private developmental capital in this country for improving our knowledge base and the organizational and financing structures of health and medical care. They have performed this function since the turn of the 20th century when organized philanthropy first materialized as a force for the systematic application of private wealth for the public good.” America’s industrial giants turned philanthropists, including John D. Rockefeller, Sr., Anna Harkness,

W.K. Kellogg, and James Buchanan Duke, devoted substantial resources to health. Their work at home and abroad set a tone that continues today: focus on a few strategic goals, look at the root causes of social ills, and foster innovation to meet the health needs of the underserved. Health became one of the Rockefeller Foundation’s initial priorities when an advisor to John D. Rockefeller, Sr. argued that “disease is the supreme ill in human life.” The foundation’s first grants, awarded in 1913, supported the American Red Cross, clinical and public health education at The Johns Hopkins University, the Rockefeller Sanitary Commission for Eradication of Hookworm Disease, and research on malaria and yellow fever (The Rockefeller Foundation 2006). Another visionary, Anna Harkness, one of the first women to establish a foundation, set up The Commonwealth Fund in 1918 with the mandate to “do something for the welfare of mankind.” The fund’s early work helped develop rural hospitals with high standards of care, establish new medical schools to address physician shortages, and bring health care to underserved communities (The Commonwealth Fund 2006). One of the first projects of Will Keith Kellogg’s new foundation, created in 1930 to make his giving more focused and purposeful, was the Michigan Community Health Project which targeted education and public health in rural communities (W.K. Kellogg Foundation 2006).

Other philanthropists joined ranks at mid-century. In 1948, shipbuilder Henry J. Kaiser created a family foundation that bears his name. In 1971, Robert Wood Johnson, found-



er of Johnson & Johnson, the health and medical care products conglomerate, left nearly all of his fortune to the Robert Wood Johnson Foundation, becoming the nation’s largest philanthropy devoted to improving health and health care.

### Health Conversion Foundations Join the Scene

Perhaps the most profound change in health philanthropy in the past 25 years is the emergence, in the 1980s and 1990s, of a new crop of foundations created with the assets from nonprofit health institutions as opposed to those of wealthy individuals (Figure 1). Changes in the health care delivery system, including the demand for capital by nonprofit organizations and the emergence of a for-profit health care industry, led to an unprecedented number of nonprofit health organizations converting to for-profit status. A major outgrowth of those conversions was the creation of new philanthropic

foundations—often referred to as health care conversion foundations—which were endowed with the charitable assets generated by conversions and concentrated their funding on health-related activities in their communities. Over two decades, over 170 of these new foundations, worth more than \$13 billion collectively, joined the field of health philanthropy (GIH 2005). “Conversions not only affect the health care system, they also represent the largest redeployment of charitable assets in history,” said observer Dennis Beatrice (Nonprofit Sector Research Fund 1999).

The entry of so many new foundations into health philanthropy attracted attention from policymakers, the press, and the public. Policymakers and consumer advocates wanted to know whether these new foundations were contributing to their communities at a level commensurate with the public benefit

provided by the previous nonprofit organization. According to Community Catalyst (2005), “conversion foundations have a uniquely public character and a resulting responsibility to ensure participation by the community they serve.” Researchers wanted to know what impact the foundations had on their communities and whether their grantmaking and other activities differed from older foundations or foundations formed in other ways. Localities where health care conversions were being considered often sought information about the activities of new health foundations to help them assess the potential positive and negative effects of a proposed conversion.

As regulators, advocates, community representatives, and other foundation leaders looked on, new health foundations across the country got to work. Under increased scrutiny and high expectations, these new funders were compelled to be deliberate in how to structure their operations and implement grantmaking programs. They took time to learn from others in philanthropy, engage thought leaders and the public, conduct community needs assessments, test new models for grantmaking, and communicate actively about their process and results.

Reflecting on the first 10 years of grantmaking by The California Endowment, the nation’s largest conversion foundation, president and CEO Robert Ross commented, “Looking back over the early years of the Endowment is akin to watching an oversized toddler taking his or her first steps, inevitably falling over and bumping into furniture—

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but instinctively learning from the falls to walk with skill and assurance” (Ross 2006).

The experiences of new health foundations have resonated throughout the field, particularly as they tackled difficult issues of community engagement, communications, and evaluation. In developing their mission, purpose, and structure, new health foundations often went on the road, listening to stakeholders and recording community residents’ needs, expectations, and ideas for the foundation’s work. Some foundations created ongoing mechanisms for community participation in their work using ad hoc committees, surveys, and regular town hall meetings to inform program design, help with grant review, and provide feedback. Their performance led one long-time foundation critic to recently comment, “strikingly, the foundations that have done the most, albeit still in baby steps, toward involving constituents in their grantmaking decisions have been, in terms of big dollars, the health conversion foundations” (Cohen 2006).

