

2004-2005 Report to Contributors

Looking back on the past 12 months, we are pleased with what Grantmakers for Education continues to achieve. As you can read about in this report, our membership is growing larger and more diverse, we organized a top-rated national conference in Atlanta last fall and continued to strengthen our programming throughout the year, and we invested in efforts to improve networking and collaboration among education grantmakers.

But what really excites us is what GFE is poised to achieve.

This year, the board and staff completed our work on a new theory of action that makes clear our assumptions about how GFE's activities can lead to near- and long-term advances in the field of education philanthropy. The theory of action is designed to tightly connect the work the organization does—programs, research, communications and networking activities—with its mission of improving education philanthropy. We see the document as an important planning tool for prioritizing GFE's resources and measuring its impact.

Key to the new theory of action is eight principles that define effective education grant-making. Recognizing GFE aims to improve the capacity and impact of the field of education grantmaking, we crafted these principles to promote the wisdom, craft and knowledge education funders need to achieve maximum results. We relied heavily on the insights and ideas of our members in writing the principles.

Over the next year, you will see GFE begin to re-align the content and goals of all its work to support these principles and to help grantmakers use them. In doing so, we will add greater depth and rigor to GFE's activities and give the organization a stronger platform for helping our field improve its impact.

Thank you for contributing to the vitality and energy of the GFE network. We are excited about our contributions to the field and your work.

CO-CHAIRS OF GRANTMAKERS FOR EDUCATION:



Barbara Chow
NATIONAL GEOGRAPHIC
SOCIETY EDUCATION
FOUNDATION

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ROSE COMMUNITY
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2004 FINANCIAL STATEMENT

INCOME

Membership contributions and grants (current year & prepaid)	\$431,803
Grants for special projects & programs	227,093
Program revenue (annual conference)	127,291
Interest income and investment gains	6,463
Total	\$792,650

EXPENSES

Salary, benefits, and payroll taxes	\$284,746
Consulting	128,726
Program-Speaker travel	22,948
Program-Facilities and catering	112,192
Office & meeting space	16,698
Supplies & equipment	10,612
Graphic design	18,647
Professional fees (legal, accounting, etc.)	9,826
Telephone and internet	9,993
Printing	30,337
Staff travel	27,420
Insurance	2,295
Moving expenses to new office space	4,994
Depreciation	18,155
Miscellaneous expenses	2,477
Total	\$700,066

Each year, Grantmakers for Education's statements of financial position, activities and cash flow are reviewed by an independent accounting agency. Complete copies of GFE's 2004 financial statement with accountants' review report are available on request.

Mission

Grantmakers for Education is philanthropy's knowledge source for achieving results in education. Our mission is to strengthen philanthropy's capacity to improve educational outcomes for all students, which we achieve by:

- Sharing successful grantmaking strategies, best practices and lessons learned that exemplify responsive and responsible grantmaking in education.

- Creating venues 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.

Accomplishments & Activities

KNOWLEDGE SERVICES:

- **Principles for Effective Education Grantmaking:** GFE releases new guide with eight practices for improving the impact of education funders.
- **Searchable online directory** of education grantmakers promotes networking and information-sharing.
- **Website** features downloadable reports, calendar of events and links to best resources.
- **GFE Notebook**—featuring essays and criticisms from education grantmakers—is mailed three times each year. Highlights include an essay on using strategic communications to advance education grantmaking, a review of lessons learned from a San Francisco-based funder collaboration and an interview with foundation president Sybil Hampton on growing up in the South during the 1950s.

- **Monthly email newsletter** reports on timely research and news in the field.

PROGRAMS:

MEMBER BRIEFINGS:

- **"Philanthropy's Role in Fostering Partnerships: Collaborating with Unions, School Districts and Communities"** (February 2005): Full-day briefing looks at the risks and rewards that grantmakers encounter when using their resources to encourage collaboration among unions, districts and communities.

SIGNATURE EVENTS:

- **Annual national conference** (November 2004): For the 50th anniversary of the U.S. Supreme Court's *Brown v. Board of Education* decision, the conference asked whether philanthropy can be a catalyst for fulfilling our democracy's promise for a
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high-quality education for all children. Organized under the theme “Keeping Democracy’s Promise: Class, Race, Gender and National Origin in Education,” the conference program examined issues of gender, race, class and national origin in education and responsive grantmaking strategies that can help get at the root problems causing unequal results. The conference was the highest-rated program in GFE’s history.

- **Foundation Leaders Institute** (November 2004): For the second year, GFE convenes CEOs and trustees to help them apply their stewardship and accountability responsibilities to their organization’s education grantmaking. The 2004 institute helped attendees think about strategic communications to advance the foundation’s mission and ways of measuring impact.
- **Education Grantmakers Institute** (June 2005): The institute is a unique, three-day, university-based seminar with noted faculty, case studies and extensive conversation among attendees. In 2005, the institute sharpened the ability of grantmakers to influence policy and public will.

