



THE JOHN A. HARTFORD FOUNDATION, INC.

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Dear Friends,

We at The John A. Hartford Foundation are committed to our mission of improving the health care for older adults. We look forward to the day when older adults receive the high-quality, comprehensive care needed to maximize function and independence.

However, this vision is one of our few certainties. Internally we are constantly examining our work and seeking to strengthen our contribution. We make difficult decisions about what projects to fund—and in this challenging financial environment, where to cut—with limited ability to predict which investments are most likely to translate into the desired change. Therefore, we must always strive to listen and learn from our experience and that of others.

We do know that the Foundation can have the impact it desires only through its grantees. Our approach to grant making stresses the value of long-term, active partnerships with outstanding organizations and individuals committed to the mission of improving care for older people. Regardless of the specific activities of an individual grant, this partnership is the underlying framework for success. Your achievements are the bedrock upon which our hopes rest. Because our partnerships are paramount, it is vital that we listen to you, our grantees.

The summary and attached slides, provided to the Foundation Trustees in December, report on the findings of the 2008 Hartford Foundation grantee survey conducted by the Center for Effective Philanthropy. We recognize that the survey may have been time consuming and view your contribution as a generous gift to the Foundation's future success. We have carefully reviewed the findings and have begun making changes based upon what we have learned. By sharing this report with you and the broader public, we hope to continue the dialogue it opened about how the Foundation can be most effective.

To facilitate the process of dialogue we have created a new Web-based mechanism for anonymous feedback (which can be found at www.jhartfound.org/grantee_feedback.htm) and we plan to contract with the Center for Effective Philanthropy for a reassessment of our work in the future. We are committed to continuing to listen to your feedback, positive or negative and, as always, we welcome your calls and notes.

Sincerely,

Caroline A. Rieder

Co. Langston

Paul H. H.

Patrick Watman

Amy Berman

Mara Buei

Summary and Analysis of The Center for Effective Philanthropy 2008 Survey of John A. Hartford Foundation Grantees

As part of our efforts to improve the performance and impact of the Foundation's grantmaking, in 2008 we contracted with the Center for Effective Philanthropy (CEP)* to field a confidential survey of John A. Hartford Foundation (JAHF) grantees. CEP surveys assess foundations through the eyes of their grantee "customers" on issues ranging from their ability to create social change to their administrative burden. With the generous help of our grantees, a survey was conducted and a report of its findings was presented to Foundation Trustees in December 2008.

The JAHF survey was constructed using CEP's "Grantee Perception Report," which has evolved since 2001 into a staple tool of the industry, based on surveys of almost 17,000 grantees at 111 foundations. Results from that work serve as a population comparison group for the 2008 JAHF survey. To give additional comparative information, CEP also constructed a tailored comparison cohort of seventeen foundations similar to Hartford in program area and grantmaking style (e.g., Northwest Health Foundation, Colorado Health Foundation, The Atlantic Philanthropies), and for which similar survey results were available in CEP archives. For further context, results from an abbreviated and previously unpublished survey of Hartford grantees completed by CEP in 2006 were also compiled.

Survey results and implications

Of 101 then-current Hartford grantees surveyed in February-March 2008, 79 responded, for a 78 percent response rate. In the attached report, perceptions of these 79 grantees are compared to responses from the historical population group, the tailored comparison cohort, and the abbreviated 2006 JAHF survey.

Among the most important findings, grantees gave the Foundation 99th percentile ratings on both "Impact on the Field" and "Impact on Grantee Organizations." Most of the survey results are extremely positive and affirm the value of the Foundation's mission, strategies, and operating principles. Other feedback is less glowing and suggests areas for improvement. Therefore, in each of the following sections we present major findings and discuss some interpretations and potential Foundation responses.

Strengths

Impact The Foundation is rated above the 99th percentile on "Impact on the Field" and "Impact on Grantee Organizations" and at the 75th percentile in "Overall Effectiveness in Creating Social Impact." Eighty percent of grantees agreed or strongly agreed with the statement that "The Foundation is on the right track to improve the health of aging populations"

Assistance Beyond the Grant Check The Foundation is rated above the 90th percentile in non-monetary assistance to grantees, summarizing the value of activities such as advising grantees, brokering connections, and strategic planning. The Foundation is also above the 90th percentile for all foundations in assistance to grantees in securing funding from other sources, reflecting both a high frequency of assistance and an above average frequency of success. The

impact of the Foundation's reputation on grantees' ability to secure funding from other sources is above the 90th percentile.

