

WILLIAM PENN FOUNDATION  
IS PHILADELPHIA'S  
LEADING PHILANTHROPY  
BACK ON TRACK?

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BY **LISA RANGHELLI**



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# EXECUTIVE SUMMARY

For close to seven decades, the William Penn Foundation has played and continues to play a central role as a philanthropic and civic leader in the Philadelphia region. The foundation's mission is "to close the achievement gap for low-income children, ensure a sustainable environment, foster creativity that enhances civic life and advance philanthropy in the Philadelphia region." William Penn holds \$2.2 billion in assets and will make grants totaling \$90 million this year.<sup>1</sup>

Local stakeholders greatly value the foundation's long-term commitment to helping Philadelphia be a vibrant, equitable and economically thriving city. NCRP found that for the most part, the William Penn Foundation is viewed as an effective and impactful institution in the region, whose imprint can literally be seen everywhere – in the parks and on the waterfront, at performance venues and in early education classrooms. To a great extent, grantees and other stakeholders support the foundation's strategies and find the foundation to be a helpful partner and collaborator.

However, the foundation has experienced "bumps in the road" as it has undergone leadership changes and implementation of a new strategic plan. Some of the foundation's new strategies, as well as the foundation's handling of its executive transitions, have challenged its values of transparency and equity. In particular, many education stakeholders locally and nationally expressed concern about the impact on low-income students from the foundation's initial shift in education strategy. Also, the foundation appeared to have moved away from some of its most effective support for engagement and organizing of underserved communities. The foundation's recently reported education grantmaking signals a stronger commitment to equity. William Penn also

has bolstered funding for advocacy to strengthen both pre-K and K–12 public education systems.

Changes in the philanthropic landscape, with the declining role of other major foundations, leave William Penn as the "800-pound gorilla" in Philadelphia philanthropy, whether or not it wants to be. Local stakeholders urge the foundation to adapt to this new reality by expanding its public leadership role, strengthening its commitment to the underserved, working across silos more and increasing transparency. Local philanthropic peers are especially eager to see the foundation use its bully pulpit and convening capacity to rally all the city's sectors to tackle major issues facing Philadelphia. Today, the William Penn Foundation appears well equipped to do so if it can strike a balance between its quest for modesty and stakeholder requests for proactive public communication and civic leadership.

## KEY FINDINGS

1. **Across the board, grantees and other stakeholders see clear signs of impact from the William Penn Foundation's long-term investments in the arts, environment, neighborhoods and families.** The most positive feedback came from grantees and other stakeholders knowledgeable about the foundation's role in arts and culture. Those working on issues related to the foundation's Environment and Communities grant center, and subsequent Watershed Protection portfolio, also saw strong signs of impact and effectiveness. Stakeholders with the foundation's Children, Youth and Families (CYF) portfolio praised the impacts of organizing and advocacy grants, but questioned the results of youth development efforts.

- 2. The William Penn Foundation has a stated commitment to underserved communities and equity, yet the foundation has not communicated these intentions effectively, creating the perception that some current strategies no longer address these issues or do so less effectively than in prior years.**

The Watershed Protection and Creative Communities grant guidelines show little or no explicit focus on equity or benefit for underserved communities (except for the arts education strategy). Many grantees and stakeholders believe some aspects of the foundation's Closing the Achievement Gap endeavor are not based on evidence, have harmful impacts and actually may be increasing inequity in education access. However, the foundation offered specific examples of recent grants in education and Great Public Spaces (part of the Creative Communities grant center) that demonstrate a clear commitment to equity and to evidence-based solutions.

- 3. The William Penn Foundation has a clear dedication to long-term systemic change under the new strategic plan, and stakeholders urge the foundation to break down the walls among its program silos to support a more holistic approach.** Many stakeholders and grantees believe the current foci have been too narrowly construed and implemented, and that the foundation has enough resources to take a broader view that fosters interconnections within and across the three program areas, while remaining committed to measurable impact. In fact, the foundation reported that it recently had made operational and grantmaking changes that will support new ideas and more collaborative grantmaking across the three grant centers.

