

# BUILDING FOR PHILANTHROPY'S FUTURE

## Next-Generation Services for the Field



FOUNDATION  
CENTER

Knowledge to build on.

## Strategic Plan for 2006–2008

# CHAIRMAN'S FOREWORD

The Foundation Center's Board of Trustees takes great pride in presenting our Strategic Plan for 2006-2008. Since 1956 the Foundation Center has served as the nation's leading authority on grantmakers and their grants. As we approach our 50th anniversary in 2006, our fundamental purpose is as vital as when we were first established. Foundations are again being challenged to demonstrate their value to society, and nonprofits face funding difficulties unparalleled in recent times. As this plan makes clear, the Center intends to greatly expand its leadership role in addressing the vital needs of organized philanthropy and grantseeking nonprofits in this new era.

The guidance provided by the Foundation Center's Board of Trustees over the past 50 years has been essential to the organization's success and to its ability to evolve with the changing environment. As the Board's new Chair, I am very aware that strong governance will be more crucial than ever during the coming period. The Board is committed to sustaining the vitality of the Center's governance and assuring that we draw fully on the knowledge and dedication of our trustees.

Over the course of the next three years, and beyond, the Board will play an active role in guiding the Center as it advances its bold new plan of "Building for Philanthropy's Future." To achieve its highest aspirations, the Center will build on its core competencies as both a leader and a supporter of the sector by:

- ♦ Expanding the breadth, depth, and accessibility of its information resources to facilitate greater exploration of all forms of organized philanthropy;
- ♦ Undertaking new trends analyses and research studies on more facets of the sector to fill gaps in knowledge, provide insights into future directions, and to inform debates on matters of practice and policy and other issues of the day;
- ♦ Creating and extending access anytime, anywhere to new learning tools for enhancing the effectiveness of nonprofits, particularly those that are under-resourced;
- ♦ Heightening its public outreach to create broad appreciation of the role and importance of philanthropy in our society.

**The Center intends to greatly expand its leadership role in addressing the vital needs of organized philanthropy and grantseeking nonprofits.**

I know I speak for the entire Board when I say we look forward to being a part of an even stronger, more vital Foundation Center as it embarks on its second half-century of service to the field.

M. Christine DeVita  
President  
The Wallace Foundation

# INTRODUCTION

Our Strategic Plan for 2006-2008 kicks off our second half-century of service to the field, as we celebrate the Foundation Center's 50th anniversary throughout 2006. This plan document describes how we intend to transform the Center to meet the challenges facing the philanthropic sector in the 21st Century. To fund these vital new initiatives, we will simultaneously launch the Center's first capacity-building campaign in more than a dozen years.

As we turn fifty, our original purpose—to be a source of accurate, useful information about U.S. grantmakers—is as essential as when we were established in 1956. But these times call for a stronger, more agile, more collaborative Foundation Center. Foundations are again being challenged to demonstrate their value to society in a politically combative time. The country's straitened economic condition combined with government cutbacks add to the pressures on them and the nonprofits they support to fill gaps and correct ills well beyond their means. We must take the Center to a new level if we are to serve the expanding information needs of grantseekers and grantmakers and of the universe of organizations that help them do their work.

We must become a much more audience-focused organization, responding to emerging needs with timely information, cutting-edge analysis, targeted capacity building, and strategic communications. The Center must transform itself to achieve this goal.

Underpinning our information services will be a **Philanthropy Data Factory**. It will enable us to make accessible to more people in a greater variety of formats more current data on a broader range of grantmakers. We will also create the Foundation Center's **Research Institute** to carry out a range of special projects, including benchmarking of foundation practices and studies of newer forms of giving, in addition to our current studies. While continuing to maintain our valued role as an objective observer, we will work with those on the front lines of various policy and practice debates to bring together the facts and analysis required to illuminate solutions.

The Center's programs and services for grantseekers will focus on building their capacity to be successful, no matter where they are located or what their current level of sophistication. **FC Anywhere** will take our information services and education to these audiences through an expanded network of cooperating collections at partner organizations. Our Web site will serve not only those beyond the reach of this network but also those who want to upgrade their skills or do their funding research at their own convenience.

Through our **Public Outreach Initiative**, we will reach out to the media and others who shape the wider public's understanding of the role of organized philanthropy in our society. We will provide them with information tools they can use to translate our knowledge in terms germane to their audiences. Further, we will mount a targeted outreach campaign to assure that those who can benefit from the Center's resources and services know how to obtain them.

