



# BENCHMARKING

TRENDS IN EDUCATION PHILANTHROPY

# 2010

## grantmakers<sup>for</sup>education

Grantmakers for Education builds philanthropy's knowledge, networks and effectiveness for achieving results in education. Our mission is to strengthen philanthropy's capacity to improve educational outcomes and expand opportunities for all learners, which we achieve by

- Sharing successful grantmaking strategies, best practices, and lessons learned that exemplify responsive and responsible grantmaking in education.
- Creating venues for funders to collaborate on projects, share knowledge, develop leadership, advocate for change and debate strategies with other education grantmakers.
- Interpreting data, illustrating trends, and conducting research to improve the effectiveness of education grantmaking and to highlight innovative educational approaches.

Our efforts are informed by eight Principles for Effective Education Grantmaking, designed both to guide funders in increasing their impact and to ensure that GFE's services and programs help funders accomplish their goals for change.

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Design by Studio 209.

# BENCHMARKING 2010

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# FOREWORD

Dear Colleagues,

On behalf of Grantmakers for Education, I am delighted to present *Benchmarking 2010: Trends in Education Philanthropy*. As the nation's largest and most diverse network of education funders, GFE is dedicated to deepening the collective impact of education philanthropy. The annual *Benchmarking* series advances this goal by providing grantmakers with an opportunity to learn how colleagues across the field approach their work and prioritize their funding, spotlighting emerging trends and highlighting critical challenges for the field.

In this year's report, a special section on strategies for greater impact examines two important ways that our field's work is evolving. One pronounced shift is the increased number of funders engaging with education policy, as well as the widening roles they are playing in this arena, a sea

change I have witnessed during my eight years at GFE. The second development involves funders' deepening efforts to coordinate and align their work with fellow grantmakers—and with other stakeholders. While collaboration has long been valued by our field, grantmakers today are expanding the nature of their partnerships to extend the impact of their investments. Taken together, policy grantmaking and collaboration reflect education funders' interest in approaches that leverage philanthropic resources to effect greater systemic change.

As we spotlight trends in grantmaking priorities and strategies, it is equally important to understand external factors that shape the work of our field in significant ways. In 2009, we examined grantmakers' responses to budget constrictions that arose from the global economic crisis. This year, with more stability in grantmaking budgets, funders identified other forces affecting their efforts. In a trend that carries forward from last year, grantmakers worked in 2010 to leverage an influx of federal funding. And, with deepening state budget crises, survey respondents spoke to a heightened pressure for philanthropic dollars to fill gaps and maintain basic programs—even as some worried about the implications for philanthropy's role as an independent sector.

Although the bulk of the report draws on data concerning the individual funding strategies and funding areas of the organizations we surveyed, the final section focuses on collective steps we can—and should—take to build the field. The approaches outlined will not be simple to undertake, but they are critical to ensuring that education philanthropy works with the efficacy and impact necessary to improve outcomes and expand opportunities for all learners.

Despite the sometimes daunting challenges across our education systems, this is an exciting moment for education philanthropy, as we hone strategies and align our work. GFE is grateful to the many members who have contributed to this effort by sharing their perspectives through the *Benchmarking* survey, and especially to the grantmakers who served as advanced readers, providing valuable feedback that shaped the report. As ever, I look forward to hearing how you use the insights in this study to inform your organization's work and define its long-term priorities.

Warm regards,



Chris Tebben, *Executive Director*

# GUIDE TO THE REPORT

*Benchmarking 2010* offers insights into the current priorities, practices and concerns of education grantmakers. The report is divided into five sections:

## **SECTION 1: Mapping the Education Grantmaking Landscape**

GFE members represent the diverse types, sizes and priorities of grantmakers funding education. This section describes the funders constituting our survey sample. What is the geographic scope of their work? At which points in our education systems do they invest? How much do they grant to education annually?

## **SECTION 2: 2010 Funding Priorities**

Despite growing interest in aligning and coordinating grantmaking efforts, education funders have few resources

for determining how their organization's efforts fit within the field as a whole. This section answers a key question about the sector: Which funding priorities and strategies figure most prominently for education grantmakers?

## **SECTION 3: Strategies for Leveraging Greater Impact**

Funders report that in seeking to increase the impact of their efforts, they are leveraging resources through increased collaboration and engagement with public policy. This section details lessons learned from the range of collaborations in which grantmakers participate, as well as exploring motivations for and approaches to policy engagement.

## **SECTION 4: Identifying Significant Trends in Education Funding**

This section highlights grantmakers' reflections on significant trends in the field. A sidebar identifies critical topics that funders feel are not being sufficiently addressed by education philanthropy.

## **SECTION 5: Building Our Field**

The report's final section moves beyond benchmarking current or predicted practices to pinpoint ways to increase the collective impact of our work. This call to

action aims to bring greater intentionality and alignment to our field.

## **Methodology**

*Benchmarking 2010* shares data from an unduplicated sample of 164 education grantmaking organizations—approximately two-thirds of GFE's network of grantmakers—that responded to a 22-question online survey consisting of fixed-choice and open-ended questions.

Because a different subset of funders elects to respond to the *Benchmarking* survey each year, this report does not draw many direct year-to-year data comparisons, relying instead on grantmakers' responses regarding how their efforts are changing over time.

## SECTION 1

# MAPPING THE EDUCATION GRANTMAKING LANDSCAPE

GFE members reflect the diverse field of education philanthropy, yet they share a commitment to deepening their practice by learning from and connecting with a network of peers.

As we collectively work to sharpen the craft and build the field of education grantmaking, the aggregate responses to the *Benchmarking* survey illuminate key characteristics and themes across an often highly individualized sector.

### **Benchmarking 2010 respondents:**

- **Represent varied foundation types.**

Private foundations make up the largest portion (35 percent) of respondents, followed by family foundations (28 percent)—but a higher percentage of respondents come from corporate giving programs (12 percent) and community foundations (11 percent) than in years past. (See Figure 1)

- **Fund across geographic areas.**

The greatest proportion (37 percent) of respondents fund primarily in their local communities, while approximately equal numbers fund either nationally (22 percent) or in one or two states (23 percent). (See figure 2) Almost all respondents make grants in urban areas (94 percent); however, a striking share of grantmakers also fund in rural communities (52 percent).