Born under scrutiny, many new health foundations have placed a strong emphasis on communications to make sure that potential grantees, the press, policymakers, and others understand who they are and what they are seeking to accomplish. Under pressure to show that they are using their resources wisely, conversion foundations have worked

closely with grantees to develop outcome measures and evaluate the results of their own work. Early on, effective governance was also a theme as executives learned that trustees of new philanthropies, often holdovers from the converting hospital or health plan, needed orientation and training about their roles and responsibilities. With mandates to have boards representation from the communities they serve, the foundations looked for new ways to bring those voices to the decision-making table.

Many of the issues these new foundations grappled with were not unique. But the conditions under which these foundations were established and the heightened public interest that accompanied their emergence stimulated broader action to strengthen philanthropic practice in engaging communities, communicating about their work, and assessing their performance. As a result, health grantmakers have often been leaders in efforts to strengthen how philanthropy conducts its work.

### A New Age of Giving

In 2000, Bill Gates, chairman of Microsoft and his wife, Melinda French Gates, created the world’s largest private foundation with an endowment now valued at \$31.9 billion and expected to grow with the infusion of assets from Warren Buffett, CEO of Berkshire Hathaway. The Gates Foundation’s global health program now dwarfs the foreign

aid contributions of many nations, giving away about \$800 million annually. Other public figures, including Lee Iacocca, Michael and Susan Dell, and Lance Armstrong, have also created philanthropies focused on health issues. The conversion phenomena also continues; although the heyday of large health plan conversions may be over, foundations continue to be formed from hospital conversions.

When we look across health grant-making in 2007, we see incredible diversity in the field—types of foundations and donors, assets, geographic funding focus, health priorities, and communities and populations served. Health funders take the form of independent foundations, operating foundations, and public charities; community foundations also have growing health portfolios. Corporate health philanthropy continues to make its mark, moving from matching employee charitable contributions and making product donations to creating strategic grantmaking portfolios. Pharmaceutical companies, such as Pfizer and Merck, are tackling tropical diseases overseas and health literacy at home. Health insurance companies, including the many Blue Cross Blue Shield plans, are actively engaged in giving to improve access to care and the quality of health care services, as well as supporting grassroots service delivery, advocacy, and organizational capacity.

Looking back to 1980, foundations gave \$657 million in health grants, comprising 20.2 percent of all giving (Dooley et al. 1983). That share dipped in the 1990s when health accounted for roughly 17 percent of

### WHAT MAKES FOR A GOOD FOUNDATION?

Components of good practices in building and maintaining a foundation created after the conversion of a nonprofit health organization include:

- a planning process that engages, in a substantial way, the perspective and expertise of consumers and health care advocates;
- a mission statement that dedicates the assets for purposes similar to the converting nonprofit;
- criteria that ensure the governing board will have the appropriate expertise and experience and will be reflective and representative of the diversity of the community served;
- a board selection process that is deliberate, open, and accessible to health care consumers and the broader public, and is free of any conflict of interest; and
- an organizational structure that is open and accountable to the public, coupled with practices that offer many opportunities for community input and ongoing, meaningful community involvement.

Source: Consumers Union of U.S., Inc. and Community Catalyst, *Building and Maintaining Strong Foundations: Creating Community Responsive Philanthropy in Nonprofit Conversions* (San Francisco, CA: 2004).

grant dollars, but has since rebounded. Health now accounts for 22.3 percent of all giving, second only to grants in education, at nearly \$3.5 billion annually (Foundation Center 2006b). The focus of funding has shifted over the past two decades, however. In 1980, funding was heavily concentrated on hospital construction, biomedical research, and physician education (Dooley et al. 1983). While hospitals, medical care, and biomedical research continue to dominate, public health now accounts for a similar proportion of health grant dollars (Foundation Center 2006b).

### Strategic Choices for Achieving Goals

Despite the field's diversity, all funders struggle with the challenge of making the best use of their resources. Different operational modes have taken hold, including responsive grantmaking, initiative-based grantmaking, foundation-

operated programs, capacity building, and convening. The following illustrative examples show how health foundations have adopted various strategies to achieve the goal of improving health.