The Foundation Center's Strategic Plan for 2006–2008 is the result of a year-long joint trustee and staff exploration of our audiences' ambitions for us and their criticisms of us. We sincerely hope that those of you who provided input for this plan will recognize in it your vision for the Foundation Center of the future.

# VISION, MISSION, AND VALUES

## OUR VISION

A world enriched by the effective allocation of philanthropic resources, informed public discourse about philanthropy, and broad understanding of the contributions of nonprofit activity to civil society

## OUR MISSION

To strengthen the nonprofit sector by advancing knowledge about U.S. philanthropy

## OUR VALUES

### **Our Beliefs**

- ◆ Philanthropy is vital to our democratic society.
- ◆ Transparency and accountability are key to earning the public trust.
- ◆ Knowledge about philanthropy starts with accurate information.
- ◆ Access to accurate information about philanthropy advances responsible and effective use of philanthropic resources.
- ◆ Grantmaker and nonprofit effectiveness is enhanced by shared information and understanding.

### **Our Practices**

- ◆ We aim to deliver the highest quality of service to all those who use our resources.
- ◆ We strive to build partnerships that help us fulfill our mission.
- ◆ We preserve our credibility by remaining independent and objective.
- ◆ We embrace innovation and harness technology to maximize our effectiveness.
- ◆ We value our employees and their contributions to our impact.
- ◆ We exercise fiscal responsibility as a means of achieving our mission.

# THE LANDSCAPE

The current environment for philanthropy presents both challenges and opportunities for the Foundation Center.

- ♦ **Increased scrutiny by the media and policymakers has created a new climate for philanthropy.** Heightened attention to philanthropy and nonprofit activity in the past few years has ushered in an era of concern about governance and financial accountability in the charitable sector. New laws and regulations that would affect grantmaking are under serious discussion. As a result, grantmakers, individually and through their associations, are increasingly engaging policymakers, the nonprofit sector, and the wider public in discourse on best practices and the role of private giving for the public good.
- ♦ **The movement to assess foundation effectiveness is reshaping grantmaking.** Under pressure to demonstrate the value of organized philanthropy to society, foundations are adjusting their policies and practices to focus their grantmaking strategies more sharply, be more rigorous in evaluating their grantees and themselves, and learn from the experiences of their peers. This creates a demand for new tools for evaluation and benchmarking and new ways of managing and sharing knowledge generated by foundations.
- ♦ **The Web is transforming attitudes and expectations about information.** The increasing availability of tools that compile and present information from across the Web has created new expectations for delivery of real-time information. Fewer distinctions as to the credibility of various sources are now made. These trends undermine the perceived value of traditional information sources. Maintaining a lead role as an information provider in any field now requires imaginative and innovative online responses to audience-defined questions.
- ♦ **Nonprofit fundraising has become increasingly competitive and complex.** The universe of nonprofits has expanded greatly, even as government spending on social programs has declined. Nonprofits must become ever more skilled at fundraising and devote increasing resources to it to sustain their programs. Those serving under-resourced communities are particularly stretched in finding the support to successfully pursue their missions.
- ♦ **Interest in different types of grantmakers continues to grow.** More than half of all private foundations currently in operation were created since 1990, and various types of grantmaking public charities, such as charitable gift funds, also proliferated during the '90s. Both nonprofits and the giving public want to know more about philanthropies of all types and sizes.

# OUR STRATEGIC PRIORITIES

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The Center's strategic plan is designed to advance our mission in the new environment, while holding true to our vision and values. Our four strategic priorities build on our strengths to help us address the challenges and opportunities in the field in furtherance of our goals—as well as the goals of our colleagues and constituents. Moreover, they will propel us forward as we embark on our second half-century of service to the field by building new resources and capacities that will allow us to continue to adapt to the changing environment.

## **1** BUILDING 21ST CENTURY INFORMATION SERVICES

**The Philanthropy Data Factory**

## **2** BUILDING NEW KNOWLEDGE ASSETS FOR THE FIELD

**The Research Institute**

## **3** BUILDING THE CAPACITY OF THE NATION'S NONPROFITS

**FC Anywhere**

## **4** BUILDING UNDERSTANDING OF PHILANTHROPY

**The Public Outreach Initiative**

## BUILDING 21ST CENTURY INFORMATION SERVICES

### The Philanthropy Data Factory

The Foundation Center will build on its strengths as the leading provider of information about foundations by creating the Philanthropy Data Factory, a multi-faceted service bureau that collects and distributes up-to-the-minute information to serve a variety of external and internal audiences. The Data Factory's increased system capacity will enable us to offer not only customized data sets but also data management services to other organizations serving the field of philanthropy.