SPECIAL GRANTMAKERS-ONLY CONVENINGS AT MAJOR CONFERENCES:

- **Family Foundations** (January 2005): GFE sponsors “Courage or Catastrophe: What Can Philanthropy Learn from School Reform Efforts in the Sunshine State?” to consider lessons for funders from Florida, where an

emphasis on high-stakes tests, accountability and vouchers places the state on the cutting edge of K-12 education reform.

- **Council on Foundations** (April 2005): Three GFE-led sessions examine lessons learned from philanthropic investments in California’s urban school systems, best practices for serving immigrant youth in schools and the characteristics of successful schools.
- **American Educational Research Association** (April 2005): GFE co-sponsors a special track of sessions aimed at links between education philanthropy and evaluation.
- **Education Commission of the States** (July 2005): A special grantmakers-only track engages funders in discussions about advancing high school reform, including how to engage youth, applying emerging knowledge about effective strategies for students who drop out, and linking school reform efforts to community development efforts.

NETWORKING AND MEMBERSHIP:

- GFE members include 206 private and operating foundations, corporate giving programs, public charities and other grantmaking organizations at end of 2004.
- 31 new foundations joined GFE in 2004, while 12 chose not to renew.
- GFE lends support to three funder affinity groups: the Community College Affinity Partnership, the Immigrants and Education Study Group and the Working Group on Education Organizing.

Looking forward: Strategic initiatives

Over the past two years, GFE has pursued three strategic initiatives to advance its mission in the face of a changing field.

Theory of change: How does GFE improve education philanthropy?

In spring 2005, GFE’s Board of Directors adopted a “theory of change” that tightly connects the work the organization does—programs, research, communications and networking activities—with its mission of improving education philanthropy. By making our assumptions explicit, we can better judge where GFE should put its resources and we can evaluate our results.

As part of developing its theory of action, Grantmakers for Education also identified eight practices that define effective education grantmaking, which we describe in a new document, *Principles for Effective Education Grantmaking: Roadmap for Results in Education Philanthropy* (available at www.edfunders.org).

Individual donors

In response to the growth of individual donors in philanthropy, GFE is creating a set of materials and courses that can help them become more effective education grantmakers. Working in partnership with two other funder networks that already serve individual

donors—Social Venture Partners International and the Association of Small Foundations—our initiative will help donors assess best approaches for creating change in education, best grantmaking strategies and best ways for measuring impact.

GFE Knowledge Center

This fall, Grantmakers for Education will proudly unveil its new online knowledge center, which will help grantmakers collaborate with each other, access and share knowledge, and improve their effectiveness.

At the knowledge center—accessible at www.edfunders.org—funders can:

- Email groups (networks of funders working on similar issues)
- Search grantmaker-vetted resources
- Post a resource for others
- Join an online discussion or network
- Find experts in their program area

These GFE members helped underwrite the research, design and implementation of the system, and we are grateful for their generosity: AT&T Foundation, Annie E. Casey Foundation, Phil Hardin Foundation, Ewing Marion Kauffman Foundation, the Stuart Foundation and the Wallace Foundation.

Results

Grantmakers for Education continually evaluates its work. Surveys assessing GFE’s impact and the usefulness of each program are used extensively. And the results are reviewed carefully, helping to shape future program design and services. Feedback to GFE in 2004-2005 on key issues included:

Value of GFE’s activities: (percentage of respondents rating activities a 5, 6 or 7 on a 7-point scale)

83%	Annual national conference
68%	Other programs on specific issues
63%	Website
63%	GFE Notebook
60%	Monthly email newsletter
57%	Reports from GFE-sponsored events
51%	Online member directory

Overall quality of GFE’s 2004 conference:

76%	Excellent
24%	Good
0%	Fair
0%	Poor

Examples of improved effectiveness as a result of participation in GFE:

- “I am collaborating more with other funders”
- “Invaluable to briefing the foundation’s directors on key issues and keeping them focused on the foundation’s mission”
- “Helped to identify great technical assistance for our grantees”
- “The e-newsletter provides a treasure trove of reports that are valuable”
- “I’ve learned a great deal about good program design and how to measure impacts”
- “I’m more knowledgeable about education issues, more connected to others working in this field, able to partner with others funding like projects”

Value of annual membership contribution to GFE (1 is not a good value and 5 is a very good value):

48.4%	5
30.1%	4
7.5%	3
2.2%	2
0%	1
11.8%	Don’t know

Number of GFE Members:

2002	174
2003	185
2004	206
2005 (through August)	220