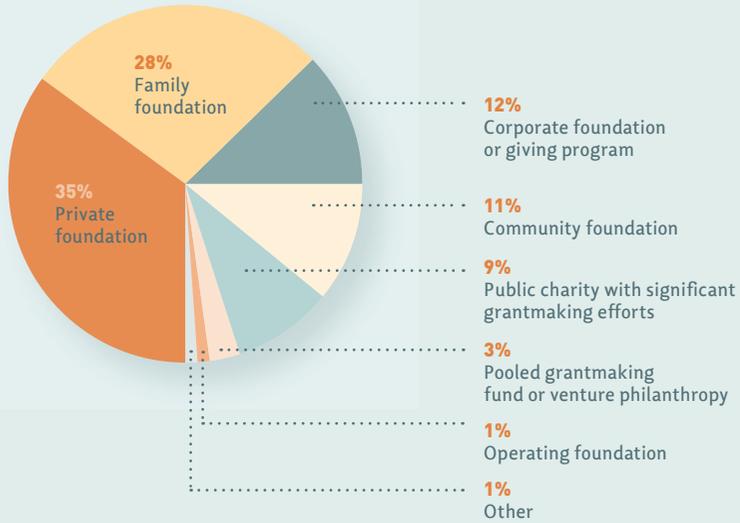
- **Have varied grantmaking budgets and make grants of all sizes and durations.**

The majority of respondents (70 percent) have education grantmaking budgets of

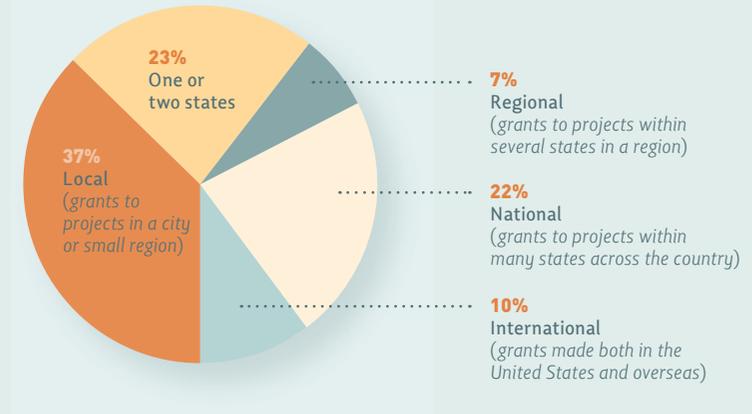
\$5 million or less; only 17 percent have budgets exceeding \$10 million. (See figure 3) Although the largest group of respondents (34 percent) makes grants that average \$50,000 or less, overall respondents were nearly evenly split between those making grants of under \$100,000 and those making grants over \$100,000. (See figure 4) While 33 percent of survey respondents make grants of one year or less, a greater percentage typically make two- to three-year commitments (52 percent), with relatively few making grants of four years or more (15 percent). (See figure 5)

- **Provide some general operating support.** Most respondents (72 percent) provide general operating support as part of their funding strategy, but provision of operating support differs significantly by type of grantmaker: 84 percent of family foundations fund general operating support, compared to only about half of corporate funders. (See figure 6)
- **Invest across levels of our education systems.** Survey respondents fund every level of education, from early learning through postsecondary success, often providing support for better alignment at key transition points across systems. Even among the great majority—91 percent—

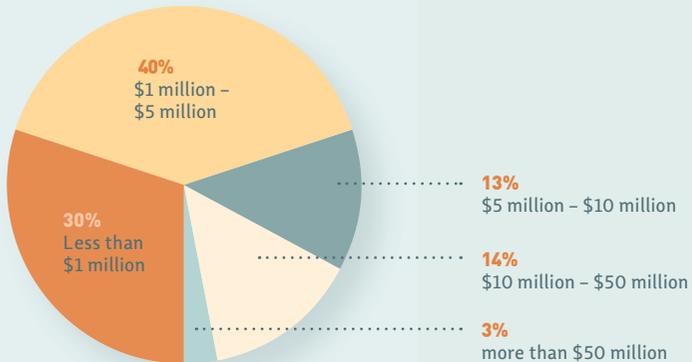
**FIGURE 1**  
Type of grantmaking organization



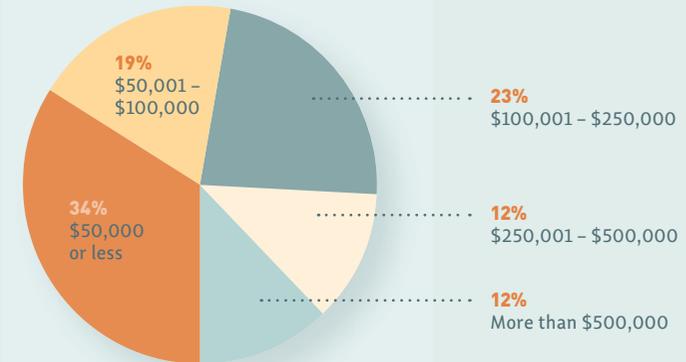
**FIGURE 2**  
Geographic scope of education grantmaking



**FIGURE 3**  
Annual education grants budget



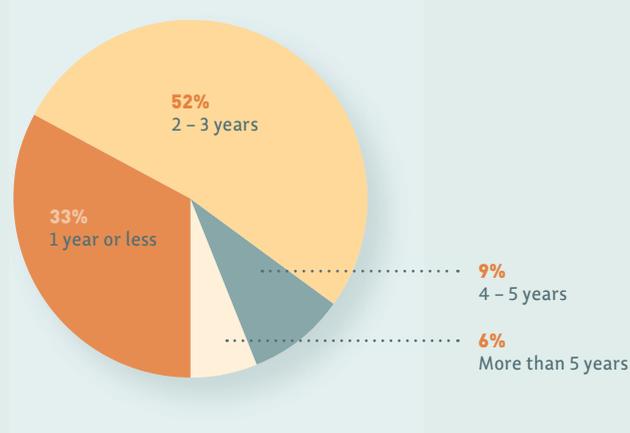
**FIGURE 4**  
Average education grant size



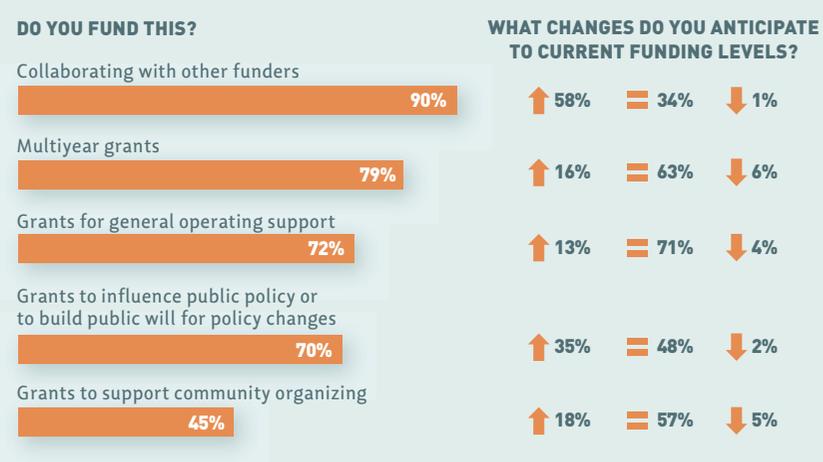
of respondents who fund K-12 education, only 15 percent fund in that area exclusively. A majority of funders support out-of-school time (60 percent), and nearly half invest in postsecondary (47 percent) and early learning (49 percent). (See figure 7) Grantmakers are also investing in strengthening points of transition across education systems. Of the 71 percent of respondents who are funding efforts to improve alignment, 64 percent make grants to strengthen connections between high school and postsecondary education, 54 percent provide support to align in-school and out-of-school learning, and 50 percent fund efforts to connect early learning to K-12. (See figure 8)