#### RESPONSIVE GRANTMAKER

The California Wellness Foundation (TCWF) was established in 1992 as a result of Health Net's conversion from nonprofit to for-profit status. A private, independent foundation with assets of \$1 billion located in Woodland Hills, California, its mission is to improve the health of the people of California by making grants for health promotion, wellness education, and disease prevention. The California Wellness Foundation's initial grantmaking strategy was initiative-based grantmaking—the foundation developed specific program ideas and objectives and then selected grantees to implement them. Yet, in 2000, after a two-year strategic planning process, the

foundation's board approved a new grantmaking strategy—a responsive grantmaking program. “[Previously], our initiatives focused on ideas that originated at the foundation. We regarded the organizations chosen to implement those ideas as secondary in importance to the goals of the initiatives. In our new approach, we start with organizations whose mission is to improve the health of underserved populations in California. Our conversation with them begins with their mission and how our funding might help them best fulfill it,” stated Gary Yates, foundation president and chief executive officer. “We believe this philanthropic approach is allowing the Foundation to be more flexible in its funding strategies and better able to support the essential efforts of nonprofits working to improve the health of underserved Californians” (Yates 2006). Realizing that the valuable work accomplished by nonprofit organizations is rooted in their ability to meet basic organizational needs, the foundation prioritizes eight issues for funding (diversity in the health professions, environmental health, healthy aging, mental health, teenage pregnancy prevention, violence prevention, women's health, and work and health) and then encourages requests for core operating support under each area. The California Wellness Foundation also focuses on four cross-cutting themes—underserved populations, sustainability, leadership, and public policy—to further build their grantmaking into one cohesive program.

#### CAPACITY BUILDER

With assets of \$70 million, the Foundation for Seacoast Health is

one of the largest private foundations in New Hampshire. Created in 1984 with private endowments and the proceeds of the sale of the Portsmouth Hospital franchise to Hospital Corporation of America, the foundation is charged with two primary responsibilities: monitoring Portsmouth Regional Hospital to ensure that Seacoast citizens get high quality medical care in a first rate facility at competitive prices and to use the foundation's resources to fund health-related programs for citizens in the Seacoast communities of Portsmouth, Greenland, Rye, Newington, New Castle, and North Hampton, New Hampshire; and Kittery, Eliot, and York, Maine. In the mid 1990s, the foundation was confronted with the decision of whether to buy or build a new home for a foundation-funded program that was in desperate need of a new facility. The foundation soon discovered that several other grantees were in a similar situation, including a community health center, a preschool program for learning-delayed youngsters, and the community's Head Start program. “What was originally a crisis for space-hungry nonprofits turned into a unique opportunity for the foundation:

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how to address the inefficiency of providing health, educational, and social services to many of the same children and families at different sites,” said Susan Bunting, presi-

dent and CEO of the Foundation for Seacoast Health. The foundation decided to develop one large facility to house those agencies and others, with the caveat “that they work and plan together to reduce duplication of services, increase resource sharing, and maximize program effectiveness” (Bunting 2001). The Community Campus is now home to the foundation as well as health-related nonprofits and public programs that use common intake and outcome assessment tools and personnel procedures.

#### INITIATIVE-BASED GRANTMAKER

The Colorado Trust was established as an independent foundation in 1985 and endowed with \$191 million from the proceeds of the sale of PSL Healthcare Corporation; it now holds over \$450 million in assets. The trust utilizes an initiative-based grantmaking strategy to focus on advancing the health and well-being of the people of Colorado. The grantmaking style blends together several elements—researching and understanding the needs of the people of Colorado, creating a strategy to meet those needs, making grants, evaluating effectiveness and impact, and strategically communicating what the foundation learns—to bring about defined changes or improvements. The process begins with the foundation learning about current and emerging issues faced by Colorado citizens and communities. Staff then design initiatives and obtain approval from the board. Potential grantees are then asked to respond to a formal request for proposals. A key feature of all trust initiatives is the offering of technical assistance and networking opportunities for all grantees. The trust

evaluates all of its initiatives with the goal of learning for itself, sharing knowledge among grantees and others, and creating mechanisms for program sustainability.

By taking this approach, rather than considering unsolicited proposals, The Colorado Trust has found that it is able to support grantees over longer-than-usual periods of time and maximize their ability to bring about positive, sustainable change. For example, in 2000, the trust began its five-year, \$11 million After-School Initiative, with the goal of developing and supporting after-school programming strategies that capitalize on strengths of young people, families, and communities. The initiative provided funding, training, and tailored technical assistance services to 32 grantee after-school programs across the state. An independent evaluation of the initiative showed that it served more than 12,000 youth. Youth reported improvements in their positive life choices, sense of self, core values, cultural competency, life skills, community involvement, and academic success as a result of participating in the after-school programs. The initiative, in part, also led to the development of the Colorado After School Network, a statewide network that provides ongoing support for after-school programs. Current initiatives include increasing the number of health care professionals, providing equality in health care, strengthening immigrant integration, preventing suicide, advancing mental health care, supporting early child development and care, and preventing bullying.