- 4. Under the prior program areas, William Penn Foundation had a strong track record of funding nonprofits that engaged affected communities in problem solving, and community leaders urge a continuation and renewal of that commitment.**

Although the recent strategic planning process involved extensive stakeholder input, some grantees and other stakeholders expressed concern that this commitment may have diminished under the new strategic plan because funding had been discontinued for many constituent-led organizations. Based on the foundation's reporting of recent and pending grants to support advocacy and organizing focused on securing access to high quality pre-K for economically disadvantaged children and adequate public funding for K-12 education, William Penn has signaled that it is taking steps to renew its commitment to advocacy, community organizing and civic engagement.

- 5. The William Penn Foundation is viewed as an effective collaborator, and stakeholders urge the foundation to assert more leadership as a community convener.** The foundation received high marks for its support of collaboration among grantees, and it is seen as effective in working with some sectors of society, especially nonprofits and philanthropy, followed by educational institutions and government, to further its goals. Yet, many stakeholders and grantees want the foundation to step up more as a visible community leader, especially now that it is the biggest local philanthropy that funds in the city.
- 6. The vast majority of grantees view their partnership with the William Penn Foundation as effective, but many also critiqued the foundation's handling of**

**recent institutional shifts.** Grantees appreciate their relationship with staff; the consistent, large, long-term investments that the foundation has made in nonprofits; application and evaluation processes; and various types of capacity support beyond the grant. Yet, the foundation's effectiveness as a partner with grantees has been hindered by weak transparency and uneven communication during a pivotal time of leadership change and implementation of a new strategic plan.

**7. As an outsize private family foundation with community-oriented aims, William Penn has struggled to find the right balance in governance and leadership style that is true to the Haas legacy and effectively supports mission implementation.**

The foundation is described as having a preference for lean, understated, quiet philanthropy that focuses on the grantees, not the foundation itself. Yet, increasingly complex and challenging issues call for more visible public leadership. Meanwhile, the foundation is experimenting with new staff leadership roles, opting for a managing director instead of a chief executive officer at the helm. Also, the board has undergone a change in composition that brings the next generation of the Haas family into the philanthropy, a laudable move. However, the board lacks diversity in several key ways that are directly pertinent to its mission and geographic focus.

## RECOMMENDATIONS

**1. Continue the effective practices that have made William Penn an impactful and valued partner.**

These include the foundation's steadfast dedication to Philadelphia, long-term commitment to its three grantmaking priorities, strong relationships with grant-

ees, support for collaboration, and helpful application and outcome measurement processes. Maintain a strong commitment to core support and multi-year funding, using a flexible approach that continues to enable grantees to achieve their intended outcomes through a variety of means.

**2. Be flexible in strategic plan implementation and pursue opportunities for more cross-silo grantmaking and convening across the three grant centers.**

As the foundation has honed its strategies and sought more measurable outcomes, potential trade-offs include less focus on broader systemic issues that effect seeding of innovative ideas in each program area or cross-fertilization within and between program areas that could result in new solutions and greater impact. To realize William Penn's vision of a vibrant, thriving city, stakeholders believe it will be important to weave together the three strands of arts, environment and education more intentionally and holistically. William Penn can build on the recent steps it reportedly has taken to incentivize innovative ideas and support cross-silo collaboration and grantmaking. A higher payout rate, of at least 6 percent in grants, can support these new operational and grantmaking strategies.

**3. As a highly respected voice in the city, maximize impact by exercising more public leadership on the foundation's key priorities and other pressing issues facing the city.**

William Penn has a reputation of quiet, behind-the-scenes leadership, and history suggests that CEOs with a highly visible presence don't last long in that environment. Yet, grantees and stakeholders are urging the foundation to step out more and "own" its influence. As a major institution with a strong web of relationships, William Penn is uniquely

poised to advance its mission by using its bully pulpit and bringing diverse and sometimes divergent stakeholders together to tackle challenging issues.

**4. Strengthen the foundation's impact by funding organizing and civic engagement among affected communities.**

William Penn clearly has the intent to support underserved Philadelphia residents. The foundation can take a number of steps to better articulate and realize that intent: (a) develop deliberate and focused strategies that can have an impact on child poverty in the city, which directly affects student learning and outcomes; (b) share learning from Closing the Achievement Gap and exercise leadership to help ensure all low-income and marginalized students have access to a good education, including by promoting strong accountability across all K–12 education providers in the city; (c) bring a more explicit equity lens to the other two program areas, Watershed Protection and Creative Communities; and (d) fund more advocacy and organizing by (not just on behalf of) low-income communities of color and other marginalized groups.