- **Expect a more stable funding base this year than at the height of the economic downturn.** *Benchmarking 2010* survey respondents reported that their budgets are largely holding steady or growing: 53 percent indicated that their 2010 education grantmaking budgets will stay about the same and 23 percent predicated an increase, while only 22 percent expected a decrease from the previous year. This presents a marked contrast from 2009, when only 26 percent were able to maintain previous funding levels and 59 percent projected a decline. (See figure 9)

**FIGURE 5**  
Typical education grant duration

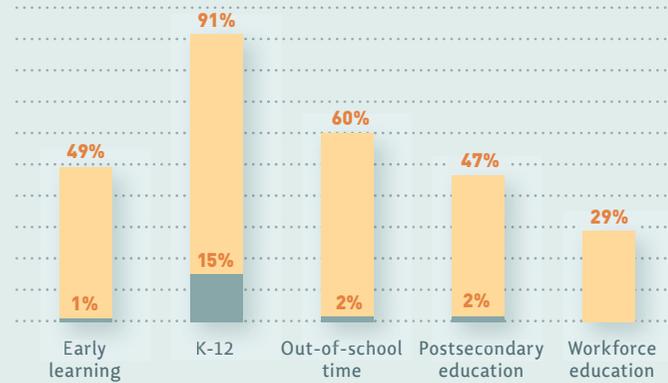


**FIGURE 6**  
Current and anticipated grantmaking strategies



**KEY:** ↑ Anticipate increasing funding = Anticipate maintaining funding ↓ Anticipate decreasing funding

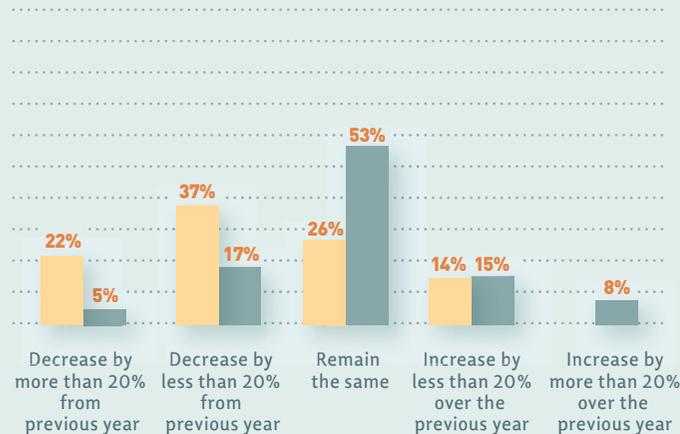
**FIGURE 7**  
**Education grantmaking content areas**



**KEY:**

- Grantmakers with some funding in this area
- Grantmakers funding exclusively in this area

**FIGURE 9**  
**Anticipated change to education grantmaking budgets in 2009 and 2010\***

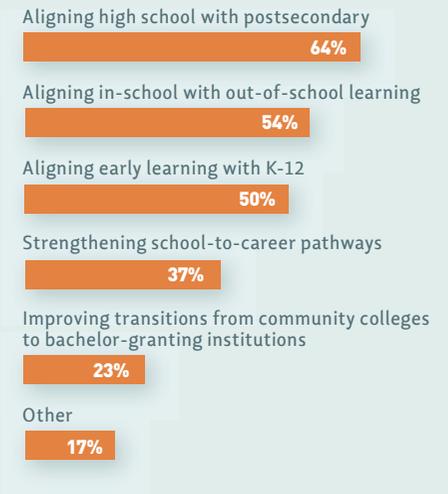


**KEY:**

- 2009
- 2010

\* Samples were not identical. Additionally, in 2009, GFE's survey did not specify the magnitude of grantmaking increases. For purposes of this chart, we assumed all 2009 increases were between 0-20%.

**FIGURE 8**  
**Grantmaking to support alignment of education systems**



## SECTION 2

# 2010 FUNDING PRIORITIES

While each education grant-making organization follows its own priorities and policies governing investments, understanding aggregate priorities across the field allows funders to be more capable and strategic in their grantmaking.

The *Benchmarking* survey asked grant-makers to identify their current funding priorities and indicate how these priorities are likely to change over the next two years. (See figure 10) Several key themes emerged across their responses:

- **Increasing outcomes and opportunities for the most disadvantaged.**

Grantmaking to close achievement gaps for low-income or minority students draws support from the greatest number of funders, receiving support from 87 percent of respondents—with nearly 90 percent planning to maintain or increase funding levels in the coming years.

Significant numbers of respondents also indicated current support for programs that focus on dropout prevention and disconnected youth (61 percent) and on English Language Learners (54 percent). Notably, some respondents cited these as critical areas that they believe are not receiving enough attention from education philanthropy, as discussed in Section 4 of this report.

- **Investing in education's human capital.**

Professional development for teachers receives support from the second-largest number of funders (72 percent), yet respondents identified professional development as only one of several

“How do we break the links between race, poverty and student outcomes?”