#### FOUNDATION-OPERATED PROGRAMS

In 1995, St. Luke’s Health Initiatives (SLHI) sold all of its hospital facilities to OrNda HealthCorp. Since selling its hospital facilities, SLHI has become a public foundation focusing primarily on Maricopa County, the greater Phoenix, Arizona metropolitan area. Over the years, the foundation used its assets to fund charitable activities and engage in public education activities. The leadership realized, however, that the foundation could offer more than general grants; they could become directly involved with the issues and the individuals. “In this way, we evolved into a quasi-operating foundation; a strategic blend of community grantmaking with SLHI-driven and produced policy analysis and research, community engagement and technical assistance, and targeted community development projects,” noted foundation CEO Roger Hughes in *Beyond Grantmaking: On Attraction, Promotion and Resilience*. “Grants became one of several means to effect our mission, and not always the first or best choice, given shifting conditions and opportunities on the ground.” One of the foundation’s main ventures has been creating and running Arizona Health Futures, SLHI’s health policy and education arm. Its purpose is to conduct relevant and timely policy research; provide balanced, nonpartisan information and perspectives on health issues in Arizona; serve as a convener and forum for the critical discussion of those issues in an independent and policy-neutral setting; and translate good ideas into action through the support of community-based initiatives.

In the early 1990s, trustees of The Henry J. Kaiser Family Foundation stopped usual business to reconsider how the foundation could use its resources (some \$30 to \$40 million annually) to maximum effect. With approximately \$600 million in assets, the trustees decided that distributing 5 percent in grants to a huge health care system was “not a recipe for playing a special national role.” “Nor were we large enough to try to change things through direct action—by undertaking large, multisite demonstration programs; supporting large numbers of community organizations; or bankrolling the development of new independent national institutions, as some larger foundations do,” noted Drew Altman, president and CEO in his 1998 message, *The Kaiser Family Foundation’s Role in Today’s Health Care System*. The leadership saw the need for an independent, trusted, credible source of information to provide analysis, balanced discussion, and expert commentary on the major health care issues facing the nation. To fill this void, the Foundation has changed its tax status from a private foundation to an operating foundation, seeing its essential role as providing research and information for policymakers, the media, the health care community, and the general public.

### Moving Forward for Health Grantmakers

Against a backdrop of the technology and Internet booms of the 1990s, the year 2000 and Y2K, the 9/11 terrorist attacks, natural disasters, critical health issues facing our society, and heightened scrutiny of the nonprofit sector, health funders have been challenged to keep their

balance over the past few decades. In the years ahead, health foundations will continue to face significant challenges.

### ACCOUNTABILITY AND TRANSPARENCY

In an effort to rebuild public trust in the corporate sector, the Sarbanes-Oxley Act was put into place in 2002, requiring publicly traded companies to follow new standards in financial transactions and audit procedures. As policymakers looked for ways in which the law could apply to the nonprofit sector as well, funders and nonprofits have been urged to examine their own practices and put new policies in place (Independent Sector 2006). “The only way for foundations to protect

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the freedom, creativity, and flexibility they now enjoy – and which they need if they are to serve society to their fullest potential,” argues Duke University professor Joel Fleishman (2007), “is to open their doors and windows to the world so that all can see what they are doing and how they are doing it.”

Foundations have made some first steps with about one-third of the nation’s largest foundations making changes in their policies in such areas as conflict of interest, review

of tax returns, and establishing audit committees (Center for Effective Philanthropy 2005).

#### DIVERSITY AND CULTURAL COMPETENCY

As the racial and ethnic makeup of the U.S. population changes, foundations must work to ensure that their boards and staff reflect this diversity. Over the last 20 years, philanthropy has evolved from a field dominated by white men to one where two-thirds of the professional staff are women, and people of color make up a fifth of all staff. These changes, however, have not carried over to foundation boards. Men comprise 69

the measures. Based on a series of interviews with foundation leaders, the Urban Institute found that “all too often, foundations have failed to institutionalize a process to establish standards of effectiveness and regularly assess themselves in relation to these standards...foundations need to clarify and specify what they believe it means to be effective. There are multiple approaches to effectiveness, and foundations need to choose one that is appropriate for themselves—but they must be clear about the choice they make” (Ostrower 2004).

#### LEADERSHIP

Philanthropy and the rest of the nonprofit sector are on the precipice of a leadership crisis; many of today’s foundation leaders are likely to catch the retirement wave that will rise with the baby boom during the next 10 years and staff among nonprofits are being stretched to a breaking point. In *Daring to Lead*, a joint research project by CompassPoint Nonprofit Services and the Meyer Foundation, nearly 2,000 nonprofit executive directors in eight cities were questioned about their current and future work in the nonprofit sector. Results showed that “three quarters don’t plan on being in their current jobs five years from now, and nine percent are currently in the process of leaving. Frustrations with boards of directors and institutional funders, lack of management and administrative support, and below-market compensation add stress to a role that can be challenging even in the best circumstances” (Bell et al. 2006). Health foundations cannot achieve their goals without effective staff and leaders within both their own

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percent of foundation boards, and 89 percent of board members are white. Moreover, minorities continue to be greatly underrepresented among CEOs. Men of color appear to be having greater success than minority women; but, in both cases, they are concentrated in certain types of foundations and less frequently reach higher-level positions (Joint Affinity Groups 2002).