**5. Develop board and staff capacity to more effectively govern and implement a very ambitious agenda.**

Build off the foundation staff's mostly positive relationships with grantees by ensuring an adequate number of program staff, including those with nonprofit and advocacy experience in underserved communities. Also, carefully adding individuals with diverse backgrounds and experience to the board will lead to better grantmaking by ensuring that some "on-the-ground" perspectives, especially related to marginalized communities and inequity, inform the foundation's strategies and practices. Clarify governance roles

and inform stakeholders about who the public face of leadership is and who makes decisions about strategy and implementation.

**6. Practice greater transparency related to all facets of the foundation's work.**

According to William Penn's values statement: "Communications advance the foundation's mission by enhancing the impact of our grantmaking and the effective use of our resources. Members, directors and staff value clarity, coherence and simplicity in communications. They listen and seek to learn from others in order to function with maximum efficacy." Survey and interview data indicate that the foundation has not consistently held itself to this value. Sharing data annually on the progress the foundation is making toward its goals, and sharing how ongoing learning is informing strategy, will help the foundation maintain trust and buy-in from grantees and other stakeholders. Providing public information about the foundation's investment strategies will help stakeholders understand whether and how the foundation is using its assets to advance its mission.



# ABOUT WILLIAM PENN FOUNDATION

Otto Haas was a German immigrant who cofounded the Rohm and Haas Company, which initially made leather tanning materials.<sup>2</sup> In 1945, Otto and his wife Phoebe created a foundation, which received the majority of his assets when he died in 1960, as well as regular donations from his wife until she passed away in 1967. Their sons, F. Otto and John C. Haas, took over both the business and, aided by their spouses, the foundation. They concentrated giving in several areas: protecting green space, historic preservation, arts and culture, and helping disadvantaged children and families. Its leaders renamed it the William Penn Foundation in 1974.

Under the Haas brothers' leadership, Rohm and Haas grew to a Fortune 500 company making specialty chemicals; it was sold to Dow Chemical Company for \$15.3 billion in 2009. Before his passing in 2011, John Haas channeled the sale's profits into the family's charitable endeavors, shifting more than a billion dollars to its foundations, including \$747 million to William Penn and \$502 million to establish the Wyncote Foundation as a charitable vehicle for the Haas family.<sup>3</sup> Wyncote is governed by four Haas family members and has similar funding priorities: arts and culture, education, public media and journalism, and preserving the environment.<sup>4</sup>

The William Penn Foundation has remained largely family-run. David Haas is the current chair of the board of directors. Janet Haas, daughter-in-law of F. Otto Haas, is the vice chair and has previously served both as board chair and president. Thomas, son of F. Otto Haas, is chair of the foundation's governing corporation.

Upon the retirement of Feather Houston as president in 2011, the board appointed Jeremy Nowak, then head of

the Reinvestment Fund, as the new president. Subsequent strategic planning resulted in a narrowing of grantmaking priorities. Today, the foundation's mission is "to close the achievement gap for low-income children, ensure a sustainable environment, foster creativity that enhances civic life and advance philanthropy in the Philadelphia region." The Children, Youth and Families (CFY) portfolio, which had supported an array of education, social service and youth development programs, has become Closing the Achievement Gap (CAG). Arts and Culture was reframed as Creative Communities, with an added emphasis on growing and diversifying audiences and on creating great public spaces. Environment and Communities was narrowed to Watershed Protection. (See Appendix A for a summary of prior and current funding areas.)

In November 2012, early in the implementation of the new strategic plan, Jeremy Nowak departed the foundation after 16 months on the job. As of January 2013, the board composition had shifted toward a greater number and proportion of Haas family members, bringing the fourth generation into the philanthropy.