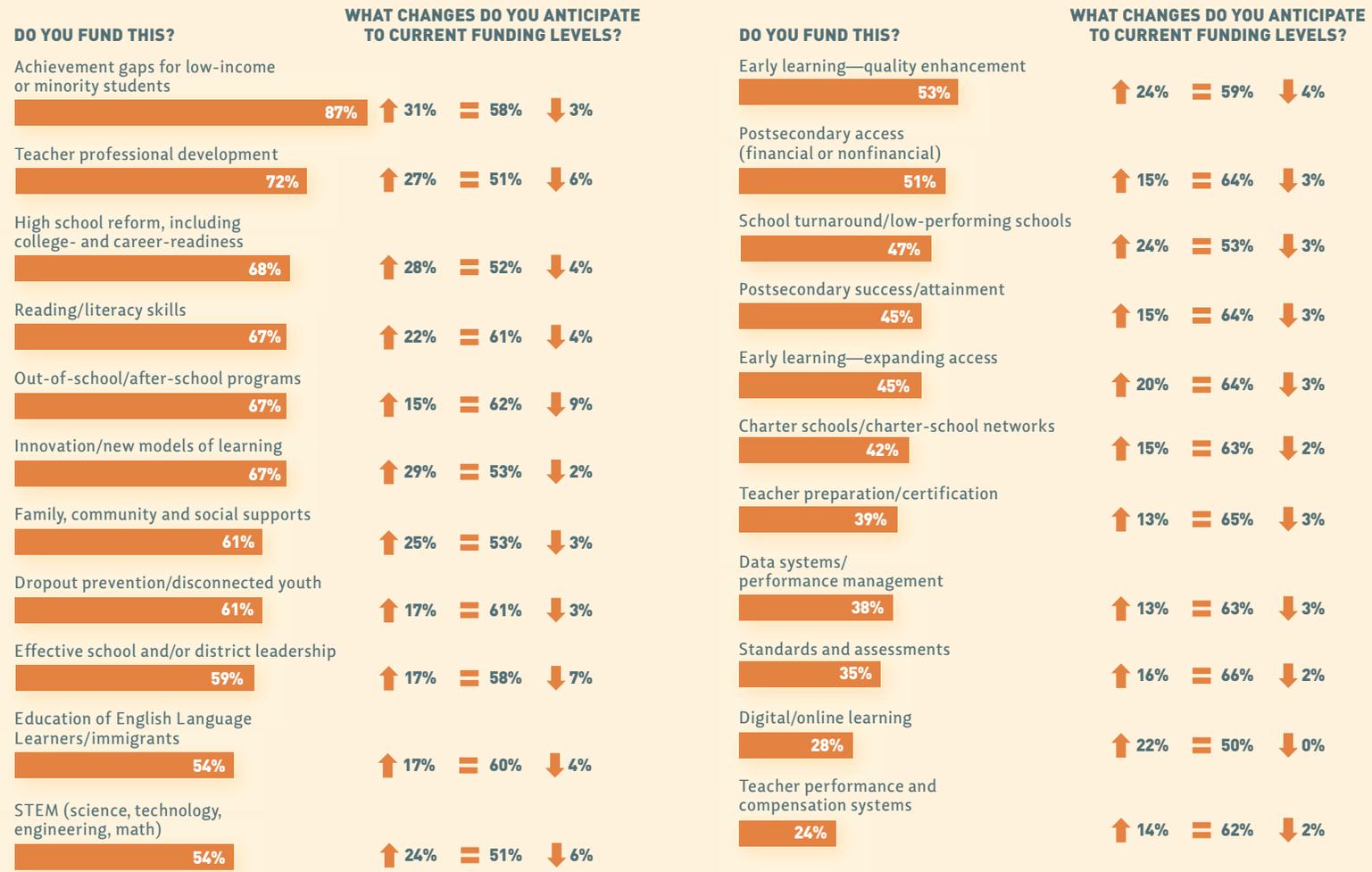
—Scott Thompson, *Panasonic Foundation*

important strategies to improve teaching. Over one-third of respondents fund teacher preparation (39 percent), while nearly one-quarter (24 percent) make grants to support efforts for merit-based pay and tenure policies.

Despite the range of investments in human capital, grantmakers voiced concerns about inconsistencies in teacher quality and efficacy. Respondents cited the inequitable distribution of highly qualified and successful teachers and the lack of fair and accurate measures for assessing teacher performance and outcomes as significant barriers in American education. Even as some grantmakers expressed support for teacher preparation outside of higher education, overall funding remains most largely focused on professional development for in-service teachers. In the words of one funder, “There is lots of focus on the next generation, but moving the existing systems is critical too. It will take decades to get to a

FIGURE 10

Current and anticipated grantmaking priorities



KEY: ↑ Anticipate increasing funding = Anticipate maintaining funding ↓ Anticipate decreasing funding

next gen system” for large-scale teacher preparation, and, in the meanwhile, “we’ll still have tons of teachers who need to have the right support and incentives, and the right tools to do their jobs.”

- **Reforming school systems to promote college- and career-readiness.**

A resounding 68 percent of grantmakers fund high school reform and college- and career-readiness, with 80 percent of respondents planning to maintain or grow current funding levels in these areas. One funder summed up the widespread concern about current inadequacies within high schools by noting the need for more “awareness of and focus on the students for whom traditional school really isn’t working”; this grantmaker advocated “shifting to ‘multiple pathways’” to engage those students. Responses addressing high school reform closely echoed discussion of how to engage underserved populations, with funders citing their interest in supporting efforts addressed at disconnected and older immigrant youth who, in the words of one respondent, “need extra supports to complete high school and become career/college ready.” A larger share of funders currently support postsecondary access (51 percent) than fund postsecondary

success (45 percent), although open-ended responses reflected the growing awareness that grantmakers must focus more efforts on ensuring that postsecondary students attain their intended certificates and degrees.

- **Early learning and literacy as keys to long-term success.**

Sixty-seven percent of respondents fund programs related to reading and literacy, and 53 percent support quality enhancement in early childhood education. Respondents identified significant challenges when it comes to funding early learning, including how to assess quality, how to connect early childhood education programs to learning in the home and how to hold early childhood programs to the same kinds of standards used elsewhere in our education systems. “We need to expect more from the field of early childhood,” observed one funder, noting that early childhood education providers “are not held to the same standards of excellence, collaboration and benchmark as the K-12 (particularly high school) community.” Funders spoke of these challenges in the context of their commitment to creating what one respondent described as a “vision of birth to end of third grade to reduce

## Geographic Scope Matters

*Benchmarking 2010* data show that locally focused grantmakers differ in their funding priorities from those who fund nationally and internationally. (See figure 11)

Grantmaking organizations that fund locally or in one to two states are between 13 and 17 percent more likely to make grants around STEM; English Language Learners and immigrants; teacher professional development; and school or district leadership than their colleagues who fund nationally or internationally.

Conversely, national and international funders make grants related to standards and assessments and to digital and online learning at a rate 15 percent higher than local or state-focused funders.

disparities in reading”—evidencing the growing attention grade-level reading is receiving from grantmakers.

- **Learning and support beyond the school day.**

Even funders focused on education outcomes attest to the value of funding outside of school systems. Out-of-school and after-school programs receive

funding from 67 percent of survey respondents. Another 61 percent make grants that provide family and community supports or fund community schools. Funders recognize the particular relevance of community supports for early learning, as reflected by one grantmaker's praise for "early childhood education and school-readiness programs that meet families where they are, whether through NAEYC-accredited centers, at home, at churches, etc."