#### EFFECTIVENESS AND IMPACT

Grantmakers continue to grapple with how best to measure a foundation’s overall effectiveness and gauge its impact. Grantmaking takes place in a complex social environment and is rarely the only factor affecting how things turn out. Capturing what truly matters, however, and figuring out what can inform future work often requires looking deeper into the stories behind

organizations and those they fund; efforts to provide nurturing, support, and professional development for existing and potential leaders must be increased.

### Moving Ahead

Over the past twenty-five years, health grantmakers have learned that funding change is hard and requires the long view. As Steven Schroeder, former president of Robert Wood Johnson Foundation stated, “maintaining a long perspective while being battered by the winds of change will take all the knowledge, imagination and nerve we can muster.” Funders have also been leaders in a reconceptualization of the role of philanthropy from, in the words of Annie E. Casey Foundation CEO Doug Nelson, “funder of charitable transactions or the patron of civic and cultural institutions to seeing themselves as agents or catalysts for social, economic, cultural, and scientific progress” (Foundation Center 2006a). Accordingly, The California Endowment’s Robert Ross recently challenged colleagues to lead and drive change by respecting community-driven ideas, adopting a broad, holistic view of health, funding policy advocacy, relying on partnership and collaboration, building community capacity, and recognizing the importance of foundation tools beyond grants (Ross 2006).

The work ahead is daunting but the field can make a difference. Over a decade ago, Terrance Keenan, who inspired the Grantmakers In Health leadership award that bears his name, articulated for health funders the special capacities they enjoy to serve the public welfare: freedom

to invest in innovation; freedom to fail; time to anticipate the future; unequalled flexibility and speed; the freedom to persist; the power to pioneer new fields of knowledge; the freedom to develop new institutions or institutional systems for confronting major needs; and the ability to convene (Keenan 1992). Armed with the insights and lessons the past few decades of work provide, the field is poised to seize this tremendous opportunity to improve the health of all people.

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# Fast Facts

## Funding Trends

There are close to 68,000 foundations in the United States (Foundation Center 2006a).

Giving by the nation's grantmaking foundations grew 5.5 percent to \$33.6 billion in 2005, following two consecutive down years (Foundation Center 2006a).

By region, the West posted the fastest growth in giving in 2004 and surpassed Southern foundations by share of overall giving for the first time on record (Foundation Center 2006a).

Foundations in the Northeast, Midwest, and South favored education in 2004; funders in the West made health a priority (Foundation Center 2006b).

Health's share of overall giving reached a record 22.3 percent in 2004, helped by a \$750 million ten-year grant from the Bill & Melinda Gates Foundation (Foundation Center 2006b).

The largest percentage of grant dollars in health supported public health (35 percent), followed by hospitals and medical care, (21 percent); medical research, (15 percent); and specific diseases, (13 percent) (Foundation Center 2006c).

The health field still receives most of its funding in the form of program support. In 2004, 63.7 percent of all grants for health represented program support, compared to 46.8 percent for overall grant dollars (Foundation Center 2006c).



## Foundations Created From Conversions

Grantmakers In Health (GIH) has identified more than 170 foundations that were either newly formed with the assets from health care conversions or received assets generated by conversions. These foundations held approximately \$18.3 billion in assets in 2004 (GIH 2005).

New health foundations distributed more than \$280 million in grants in 2004 (Foundation Center 2006d); 68 percent of these foundations fund solely in health (GIH 2005).

Approximately two-thirds of new health foundations were created through hospital conversions. About 17 percent resulted from health plan conversions, 10 percent from health systems conversions, and 2 percent from conversions of other entities such as nursing homes (GIH 2005).

Foundations formed from health care conversions are located in 37 states and the District of Columbia with the largest numbers in California (20), Ohio (17), Pennsylvania (15), Missouri (10), and Florida (10) (GIH 2005).



## Challenges For The Field

Three-quarters of the nation's largest foundations have addressed implications of the Sarbanes-Oxley Act, one-third of which have made changes in policies regarding conflicts of interest, review of tax returns, and establishing audit committees (Center for Effective Philanthropy 2005).

Over the last 25 years, philanthropy has evolved from a field dominated by white men to a field where women are the majority and a fifth of staff are people of color (Joint Affinity Groups 2002).

Board diversity for foundations formed from health care conversions improved modestly from 2001 to 2004. In approximately 7 percent of new health foundations, board members from racial and ethnic minority groups represent 50 percent or more of the entire board. In 2004, however, almost one-fourth of foundations had no minority board members (GIH 2005).

In studying how foundation leaders understand effectiveness, it was found that foundations typically define effectiveness in broad and general terms—good grantmaking or attaining goals—and considerable variation exists among grantmakers. In order to make effectiveness a priority, many foundations need to clarify and specify what they believe it means to be effective (Ostrower 2004).