Audiences served will include grantmakers and their associations, grantseekers, researchers and students, the media, and policymakers, as well as the Center's own Research Institute. The Data Factory will support such purposes as state and regional directories and giving studies, and benchmarking of operations and practices for individual foundations. Integrating our grantmaker, grants, and recipient information will facilitate greater exploration of grantor-grantee relationships. This will illuminate aspects of the gift economy, form the basis for discussion about improving the philanthropic process, and better enable tracking of outcomes and impacts of philanthropic funding.

The Data Factory's customer-oriented approach will help us to collect and distribute the most current information available from all sources. The Center's database will contain information of greater breadth and depth and on more forms of giving, which will be available in expanded formats and configurations.

Our information resources and services will include the following:

#### Enhanced Information on All Types of Organized Philanthropy

- ◆ Expanded profiles of grantmaking public charities, including grants information
- ◆ Coverage of additional types of grantmakers and new giving forms
- ◆ More in-depth information about grantmaker operations, practice, and impact, suitable for benchmarking purposes
- ◆ Enhanced information about grant recipients fully integrated into our grantmaker and grants databases



### Data-on-Demand Services

- ♦ An online, interactive historical database of foundation information
- ♦ Expanded custom search services and assistance in working productively with Center data
- ♦ A data-licensing service bureau

### Data Development and Management Services

- ♦ Creation of custom data sets through effective use of our existing data resources and our system and staff capacities
- ♦ Collaboration with affinity groups, regional associations, academic centers, and other infrastructure organizations to develop data update systems to meet their needs
- ♦ Design and management of specialized databases for use by infrastructure organizations and their members

**A customer-oriented approach will help us to collect and distribute the most current information available from all sources.**

## BUILDING NEW KNOWLEDGE ASSETS FOR THE FIELD

### The Research Institute

As the nation's preeminent information resource on organized philanthropy, the Center has from its inception provided objective interpretation of trends in growth and giving. Now, in order to take our own research to the next level and to more actively support the work of colleague organizations and grantmakers, we will establish the Foundation Center's Research Institute. The Institute will both capitalize on the Center's extensive data on foundations and other grantmakers and undertake new knowledge-building initiatives of value to the field.

The Institute will conduct or commission studies to fill knowledge gaps, initiate special projects in areas of particular interest to others in the field, and actively collaborate on studies across the sector where the Center's data and expertise can be helpful. Our research will cover many more facets of organized philanthropy, providing insight into future directions as well as current trends and enabling grantmakers to compare their practices to those of their peers. Further, we will monitor policy debates for emerging issues where pertinent data and authoritative analysis will enlighten the discourse. We will share this intelligence directly with the media and the wider public and with infrastructure organizations that work with legislative committees or regulatory agencies.

The Institute's programs will include the following:

#### Facts and Analysis to Inform the Public Discourse about Philanthropy

- ♦ "The State of Research on Philanthropy," an annual forum bringing together philanthropy's infrastructure organizations, academic centers, and top knowledge leaders to exchange ideas about emerging issues and research needs
- ♦ Timely reports that provide objective information and analysis on current policy debates
- ♦ Briefings for sector leaders who work directly with legislative or regulatory bodies

#### Findings on Grantmaker Practices and Policies

- ♦ Briefing papers and reports that use Center data and special surveys to probe grantmaker practices and attitudes and to anticipate future trends
- ♦ A customized resource to enable grantmakers to benchmark their expenses, grantmaking, or management practices against other funders with similar profiles

## Reports on Trends in More Areas of Organized Philanthropy

- ♦ Regular updates on the characteristics and giving patterns of a wide range of grantmakers, including, for example, charitable gift and social change funds
- ♦ Special, in-depth studies of particular aspects of giving—by subject area, type of support, target population, location of beneficiaries, and other variables
- ♦ Studies of regional giving trends, starting in areas where the Center has regional centers

**Our research will cover many more facets of organized philanthropy, providing insight into future directions as well as current trends.**

## BUILDING THE CAPACITY OF THE NATION'S NONPROFITS FC Anywhere

The Foundation Center helps grantseekers succeed by providing in-person information and education services through our five regional centers and 235 cooperating collections around the country. Many thousands more a day visit our Web site for the latest news, information updates, and trend analyses, as well as online training and database tools. Nonetheless, the demand for our assistance is accelerating as new nonprofits spring up to serve important public purposes and as financial sustainability for all kinds of organizations and institutions becomes more difficult.