- **The promise of innovation.**

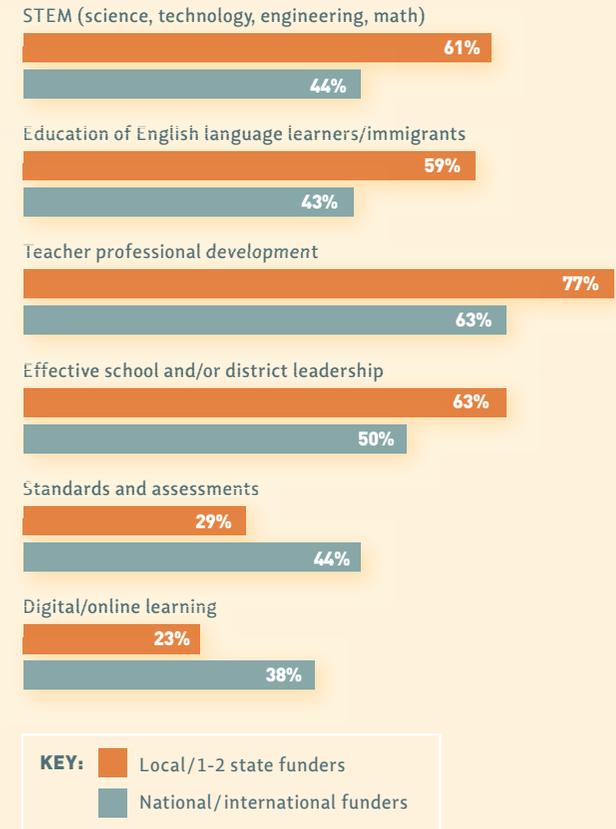
In a year in which the federal government committed significant public funding to the Investing in Innovation (i3) competition, 67 percent of grantmakers reported funding innovation and new models of learning. The 2009 *Benchmarking* report addressed both grantmakers' excitement around innovations in education and the need to build a common definition of innovation and to develop best practices about how to support investments in innovation. Grantmakers this year voiced particular concerns about imperatives—and imprecision—regarding innovation. One funder cautioned, "Developing countries are about to leapfrog over the U.S. in education innovation," while another

grantmaker underscored the need "for philanthropic dollars to support evaluations of the innovations and experiments that are burgeoning" across our education landscape.

Although innovation takes many forms, several grantmakers called out the ways technology can transform education delivery. "The impact of technology on learning is tremendous," declared one funder, noting, "Many school administrators are ill-equipped to handle it." Another funder spoke of philanthropy's role in drawing attention to "the need for public entities to sustain pluralism in education and learning, especially given the impact technology is having on how people choose to learn."

FIGURE 11

**Key differences by funders' geographic scope**



### SECTION 3

## STRATEGIES FOR LEVERAGING GREATER IMPACT

Education grantmakers are actively pursuing strategies to leverage greater impact—not simply to make better use of their respective organizational resources but to move from incremental to systemic change across education systems.

Public policy engagement and collaboration are two of the most popular strategies, yet they require discipline, focus and persistence to be effective.

### Engaging in public policy

Education grantmakers are increasingly engaging with public policy at the local, state and federal levels, in recognition of the enormous impacts policy has on education systems and learner outcomes. Grants to influence public policy or build public will for policy changes are part of the portfolio for 70 percent of survey respondents this year—up from 60 percent in last year’s sample—and 35 percent of 2010 respondents plan to increase their engagement in this arena over the next two years. (See *figure 6*) Many respondents expressed what one funder described pragmatically as the “hope that engagement with policymakers on the local, state and federal level will result in better partnerships and collaborations that leverage more dollars.”

While many respondents remarked on the growing levels of policy engagement, opinions about the value of this approach varied. Some respondents had grave concerns about the “degree to which foundations are leveraging and driving public policy and the meaning of this for the public nature of our education systems”; one funder asserted,

“Foundations are buying policy and are not accountable.” Overall, however, respondents expressed growing enthusiasm for policy work. Many funders voiced a sentiment summed up by one respondent’s observation that the “trend to partner with government and to fund public policy” is an “upside” for grantmakers eager to enact reforms.

- **A wider range of grantmaking roles**

Education grantmakers employ a wide range of strategies in their policy grantmaking. (See *figure 12*) Of respondents who engage in policy grantmaking, 74 percent support policy research and analysis, which is perhaps the most traditional policy-related strategy for funders. More surprising was the high percentage of funders—72 percent—supporting advocacy, which has traditionally been considered a higher-risk area for grantmakers. One funder observed, “Grantmakers are increasingly seen as sources to help leverage political

“As a small foundation we continue to ask what we can do to have the most impact with the least funds.”

—Judy Bigelow, *Fordham Street Foundation*

influence instead of exclusively a route to funding.” Implementation has garnered considerably less attention from funders, supported by only 38 percent of those who fund policy work.

- **Recognizing the complexity of policy change**

Grantmakers recognize that effective policy engagement isn’t quick or easy. As one funder noted, grantmakers need to understand “how to sustain public will building over the long haul for all the incremental policy changes that are needed” across the education pipeline.

Grantmakers are also increasingly aware that successful engagement requires an understanding of all aspects of policy reform. As one funder noted, “For the dramatic state policy changes that have been enacted, we need to know not just what the policies are and what they say, but we also need to know tactically *how* they got it done. How did they build public will? How did the legislature come to embrace it? How did key stakeholders inform it and feel ownership?” Another respondent observed, “Policymakers tend to underestimate implementation issues. How do we help grantmakers understand how difficult it is to make good policy actually work at state and local levels?”

“Today, funders are more receptive to supporting advocacy, communications and grass-roots organizing; we have a clearer understanding of what’s legally possible to change public policy; and, frankly, many of us have a lot less patience with the status quo in education reform.”

—Dori Jacobson, *Rodel Foundation of Delaware*

- **All policy is local—at least in terms of its impact on learners**

Even within education philanthropy, there can be a tendency to focus on federal or state policy, but grantmakers expressed a growing awareness of the local impact of policy work. A grantmaker from a community foundation noted, “We all talk a lot about advocacy and public policy, but I think most funders I encounter—*especially* those who work at the local level—have no idea how to enter the fray or make good grants in this area. Local funders, especially, need to know how

**FIGURE 12**  
**Public policy grantmaking priorities**



to support this work at the local level, given that many of the most important policies are shaped at the state and local level.” Another funder voiced a need to learn more about “the opportunities and challenges of state and national policy on local implementation,” while a third commented that understanding “how state policies impact their local grantmaking” would allow more grantmakers “to work on root causes, not just the symptoms that manifest at the school level.”

- **An independent sector? Blurry lines in public-private partnerships**

Sixty-one percent of respondents reported receiving grant requests from organizations specifically intended to leverage federal funds available through the American Recovery and Reinvestment Act (ARRA) in 2010. This deepening of public-private partnerships was celebrated by some funders, while others worried about the potential risk to philanthropic independence, exemplified by one respondent who asked, “As foundations become co-funders of public initiatives, how does this affect their role as the independent sector? As foundations deepen their partnerships with the public sector, can they also find roles as friendly critics of public initiatives?”

Another cautioned, “Although it is certainly important for funders to understand the federal context, including goals and priorities, I hope that funders remain mission-focused.”