Helen Davis Picher, a longtime senior staff member, served as interim CEO until Peter J. Degnan, vice dean of finance and administration at the Wharton School of the University of Pennsylvania, was hired to serve as managing director, effective March 3, 2014. The managing director oversees operations, planning and evaluation, thought leadership and community engagement, whereas grantmaking oversight is the purview of the chief philanthropy officer (CPO) and the board.<sup>5</sup> The current CPO is Laura Sparks.

# PHILADELPHIA TODAY

Since the William Penn Foundation was established, the Haas family's commitment to Philadelphia and the region has been steadfast, even as the foundation has grown in size. Yet, the city itself has gone through significant changes in the last 70 years: it is less populous, more diverse and poorer. Of 1.5 million residents, 28.4 percent live in poverty, the highest rate of any big U.S. city. Also, 12.9 percent live in deep poverty, with incomes below half the poverty line.<sup>6</sup> Since the 2000 census, the city's "majority minority" population has grown from 55 percent to 63 percent nonwhite. Most of this growth has been among Asians and Latinos, as well as African immigrants. The population is 36.9 percent white, 43.4 percent black, 12.3 percent Latino and 6.3 percent Asian.<sup>7</sup>

The 2013 Pew State of the City report describes positive trends as well as lingering challenges.<sup>8</sup> For the first time in decades, Philadelphia is growing in population. From 2006–2012, the city added 58,897 residents, with the largest growth among young people age 20–34, who are also better educated than a decade ago. However, Philadelphia is not growing enough new jobs, and the unemployment rate was stuck at 10.7–10.8 percent from 2010–2012, higher than peer cities (except Detroit) and the nation overall. The city continues to depend on health care and education, or "eds and meds," for one-third of its jobs; these sectors grew by 18 percent in the last decade. The only other sector that saw expansion was leisure and hospitality.

The Pew report also referenced challenges in the public education system, where the school district struggles to improve test scores, raise graduation rates and demonstrate "adequate yearly progress" in low performing schools. Many local stakeholders, regardless of professional focus, see

education as a central issue for Philadelphia's prosperity. As one arts and culture leader observed, educational quality is a concern not just for current school-age children and their parents, but for the economic health of the whole city:

"We have done a really good job of creating a vibrant city core that is attracting young professionals. Can we keep them as they start to have kids? Or will they flee to the suburbs or to other cities? ... We need good schools. Right now the city has young professionals and empty nesters, but we need families."

The city public school system is in acute fiscal crisis. Pennsylvania Governor Thomas W. Corbett and the state legislature cut education funding by \$1 billion in 2011 and carried those cuts forward, with disparate impacts on low-income and nonwhite students.<sup>9</sup> Shifts in school attendance resulted in many under-enrolled schools. According to Pew, from 2003–2013, district-run school enrollment declined 26 percent and enrollment at charter schools grew 219 percent. Facing a \$304 million deficit for the 2013–14 school year, the school district closed 24 schools in June 2013 and laid off 3,783 employees.<sup>10</sup> In October 2013, Corbett released \$45 million in state funding, thus allowing many staff to be rehired.

In other areas relevant to William Penn's grantmaking, the news is more positive. As reported by Pew, public transportation usage is heavier and vehicle mileage is down. In one example of the city's commitment to the environment, Philadelphia is receiving national recognition for its innovative strategies to manage, capture and use storm water runoff under its Green City, Clean Waters plan.<sup>11</sup>

In the arts and culture arena, the Cultural Data Project shows a sector rebounding from the economic recession. Collectively, organizations had a 3.1 percent operating margin in 2011, compared to -1.2 percent in 2009. The slimmest or negative operating margins were among organizations with budgets between \$100,000 and \$999,999. The sector depended on contributions for 52 percent of its revenue. Of contributed income, 23 percent was from foundations and 19 percent from government. Only 4 percent came from corporate sources.

Long-term changes in the local philanthropic landscape have affected the city and William Penn's position. The Annenberg Foundation, with assets of more than \$1.6 billion, relocated to southern California in 2009, and ceased most giving in Philadelphia. The Pew Charitable Trusts, with \$736 million in assets, reorganized as a public charity in 2004 and shifted most focus and resources toward national goals, retaining some local grants for community-based and artistic causes. The Lenfest Foundation, although smaller with \$102.8 million in assets, also has narrowed its focus and is spending down.