The Center is poised to respond with FC Anywhere. We will dedicate staff, harness technology, bring grantmakers and nonprofits together, and create new programs to help individuals and nonprofits across the grantseeking landscape achieve new levels of fundraising proficiency. By growing our network of cooperating collections nationwide, many more grantseekers will have access to facilities where they can use our expanding resources on philanthropy and attend our core instructional programs on the fundraising process. Simultaneously, we will expand the offerings and options at our Web site, making these available at all of our locations. This integrated approach will enable audiences wherever they are to take advantage of the Center's authoritative information, knowledge, and education about philanthropy. As a key element of these combined efforts, we will amplify our focus on under-resourced nonprofits.

Our plans to achieve these goals include the following:

### A Curriculum Built around Learner-focused Objectives

- ♦ A full curriculum for "Building Better Grantseekers," emphasizing grantseeking readiness, effective use of tools, and relationship building with grantmakers
- ♦ A self-assessment tool that helps learners choose the free classes or in-depth courses that best meet their needs

### An Expanded Network of Sites Delivering Center Services

- ♦ More cooperating collections around the country to provide free access to our online subscription databases and print publications and to expand the geographic reach of our free services



### **An Expanded Network of Sites Delivering Center Services (cont'd)**

- ♦ Outreach to more under-resourced nonprofits, be they in urban or rural settings, through new partners, some with different areas of expertise from those now in our network
- ♦ A staff of “circuit riders” to support our network members and advise them, teach our free classes and fee-based courses, and present programs

**The demand for our assistance is accelerating as new nonprofits spring up to serve important public purposes.**

### **Service Not Only Anywhere but at Any Time**

- ♦ A 24/7 online reference and help desk to serve our audiences around the clock
- ♦ Online courses covering the full range of our curriculum, so that learners can progress through an educational program at their own pace and convenience

### **Scholarships for the Under-resourced**

- ♦ A Grantseeking Scholarship Fund that opens the doors to our fee-based training programs to more small, local, grassroots nonprofits

### **A Neutral Meeting Ground for Grantseekers and Grantmakers**

- ♦ Gatherings and exchanges for those on both sides of the philanthropic table at our offices, cooperating collections, and Web site
- ♦ Programs to discuss emerging issues, philanthropic practice and process, and public affairs
- ♦ Collaboration on projects that foster mutual understanding and joint problem solving

## BUILDING UNDERSTANDING OF PHILANTHROPY

### The Public Outreach Initiative

Many people are unaware of the important role philanthropy plays in society and the impact it has on people and communities in the United States and around the world. Among stakeholders in the field, knowledge about organized philanthropy is often limited to their own sphere of operation, while those outside the sector hold an even narrower view, driven largely by media coverage of a few large foundations and high-profile donors. Moreover, some of the positive contributions of philanthropy have been eclipsed in recent years by inquiries into the activities of a few charitable institutions.

We will expand the Foundation Center's role as the leading authority on foundations, to provide a fuller picture of organized philanthropy in its many forms. Our Public Outreach Initiative will make the most of our next-generation information services and our new knowledge assets to convey the scope and contributions of U.S. philanthropy to diverse audiences. We will also use the occasion of our 50th anniversary to mount an outreach campaign to ensure that nonprofits, grantmakers, policymakers, journalists, and others with a stake in our work are aware of our resources and how to benefit from them.

The two-pronged Initiative will include the following activities:

#### Wide Outreach to Tell the Story of U.S. Philanthropy

- ♦ New Web site features that use our information and knowledge to paint a vivid portrait of organized philanthropy and its vital role in society
- ♦ Promotion of the "For the Media" section of our Web site to provide story ideas and authoritative background on news currently in the public eye
- ♦ Special publications on public policy debates and other topics of general interest that draw on Center research, *Philanthropy News Digest*, and our other resources

#### Targeted Outreach about the Foundation Center's Service to the Field

- ♦ A new brand identity campaign to convey our organizational values as well as our distinct role in the sector
- ♦ A targeted strategy to inform the national and regional media about how they can use our unique information and research in covering philanthropy
- ♦ A communications initiative for those nonprofit groups most likely to benefit from our services and least likely to know about them, such as under-resourced nonprofits
- ♦ A campaign to keep grantmakers, colleague organizations, and those teaching and studying philanthropy up to date on our ever-expanding resources that support their work

# IN CONCLUSION

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**The Foundation Center will celebrate its 50th anniversary in 2006, the first year of this plan. The goals and strategies embodied in the plan seem a fitting capstone to the organization's first half-century of endeavor as well as a beginning to the next 50 years. If we are successful in achieving them, we will be able to point to the ways in which they move us closer to fulfilling our vision and mission while holding true to our values.**

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