On average, more than one in ten executive director jobs turns over each year. That number is projected to climb by 15 percent or more as the baby-boomer generation—many of whom founded core organizations in their communities 20 to 30 years ago—begin to reach retirement age (TransitionGuides 2006).

Nonprofit executive directors cite boards of directors and funders as contributing to their burnout, wishing that boards would help more with fundraising and that funders would provided increased general operating support and multi-year support (Bell, Moyers, and Wolfred 2006).



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## Recommended Reading

Association of Small Foundations, *The New Foundation Guidebook: Building a Strong Foundation* (Bethesda, MD: 2003). Available on-line at <http://www.smallfoundations.org>.

The report addresses key concerns in creating a new foundation and speaks to the many issues that must be considered when devising the structure and operations of the foundations.



Bell, Jeanne, Richard Moyers, and Timothy Wolfred, *Daring to Lead 2006: A National Study of Nonprofit Executive Leadership* (San Francisco, CA: CompassPoint Nonprofit Services, 2006). Available on-line at [http://www.compasspoint.org/assets/194\\_daringtolead06final.pdf](http://www.compasspoint.org/assets/194_daringtolead06final.pdf).

This report presents findings from a national survey of nonprofit leaders. The data raise important questions about the future executive leadership of nonprofit organizations and suggest the need for boards of directors, grantmakers, and other nonprofit sector stakeholders to focus on supporting and sustaining the best current executives, developing the next cohort of leaders, and preparing for inevitable executive transitions.



Blumenthal, Barbara, *Investing in Capacity Building: A Guide to High-Impact Approaches* (Washington, DC: Foundation Center, 2003). Available on-line at <http://www.fdncenter.org>.

This book is geared to help grantmakers and consultants plan better methods to help nonprofits, while showing nonprofit managers how to get more effective support. It identifies which strategies help nonprofit organizations achieve efficiency, stability, and effectiveness—and which ones do not. Based on interviews with more than 100 grantmakers, intermediaries, and consultants.



Bowen, William G., *Inside the Boardroom: Governance by Directors and Trustees* (New York, NY: John Wiley & Sons, Inc., 1994). Available on-line at <http://www.wiley.com>.

William Bowen explores the role of the board of directors in for-profit and nonprofit corporations and offers his recommendations on how boards can better serve the interests of organizations and their stakeholders. Bowen provides detailed answers to a number of crucial questions, such as do boards really matter? To what extent do external checks and constraints preordain outcomes? In what ways is a board's ability to act effectively influenced by the type of information reported to it and by the reporting mechanisms themselves? Is there an optimal board size and an optimum balance between inside and outside members?



Buchanan, Phil, Ellie Bateau, Sarah DiTroia, et al., *Beyond Compliance: The Trustee Viewpoint on Effective Foundation Governance* (Cambridge, MA: Center for Effective Philanthropy, 2005). Available on-line at [http://www.effectivephilanthropy.org/images/pdfs/CEP\\_Beyond\\_Compliance.pdf](http://www.effectivephilanthropy.org/images/pdfs/CEP_Beyond_Compliance.pdf).

This report summarizes the findings from a survey of foundation boards of directors. It sets forth a definition of board effectiveness, challenges faced by foundation boards, and key components of effective governance.



The California Wellness Foundation, *Evaluations and Lessons Learned from our Grantmaking* (Woodland Hills, CA: 2003). Available on-line at <http://www.tcwf.org/publications/evaluations.htm>.

This is a Web-based series in which foundation staff, grantees, and contractors share lessons learned and information gleaned from grantmaking programs and strategies. The foundation presents these publications three or four times a year.



The California Wellness Foundation, *Reflections* (Woodland Hills, CA: 2004). Available on-line at <http://www.tcwf.org/publications/reflections.htm>.

*Reflections* is a series produced by The California Wellness Foundation to share lessons learned and information gleaned from its grantmaking practices and strategies. The foundation publishes the series three or four times a year.

Clotfelter, Charles T., and Thomas Ehrlich, *Philanthropy and the Nonprofit Sector in a Changing America* (Bloomington, IN: Indiana University Press, 2001). Available on-line at <http://www.iupress.indiana.edu/catalog/>.

This volume of essays suggests how philanthropy and the nonprofit sector might respond to a society which is seeing not only the devolution of federal programs to the state and local levels, but also the blurring of lines between nonprofit and for-profit organizations, globalization, tax and other regulatory reform, and the rise of privatization and market models, among other sea changes.



Connolly, Paul, and Carol Lukas, *Strengthening Nonprofit Performance: A Funder's Guide to Capacity Building* (St. Paul, MN: Fieldstone Alliance, 2005). Available on-line at <http://www.fieldstonealliance.org>.