Selection and Reporting/Evaluation Processes Grantees clearly value the highly engaged selection and evaluation processes used by the Foundation and believe that they strengthen their work. The selection process is rated more helpful than that of 90 percent of other foundations. Reporting/evaluation is also rated in the 90th percentile for helpfulness to grantees.

Foundation Response to Strengths As a strategic funder pursuing a focused mission, we think these are among the most important indicators of the quality of our work. Given ratings of staff at or above the 90th percentile in their understanding of grantees' fields, we feel we are living up to our approach of adding value through an engaged, active, and expert staff. To maintain these ratings we continuously nurture the expertise and capacity of staff through formal development and training opportunities as well as deploying staff to create new relationships with previously unknown stakeholders.

These positive findings may also be part of the context of some of our less favorable ratings. As a demanding, strategic funder decline the vast majority of requests for support that are presented to us because they are either not state-of-the-art in the field or they are not viable parts of a national change strategy. Given this high rejection rate, our deep engagement in the field, and our demanding meeting and travel schedules, the Foundation cannot aspire to some often-desired aspects of customer service, such as same-day response, short grant development cycles, or rapid decision-making. However, we do believe that even within our approach there is room for improvement, as discussed below.

Weaknesses

Satisfaction In 2008 grantee satisfaction with the Foundation was rated at 6.4 on a 7-point scale. While high in absolute terms (as are the scores of most surveyed foundations), this represents only the 38th percentile of scores. It is the median rating for our tailored comparison cohort, and while almost 30 percent of grantees report being *more* satisfied with the Foundation in 2008 than the year before, almost 20 percent report being *less* satisfied. As a comparison, in 2006 almost 20 percent of grantees reported being more satisfied than the year before and fewer than 10 percent indicated being less satisfied.

This feedback gives us cause for concern as the good will of grantees is an important asset—especially in difficult economic times such as this—and takes years to cultivate. According to CEP research, grantee satisfaction is most strongly influenced by the quality of interactions with foundation staff, clarity of communications, and perceived expertise of staff.

Given that perceived expertise of staff is high, areas for improvement may be with staff interactions with grantees—all the more so, because in our approach to communications, direct program officer-to-grantee exchanges are most important. Aspects of interactions with staff include frequency of communication, responsiveness, fairness, and approachability.

Grantee Interactions Comments from grantees and CEP advice lead us to suspect that one of the main causes of dissatisfaction has been multiple changes in assignments of program staff

to grants. From early 2006 to mid 2007, as several staff members turned over, many grants were shifted between program officers, sometimes more than once. The Foundation Web site was also less helpful than it might have been to grantees; grant summaries and assigned program staff were frequently not up to date. This produced significant dislocations as grantees were unsure who to contact, staff who were involved in project design were replaced, and grantees may have felt that expectations for their performance changed unfairly. In addition, during this period staff were engaged in an unusually high rate of new grantmaking, reducing time for work with current grantees.

Administrative Burdens Some grantees expressed concerns about administrative burdens for financial and progress reporting on current grants, and pressure to respond to Foundation suggestions in the project development process and then later in the open-grant period. We feel that while challenging for grantees and staff, most of these activities help foster an environment of accountability and strong project oversight.

Foundation Response to Weaknesses The Foundation has taken steps to simplify and stabilize our portfolio structure, giving clearer assignments to nursing, medicine, social work and services grants. We have given a greater priority to having assigned program officers make evaluation site visits — as opposed to a more routine rotation approach — in order to further strengthen grantee-program staff relationships. We are also more aware of grantee and potential grantee needs for clarity around major strategic foci, grantmaking tactics, and policy changes. To this end we have posted strategic plan presentations from all portfolios on the Foundation's Web site.

We also have become aware that we face a difficult structural issue with regards to the large number of grantees within the Centers of Excellence in Geriatric Medicine program. These 27 grantees, while all part of the medicine "portfolio" and part of a distinct program, have long been shared among program officers to balance work loads and keep all program staff connected to what is now the oldest part of the Foundation's aging and health portfolio. As staff have turned over and work in nursing, social work, and services has matured, this organization is much less desirable. We are considering alternative configurations to increase our connection to these grantees.