### **Collaborating wisely**

Collaboration is nearly ubiquitous across education philanthropy: 90 percent of grantmakers reported that they collaborate with other funders, with 58 percent of respondents indicating they expect to increase collaboration in the next two years. (See figure 6) One respondent noted, “If we want grant seekers to collaborate, we need to model that behavior. As challenging as it can be, it is easier for us than for grant seekers.” But types and goals of collaborations vary widely, and the lessons grantmakers have learned along the way suggest that, however essential, funder collaboration is also challenging.

- **Defining strategies**

To understand what funders mean when they speak of collaboration, grantmakers were asked which specific types of collaborative work they participate in. Not surprisingly, the simplest types of collaboration were also the most frequent: 90 percent have offered or sought advice from colleagues around specific initiatives, and 85 percent have

met with other funders to discuss places where their work intersects. Survey respondents commented extensively on the value of what they gain through these exchanges. “Given adequate conditions, we learn hugely from each other’s experiences, including seeing more clearly and painfully the seemingly inevitable ‘tragic gaps’ between our stated goals, principles, visions, values, etc., and the dismal quotidian realities,” observed one funder.

The value of collaboration extends beyond knowledge sharing, with a majority of those who engage in collaboration pooling funds for joint initiatives in a specific issue area (56 percent), or to

“Collaboration is not an optional strategy. It is essential to philanthropy achieving the goals it seeks. Collaboration is challenging, but if you approach it and manage it thoughtfully, the benefits can change how your foundation and philanthropy operate.”

—Lee Parker, *The Community Foundation for the National Capital Region*

support a specific grantee (51 percent). The collaborations that require the most alignment across funding organizations are engaged in by the fewest number of funders: 39 percent of those who collaborate make joint funding decisions around a specific issue, and just 20 percent set common guidelines for funding around a particular topic. (See figure 13)

- **Delineating motivations**

The impetus for collaboration is often external, reported members, with an invitation to collaborate from another education funder motivating 67 percent of those who have increased or anticipate increasing their participation in collaborations. Another 56 percent pointed to opportunities emerging from federal education initiatives as prompting collaborations. (See figure 14) Collaboration “is critical to achieving scale and leveraging influence,” noted one grantmaker, a theme expressed by many respondents. A funder at a community foundation emphasized that collaborative activities reduce redundancy and increase effectiveness: “Collaboration has helped [us] focus on education needs as seen by all aspects of the community. It has also helped stop overlapping programs and improve” what has already proven effective in the

community. Another respondent observed, “Collaboration provides an opportunity to take risks that your foundation might not be able to do alone.”

- **Identifying best practices and lessons learned**

Even those who value collaboration and regularly employ it recognize its challenges. Many comments echoed the sentiment of the funder who noted, “It is very, very difficult work and takes time and dedication. Focus on the end goal, use data and evidence-based practice to inform decisions, and be willing to compromise/be flexible along the way to that common goal.” One grantmaker described collaboration as being “easier in the ‘idea’ phase, but much more difficult when it comes to rolling up sleeves and doing the work—and dividing the credit.”

When asked to elaborate on what they have learned from their experiences in grantmaker collaborations, respondents shared the following observations:

- **Recognize the resources required**

Building relationships and navigating different organizational cultures and distinct grantmaking strategies and priorities require an investment of time—and energy—that one member called “labor intensive, but necessary.”

**FIGURE 13**  
**Types of collaboration activities**



**FIGURE 14**  
**Factors prompting increased collaboration**



- **Concentrate on the end goal**  
Focusing on the desired result helps to keep collaborators from becoming bogged down by the process. Collaboration requires “sharing in decision making and relinquishing some autonomy,” observed one respondent. Another emphasized the importance of a “high degree of commitment to the purpose of collaboration” and observed that it is most effective when partners demonstrate “flexibility and not holding to rigidly defined expectations and processes.” At the same time, another funder underscored the importance of “being able to compromise to achieve a common goal, but also knowing when compromise moves your organization too far away from what you want to accomplish.”
- **Be clear about each party’s interests**  
Respondents noted the importance of clarifying expectations and recognizing differences in values and processes. Real collaboration, noted one grantmaker, “only works when organizations can be honest with each other about what they need to achieve in order to stay at the table and fully committed.” Numerous respondents remarked that a formal agreement can be helpful for ensuring mutual accountability and

clarity around roles. Several funders recommended using a trained third-party facilitator to help prospective partners work together efficiently.

- **Value differences across organizations**  
Although it may be easier to collaborate with like-minded organizations, several survey respondents made a case for looking beyond usual allies to work with grantmakers who have differing perspectives as a strategy to strengthen outcomes. According to one respondent: “Grantmakers with a range of political philosophies can work together to improve public education. Diverse viewpoints around the table make for a more respected organization.” Another funder noted, “Expertise from other ideological perspectives is useful in crafting messaging around our work.”
- **Understand lines of authority**  
Although staff often initiate and implement collaborations, respondents noted that staff enthusiasm and hard work may not be enough. “It is challenging when different foundations have different boards to answer to. What might seem like a strong direction to take in a meeting with other funders can be dismissed by board members as to whether or not it’s the best tactic,”

explained one respondent. “You have to get buy-in beyond program staff and foundation leadership,” noted another. “You need board engagement.”

- **Keep the grantee at the forefront**  
Several respondents noted that funders who ask their grantees to undertake collaborations should model this approach in their own work. Others suggested that grantmakers need to structure collaborations so that they enhance the efforts of their grantees. “Don’t just collaborate for the sake of collaborating,” said one funder. “A collaboration of two foundations should not make the grant twice as difficult for the grantee—the foundations need to figure out how to streamline what they do to enhance the efforts of the grantee and not be an extra burden.”

## SECTION 4

# IDENTIFYING SIGNIFICANT TRENDS IN EDUCATION FUNDING

Education philanthropy as a field is increasingly interested in the way the whole of our collective efforts add up to more than the sum of the individual parts. Grantmakers are astutely concerned with the relationship between field-wide funding trends and key areas for education reform.

To understand more fully the collective impact of education grantmaking in 2010, we asked funders to identify significant trends across the field, regardless of whether these trends matched their own organization's funding priorities.

### **Building stronger cradle-to-career pathways**

Respondents cited the importance of honing learning pathways from birth through college and career, including the need for critical early supports and for improving the transition points that impede many students.

In speaking of the value of cradle-to-career pathways, one funder noted growing interest in “building a continuous model like the Harlem Children’s Zone—supporting kids and families from birth through college.” Other respondents commented on the value of “assisting students to have successful transitions from middle to high school and on to postsecondary education—all of which should lead to college completion.”