This guide synthesizes recent capacity building practice and research into a collection of strategies, steps, and examples. It includes capacity-building strategies; cost ranges; and a process for planning, implementing, and evaluating a capacity-building funding effort.



Consumers Union of The U.S., Inc., and Community Catalyst *Building and Maintaining Strong Foundations: Creating Community Responsive Philanthropy in Nonprofit Conversions* (San Francisco, CA: 2004). Available on-line at <http://www.consumersunion.org/pdf/buildreport.pdf>.

This handbook examines how community members and advocates can become involved in the creation and on-going operation of new health foundations in order to address the health needs of their locality, state, or region.



Council on Foundations, *Grantmaking Basics: A Field Guide for Funders* (Washington, DC: 2005). Available on-line at <http://www.cof.org>.

This book outlines grantmaker roles and responsibilities, including reviewing grant proposals, conducting site visits and interviews, improving fiscal accounting expertise, and increasing communication skills and effectiveness.

Council on Foundations, *Grantmaking Basics II: A Field Guide for Funders* (Washington, DC: 2004). Available on-line at <http://www.cof.org>.

This volume offers additional information, guidance and tips from the field intended to further educate people involved in giving away money.



Council on Foundations, *The Handbook on Private Foundations, Third Edition* (Washington, DC: 2005). Available on-line at <http://www.cof.org>.

This handbook and its comprehensive bibliography have been updated to serve foundation managers, from newcomers to veterans. Beginning with a brief history of foundations in the United States, this handbook guides the reader through every aspect of managing a private foundation, including legal issues, public relations, investment management, grantmaking basics and more.



Council on Foundations, *Philanthropic Foundations in the United States: An Introduction* (Washington, DC: 2000). Available online at <http://www.cof.org>.

This primer explores the sources, motivations and goals of foundation giving in the United States. It answers questions such as, "Why do foundations exist? How do they operate? How are they regulated?" This book is particularly valuable for those looking for a deeper understanding of American philanthropy.

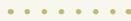


Enright, Kathleen, *Investing in Leadership: Inspiration and Ideas from Philanthropy's Latest Frontier* (Washington, DC: Grantmakers for Effective Organizations, 2006). Available on-line at [http://www.geofunders.org/\\_uploads/documents/live/Investing in Leadership Volume 2.pdf](http://www.geofunders.org/_uploads/documents/live/Investing%20in%20Leadership%20Volume%202.pdf).

This publication examines how leadership development drives organizational effectiveness and how grantmakers are beginning to invest in new and more robust leadership models to help their grantees reach their goals.

Foundation Center, *Practice Matters Series* (Washington, DC). Available on-line at <http://www.fdncenter.org>.

The Practice Matters project represents a collective field-building effort involving more than 150 grant-makers, scholars, and other experts who set out to fill the gap in knowledge about the fundamental foundation practices that lead to good grantmaking. Titles include *The Evaluation Conversation: A Path to Impact for Foundation Boards and Executives*; *Philanthropies Working Together: Myths and Realities*; *Communications for Social Good*; *The Capacity Building Challenge*; *Ideas in Philanthropic Field Building: Where They Come from and How They Are Translated into Actions*; *Experienced Grantmakers at Work: When Creativity Comes Into Play*; *Foundation Strategies for Attracting and Managing Talent*; *Toward Greater Effectiveness in Community Change: Challenges and Responses for Philanthropy*; *Acts of Commission: Lessons from an Informal Study*; and *Toward More Effective Use of Intermediaries*.



GrantCraft, *GrantCraft Guides* (New York, NY). Available on-line at <http://www.grantcraft.org>.

A project of the Ford Foundation, GrantCraft produces a series of guides, each focused on a different grantmaking topic. These guides are based on actual grantmaker experiences and told in their voices. They offer a wide range of actions, interventions, and strategies that grantmakers use to be more effective. Titles include *Executive Transitions*; *Program-Related Investing*; *Advocacy Funding*; *Working with the Business Sector*; *International Grant Making*; *Working with Start-Ups*; *Grant Making with a Gender Lens*; *World Summits and Conferences*; *Providing for the Long Term*; *When Projects Flounder*; *Building Community Inside & Out*; *Using Competitions & RFPs*; *Personal Strategy*; *Scanning the Landscape*; and *Saying Yes/Saying No to Applicants*.



Grantmakers In Health, *Building Relationships in Health: How Philanthropy and Government Can Work Together* (Washington, DC: 2003). Available on-line at [http://www.gih.org/usr\\_doc/gih\\_build\\_relations.pdf](http://www.gih.org/usr_doc/gih_build_relations.pdf).

Philanthropy and government have many mutual interests. While differences in culture, time frame, and expectations can make building relationships difficult, there are many successful partnerships that together are greater than the sum of their parts. This publication presents what GIH has learned from colleagues in both sectors about the range of options for those interested in collaboration and the lessons they have learned in building those relationships.