Due to our grantmaking approach (largely by invitation, with individual negotiation of most grant terms) the primary communications resource for grantees is the program officer, making the clarity of that assignment essential, as described above. However, where possible, we will improve the consistency of our communications through written material and greater use of the Foundation Web site. For example, we are redesigning the "For Grantees" section of the Web site to provide greater support and information about deadlines and proposal format questions. In addition, the Foundation will soon launch a Web-blog series as another channel of communication with grantees and other stakeholders in the field.

The administrative burden of working with the Foundation, while high in absolute terms, is not disproportionate to the large grant sizes typically awarded by the Foundation. For example, the median size of Foundation grants are larger than ninety percent of all foundations surveyed by CEP, and almost four times larger than those of the cohort foundations. Proposal revisions, expenditure report queries, and requests for information on issues like additional awards won may seem burdensome, but they are signs of an exacting and interested organizational culture

eager to find and report evidence of impact. Nonetheless, monitoring and tracking some measures of administrative burden is advisable to benchmark our internal processes and explore potential simplifications to this part of our grantees' work.

Summary and Request for Feedback

With the gracious help of our grantee community, the 2008 CEP survey has given the Foundation cause for both pride in our grantmaking impact and confidence in our strategic objectives, and pause that some of our tactics and processes for achieving that impact are not as good as we would like them to be. Foundation Trustees and staff are pledged to a "continuous quality improvement" approach to improving all aspects of our grantmaking, and we are already working on responses to many of the survey findings. We will hold ourselves responsible for these improvements and are planning on repeating the CEP survey in the future, possibly as early as 2010.

We welcome your confidential (and if you wish completely anonymous) comments and feedback at any time through a dedicated online feedback form (link listed below). You may also contact Cory Rieder, our Executive Director, at corinne.rieder@jhartfound.org; Chris Langston, Program Director, at christopher.langston@jhartfound.org; or any of the program staff who manage the Foundation's four major program portfolios: Gavin Hougham (medicine), gavin.hougham@jhartfound.org; Rachael Watman (nursing), rachael.watman@jhartfound.org; Nora O'Brien (social work), nora.obrien@jhartfound.org; and Amy Berman (services), amy.berman@jhartfound.org.

A full staff directory may be found at <http://www.jhartfound.org/staff.htm>.

A feedback form may be found at http://www.jhartfound.org/grantee_feedback.htm.

***About the Center for Effective Philanthropy**

Adapted from the CEP website: <http://www.effectivephilanthropy.org/index.html>

The Center for Effective Philanthropy (CEP) is a nonprofit organization focused on the development of comparative data to enable higher-performing funders. CEP's mission is to provide data and create insight so philanthropic funders can better define, assess, and improve their effectiveness and impact. This mission is based on a vision of a world in which pressing social needs are more effectively addressed. It stems from a belief that improved effectiveness of philanthropic funders can have a profoundly positive impact on nonprofit organizations and the people and communities they serve.

CEP pursues its mission through data collection and research that fuel the creation of assessment tools, publications, and programming. Since receiving initial funding in 2001, CEP has produced widely referenced research reports on foundation performance assessment, foundation strategy, foundation governance, and foundation-grantee relationships. CEP has created new data sets relevant to foundation leaders and hosts highly regarded programming focused on key issues related to funder effectiveness.

CEP has also developed new, widely used assessment tools such as the Grantee Perception Report® (GPR), which provides foundations comparative data on grantee perceptions of key elements of foundation performance, the Comparative Board Report (CBR), which allows foundation boards to assess their own structures and effectiveness against comparative data, the Staff Perception Report (SPR), the Stakeholder Assessment Report (STAR), and the Operational Benchmarking Report (OBR). More than 180 foundations, most among the largest in the United States, have used CEP's assessment tools, and many have implemented significant changes on the basis of what they have learned.

CEP is funded through a mix of earned revenue from its assessment tools and programming and foundation grants. CEP currently has a staff of 29, including two PhDs with research and evaluation backgrounds, five MBAs with nonprofit experience, and several former management consultants.

CEP has offices in Cambridge, Massachusetts and San Francisco, California.