Many funders stressed the importance of supporting early learning as the basis for later educational achievement, advocating for “alignment between early learning and K-3”—especially around grade-level reading “as a predictor of school success.” Strong early learning opportunities extend beyond literacy, as one funder underscored

in speaking of the importance of “pre-school and primary-grade math and science exposure.” Noting how investments in early learning can resonate across education systems, one grantmaker observed, “Everyone is talking about career- and college-ready—but we are never going to get there in meaningful numbers and what the country requires without starting much, much earlier. The costs of remediation in community colleges and other public higher ed institutions is sucking resources that can be used for other things if children were educated right from the start.”

Respondents also recognized an important shift in education philanthropy from college access to college success. “Access, alone, doesn’t add up to much,” noted one funder. Another delineated the importance of addressing “all areas” related to post-secondary success, “including certification, transfer and completion of baccalaureate.”

### **Next chapters for accountability: Standards, assessments, teacher effectiveness**

Grantmakers spoke to the importance of accountability—and they did so in ways that reflected the complexities involved in measuring what’s working in education, and in improving what isn’t.

Respondents noted both the importance and the dearth of reliable student

## What is Education Philanthropy Missing?

We asked funders to identify the most critical education issues or populations that the field is not addressing. The most frequent response was the education of English Language Learners (ELLs) and immigrants—with numerous grantmakers noting the especial need to be more attentive to the multiplicity of languages that ELL students speak. Many other funders expressed concern that the education needs of rural communities are being overlooked. Finally, respondents noted that the field is not finding solutions for our most vulnerable students, what one grantmaker referred to as “the ‘non-choosers,’ the most mobile kids, persistently struggling students, kids with complex needs and involvement in multiple systems.”

Notably, survey data indicated that many grantmakers are already addressing these issues: 54 percent of respondents fund ELL or immigrant education, and 54 percent fund in rural areas—so why are these also identified as issues not receiving attention? One reason may be that the funders’ attention does not yet meet the breadth of need, given that one in ten K-12 students is an English Language Learner, and one in

five K-12 students attends a rural school. Another reason may arise from larger trends in education; for example, federally mandated turnaround strategies for failing schools rely on re-staffing models that are difficult to implement in rural areas. Yet another reason may be the fact that despite receiving funding from a bare majority of grantmaking organizations, these issues are not yet being addressed at a level and with the capacity to effect significant improvements in learner outcomes. As one funder observed, “I think most critical issues are being addressed by education philanthropy, but in a scattered, individualized and random approach, so it is often difficult to see results.”

assessments, expressing the need for “better, more timely measurement of student learning” and a hope that national standards would “drive academic improvement for students.” Not surprisingly, numerous funders noted the need for philanthropy to work with states and districts around implementation of the Common Core standards, particularly around assessments.

Discussion of accountability extended beyond student achievement to address teacher performance, as it can drive that achievement. Some funders were pleased by what they perceive as an “increased openness to things like ‘competition,’ choice, merit pay and accountability from those who previously were distrustful of such school reform efforts.” Others voiced concern that “increasing emphasis on test scores is likely counterproductive in the long term.” Grantmakers distinguished between the growing emphasis on assessment and the quality of assessment. “Unless we actually have good assessments,” argued one grantmaker, efforts to “base tenure and other high-stakes decisions on student achievement” are futile. Another funder added a note of urgency: “I cannot think of a more important issue than getting the assessments developed that will actually make the teacher-effectiveness movement work.”

## New school models

The number of failing schools across the country is a pressing concern for K-12 funders, many of whom spoke of efforts for “supporting restructuring and turnaround” efforts. Not surprisingly, grantmakers expressed a shared sense of urgency but no consensus on how best to proceed.

“The key trends are increasing focus on turning around the lowest performing schools; promoting post-secondary success and not just readiness; funding that crosses in-school and out-of-school boundaries to better meet the needs of students; putting greater emphasis on using data to measure foundations’ own results and impact; and engaging in greater interaction with federal, state and local governments.”

—Richard Laine, *The Wallace Foundation*

One funder identified the most pressing work as “searching for creative ways to turn around low-performing schools”—indicating that we still lack proven solutions. Another detailed “a need for a stronger evidence base on the effectiveness of new school models, new instructional methods and aggressive turnaround strategies in improving student achievement. There is still too much skepticism and caution; we need respected, acceptable research and documentation in this area in order to expedite change.”

Many respondents spoke about the impact of charter schools. While the choice that charters offer was praised by several funders, there was concern over the “sustainability of the charter movement.” Other respondents recognized the need to better assess charters’ “strengths, limitations and ability to influence real change.” One funder was concerned that charters “are being incorrectly seen as a ‘silver bullet.’” Given the high number of schools in crisis and the limited number of students being served by charters, many grantmakers are interested, in the words of one respondent, in “translating charter lessons” to “improving neighborhood schools.”

## Supporting systems in financial crisis

Although grantmaking organizations are not facing the same budget constrictions this year as last year, respondents recognize how current external financial circumstances shape their work. Funders spoke of how public funding crises jeopardize efforts to deliver quality education. “With major state cuts, how will schools meet standards, especially in the arts?” wondered one respondent. Another pointed to a “growing sense of urgency about educational reform, particularly in California, where our budget is dire and we are near the bottom of states in per-pupil spending.”

As education grantmakers are confronted with these shortfalls in state and local funding, some respondents voiced concern that grantmakers would be expected to backfill public cuts. “At the state level, the budget crisis is hitting hard,” explained one funder, “forcing difficult conversations about the role of foundations in supporting (or supplanting?) government funds.”

“How do we adapt to the new world of bankrupt states?”

—David Nee, *William Caspar Graustein Memorial Fund*

## Topics for Further Learning

GFE is dedicated to strengthening the work of grantmakers by deepening their understanding of critical issues in education so they can fund most effectively. In 2010, respondents identified the following topics as learning priorities for the field.

### TEACHERS AND LEADERS

- Improving professional development
- Measuring teaching effectiveness
- Linking teacher performance and compensation
- Supporting school leadership as a lever for education reform

### USING DATA AND EVIDENCE

- Applying data and evidence in decision making
- Measuring the impact of grant-making on student achievement

### STANDARDS AND ASSESSMENT

- Implementing the Common Core standards
- Improving assessment tools
- Using assessment to improve learning

### EARLY LEARNING

- Supporting birth-8 as a strategy for increasing high school graduation rates
- Implementing policies and practices to link early learning with elementary grades

### EDUCATION FINANCE

- Helping schools and colleges use shrinking resources efficiently
- Addressing school finance inequities

### UNDERSERVED POPULATIONS

- Identifying breakthrough instructional practices for educating low-income and minority students
- Addressing the needs of English Language Learners

### SCHOOL-PARENT-COMMUNITY LINKAGES

- Pursuing authentic parent engagement strategies
- Supporting integrated services
- Expanding models for comprehensive community development focusing on education

### NEXT GENERATION MODELS FOR LEARNING

- Understanding the role of technology in changing the delivery of education
- Supporting student-centered learning models

## SECTION 5

# BUILDING OUR FIELD

Tracking and predicting funding trends is vital to increasing the intentionality with which grantmakers work. But the ultimate effectiveness of education philanthropy depends on our commitment to building our field thoughtfully. What can we do to increase our collective impact in ways that will result in the greatest benefit for all learners?