Grantmakers In Health, *The Business of Giving: Governance and Asset Management in Foundations Formed From Health Care Conversions* (Washington, DC: 2005). Available on-line at [http://www.gih.org/usr\\_doc/Conversion\\_Report\\_2005.pdf](http://www.gih.org/usr_doc/Conversion_Report_2005.pdf).

This report looks at the composition and function of boards of directors in foundations formed from health care conversions, as well as how the foundations manage the investment of their assets. This report is the latest in GIH's series of reports on these foundations.



Grantmakers In Health, *Strategies for Shaping Public Policy: A Guide for Health Funders* (Washington, DC: January 2000). Available on-line at [http://www.gih.org/usr\\_doc/53198.pdf](http://www.gih.org/usr_doc/53198.pdf).

Many foundations have shied away from funding in public policy in part because of confusion over federal tax rules governing lobbying for nonprofit organizations. As a guide to foundations on funding in health policy, this publication is intended to clear up some of the misconceptions and help funders engage in public policy work. It also presents examples of the range of public policy activities now being undertaken by health funders.



Hubbard, Betsy, *Investing in Leadership: A Grantmaker's Framework for Understanding Nonprofit Leadership Development* (Washington, DC: Grantmakers for Effective Organizations, 2005). Available on-line at [http://www.geofunders.org/\\_uploads/documents/live/FINAL-InvestinLeadership%20Vol1.pdf](http://www.geofunders.org/_uploads/documents/live/FINAL-InvestinLeadership%20Vol1.pdf).

This paper examines the link between strong executive leadership and organizational performance, as well as how this link plays a leading role in shaping foundation grantmaking.



Independent Sector, *Building Value Together: Guidelines for the Funding of Nonprofit Organizations* (Washington, DC: 2006). Available on-line at <http://www.independentsector.org/issues/buildingvalue/opsupport.html>.

Concerned about the health and vitality of the nonprofit sector and about the state of foundation-nonprofit relationships, the Independent Sector board of directors unanimously endorsed a statement calling on funders and nonprofit organizations to adopt a reciprocal commitment to working together constructively, to enhanced performance and to effectiveness.



Independent Sector, *Statement of Values and Code of Ethics for Charitable and Philanthropic Organizations* (Washington, DC: 2004). Available on-line at [http://www.independentsector.org/PDFs/code\\_ethics.pdf](http://www.independentsector.org/PDFs/code_ethics.pdf).

This document presents the statement of values and code of ethics that Independent Sector will use for its own work. In addition, the organization encourages its members, and the field as a whole, to use this document in either drafting or adopting statements of values and codes of ethics.



Independent Sector, *Strengthening Transparency, Governance, and Accountability of Charitable Organizations: A Supplement to the Final Report to Congress and the Nonprofit Sector* (Washington, DC: 2006). Available on-line at <http://www.nonprofitpanel.org/final>.

This publication reports on the recommendations developed by the Panel on the Nonprofit Sector, a committee of those involved with charities and foundations, on the sector's governance, transparency, and standards. The recommendations provide approaches that maintain the balance between legitimate oversight and protecting the independence that charitable organizations need to remain innovative and effective.

Prager, Denis J., *Raising the Value of Philanthropy: a Synthesis of Informal Interviews with Foundation Executives and Observers of Philanthropy* (Washington, DC: Grantmakers in Health, 1999). Available on-line at [http://www.gih.org/usr\\_doc/54151.pdf](http://www.gih.org/usr_doc/54151.pdf).

This report, based on a series of interviews with leaders in health philanthropy, focuses on the characteristics of foundation programs and assessment strategies that appear to be most effective. It considers some of the seminal challenges facing the field and offers insights on operational structures and styles



Raymond, Susan U., *The Future of Philanthropy: Economics, Ethics, and Management* (New York, NY: John Wiley & Sons, Inc., 2004). Available on-line at <http://www.wiley.com>.

This book is a collection of essays on ethical and management issues facing foundations and nonprofit organizations.



Schwartz, James R., and Chester H. Horn, *Health Care Alliances and Conversions: A Handbook for Nonprofit Directors and Trustees* (San Francisco, CA: Jossey-Bass, 1999). Available on-line at <http://www.josseybass.com>.

This publication examines governance issues involved when a nonprofit health care organization converts, or considers converting, to for-profit status.



Yates, Gary L., and Thomas G. David, "Don't Call Us 'Conversion Foundations'...Please" Views From the Field, *GIH Bulletin*, February 28, 2000. Available on-line at [http://www.gih.org/usr\\_doc/53190.pdf](http://www.gih.org/usr_doc/53190.pdf).

This Views from the Field piece—an occasional series offered by GIH as a forum for health grantmakers to share insights and experiences—comments on the term and implications of being labeled a "conversion foundation."