### Working better together

Philanthropy has long been criticized for its individualism. When grantmaking organizations pursue their separate agendas in isolation, it limits our impact as a field. We are greatly encouraged by the evidence in this survey—and in many notable partnerships that have formed at local and national levels—of the significant steps our field is taking toward greater alignment and coordination.

Despite this progress, we still have much to learn. While education grantmakers are actively expanding their partnerships with other funders—as well as other stakeholders—we are still evolving best practices for doing so. We need to develop deeper, more intentional practices of partnership. We must become smarter about understanding how funding agendas intersect across grantmaking organizations. We must be more cognizant of the contexts in which we work. We must attend to the rifts and power imbalances that can impede these partnerships, such as the disconnects between national and local funders that were flagged by several survey respondents. We must communicate more candidly about our differences. In short, we must be more effective at identifying how our collective efforts can multiply the impact of our individual efforts.

### Using our independence well

Given the number of constituencies—teachers, school and district leaders, program providers, policymakers, and, of course, students and their families—involved in education, a go-it-alone mentality would give philanthropy little chance to succeed. Nevertheless, even as grantmakers forge cross-sector partnerships and

“Unless we use our professional networks effectively, funders risk creating thousands of theories of change and isolated programs that don’t have the net impact we seek. Pulling together more in defining priorities, policies and best practices is critical for making real headway on the deep-rooted problems in education. The challenge for GFE is to clarify the range of members’ efforts and continue to bring greater coherence and direction to the field.”

—Christine Elbel, *Fleishhacker Foundation*

“Our field needs models that build a shared vision to achieve significant outcomes.”

—Lynn Nixon, *Agilent Technologies Foundation*

leverage public dollars, there are substantial imperatives for maintaining philanthropy’s independence.

Grantmakers stand outside the systems they seek to reform. While we must be astute listeners who make good use of the expertise that exists within those systems, our unique perspective should be used to assess and support potential solutions to problems large and small. Philanthropy can give voice to concerns that might otherwise fall into the cracks—or, in some cases, chasms—that exist between systems, as evidenced by emerging successes in preK-3rd grade or secondary-postsecondary alignment. Unlike elected officials or those working on the ground in education systems, grantmakers have both the luxury and the responsibility of taking a long view over time and geography.

As we seek to achieve deeper reform, philanthropic independence can be leveraged to provide education with much-needed risk capital to develop new models

and innovative approaches. This role requires boards and staffs of grantmaking organizations to accept greater levels of uncertainty around their investments. This development, challenging though it may be, reflects a simple fact: most true innovation requires a level of flexibility and risk-taking that public dollars do not afford. To be most capable in fostering innovation, funders should pursue informed risk-taking, approaching investments in this area with an intentional learning agenda—including a willingness to track, document and share what they learn with colleagues across the field.

### **Embrace complexity**

As frustrating as it sometimes seems, it is an immutable truth: education funders are trying to effect change across complex systems. Only by acknowledging the complexities of systems—and the complex needs of learners—can we work with the acuity, agility and humility necessary to achieve significant results.

We must recognize, and encourage our partners across sectors to recognize, that there is no magic bullet for education, nor is there even a magic bullet for any of the many issues within education—from engaging English Language Learners to turning around failing schools—that

“I don’t consider ‘education philanthropy’ a field unto itself. Education does not exist in a vacuum. Human services, housing, food systems, employment and other systems all create the context from which education is to take place. The creation of silos around these systems has exacerbated the challenges we now face in public education.”

—Cris Kooyer, *Grand Rapids Community Foundation*

demand reform. We need to avoid reductionist approaches and to beware of unintended consequences that can arise even from the most well-meaning and seemingly well-structured strategy.

As we work to increase our capacity for effective grantmaking, we must move beyond the silos that stymie our efforts. We must address the silos that divide the stages of the education continuum, by supporting the alignment and integration

needed to create strong learning pathways from cradle to career. We must challenge the siloing of cognitive skill development apart from social and emotional development. We must also confront the silos that exist between education and the other domains that touch children's lives—such as health, housing and human services—to ensure that learners and their families have the supports they need to succeed.

Education philanthropy is a field dedicated to effecting real change in the lives of millions of learners. This is no simple charge, to be sure. But it is one we look forward to continuing to engage in purposefully together.

## PRINCIPLES FOR EFFECTIVE EDUCATION GRANTMAKING

### PRINCIPLE NO. 1:

#### **Discipline and Focus**

In education, where public dollars dwarf private investments, a funder has greater impact when grantmaking is carefully planned and targeted.

### PRINCIPLE NO. 2:

#### **Knowledge**

Information, ideas and advice from diverse sources, as well as openness to criticism and feedback, can help a funder make wise choices.

### PRINCIPLE NO. 3:

#### **Resources Linked to Results**

A logic-driven “theory of change” helps a grantmaker think clearly about how specific actions will lead to desired outcomes, thus linking resources with results.

### PRINCIPLE NO. 4:

#### **Effective Grantees**

A grantmaker is effective only when its grantees are effective. Especially in education, schools and systems lack capacity, and grantees (both inside and outside the system) may require deeper support.

### PRINCIPLE NO. 5:

#### **Engaged Partners**

A funder succeeds by actively engaging its partners—the individuals, institutions and communities connected with an issue—to ensure “ownership” of education problems and their solutions.

### PRINCIPLE NO. 6:

#### **Leverage, Influence and Collaboration**

The depth and range of problems in education make it difficult to achieve meaningful change in isolation or by funding programs without changing public policies or opinions. A grantmaker is more effective when working with others to mobilize and deploy as many resources as possible in order to advance solutions.

### PRINCIPLE NO. 7:

#### **Persistence**

The most important problems in education are often the most complex and intractable, and will take time to solve.

### PRINCIPLE NO. 8:

#### **Innovation and Constant Learning**

Even while acting on the best available information—as in Principle #2—a grantmaker can create new knowledge about ways to promote educational success. Tracking outcomes, understanding costs and identifying what works—and what doesn’t—are essential to helping grantmakers and their partners achieve results.



Grantmakers for Education strengthens philanthropy to improve outcomes and expand opportunities for all learners. As a national network of more than 260 private and public grantmaking organizations supporting education from early learning through postsecondary education, GFE provides research, programs and resources to increase funders' ability to be strategic and capable in their education grantmaking. For more information or to learn about membership, please contact us.

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