These changes have left William Penn as the biggest funder of local causes, an issue of concern for many stakeholders. One philanthropic leader described these implications:

"Being such a large presence in the region, there is a huge appreciation of, as well as concern about overreliance on, that one source of money. On the other hand, the William Penn Foundation isn't going anywhere. They have said in numerous ways that they have an unqualified commitment to this region. They chose to stay 100 percent focused here. That's a great thing. And it puts a little more pressure on them."

This new funding landscape is especially felt in the arts, as noted in a widely-discussed three-part series in the *Philadelphia Inquirer* last fall. One article begins, "For more than a dozen years, philanthropy in Philadelphia was led by a powerful quartet; in various combinations, the Pew Charitable Trusts, William Penn Foundation, the Annenbergs, and the Lenfests lined up behind arts and culture. ... But the quartet is no more." The article reports David Haas's acknowledgement of William Penn's new stature and need for response. "We ... are assessing our role as an institution that has become more prominent, and we are going to do everything we can beside our grantmaking – we will also be engaging other institutions and parties to participate."<sup>12</sup>

# OVERVIEW OF METHODOLOGY

NCRP recently developed an assessment tool for foundations that addresses the strategic practices outlined in *Criteria for Philanthropy at Its Best* and its more recent report, *Real Results: Why Strategic Philanthropy Is Social Justice Philanthropy*. *Criteria for Philanthropy at Its Best* provides a comprehensive and nuanced set of benchmarks that foundations can use for effective operational and grantmaking practices. *Real Results* argues that to maximize impact, foundations must be both strategic and just.

“Strategic and just” means not only having clearly aligned goals and strategies and a way to measure impact, but also considering who benefits from the foundation’s grantmaking and how. It means seeking input from affected communities and attempting to change systems that perpetuate inequity. A comprehensive, nuanced examination of foundation goals, strategies and practices shows how strategy and justice can be aligned to be more impactful in target communities. Key questions the assessment addressed were:

## OVERALL GOALS AND STRATEGY

- What are the foundation’s primary goals, and is it employing strategies likely to achieve them?
- Which stakeholders and what sources of data and best practice have informed these strategies?
- Given its mission and goals, is the foundation appropriately seeking to benefit or empower underserved communities? Is the foundation applying an equity lens or analysis to its grantmaking? Is it addressing disparities in outcomes for the issues or constituencies it prioritizes?
- Does the foundation pursue systemic change strategies? Does it support grantees to use the full range of

advocacy tools legally at their disposal? Is the foundation leveraging its limited dollars in ways that are consistent with the foundation’s mission and goals?

- Is the foundation looking at the ecosystem of actors within the sphere it seeks to influence, and strategically collaborating with others?

## OUTCOMES AND IMPACT

- Has the foundation worked across sectors and silos to achieve impact?
- Has the foundation effectively supported community-driven collaboration and coalitions among grantees and other nonprofits?
- How does the foundation measure its progress and impact?
- Can the foundation and its stakeholders point to specific signs of progress?

## PARTNERSHIP WITH GRANTEES

- Does the foundation employ responsive grantmaking practices, such as providing core support and multi-year funding? How do the foundation’s grantmaking practices advance or hinder achievement of its goals?
- How does the foundation go beyond the grant to leverage its relationships, convening power, expertise and other assets to help grantees achieve mutual goals?
- Does the foundation solicit feedback from its grantees and applicants and act on that feedback?

## OTHER EFFECTIVE PRACTICES

- How do the foundation’s investment and payout policies and practices support its own mission and the goals of its grantees?

- Does the foundation operate in a transparent and ethical manner, with policies in place to prevent fraud and abuse?
- Is the board of directors large and diverse enough to allow for effective and ethical decision making?

NCRP conducted this research and invited the William Penn Foundation to participate in shaping and implementing the review. The foundation's leadership understood the study's potential value and gave it serious consideration, but shared reservations about the timing, given the leadership transition and shifting priorities. They were concerned that during this period of uncertainty, responding to a survey and interviews might be stressful or challenging for grantees. They asked NCRP to delay the study and give a future director the opportunity to determine whether the foundation should participate.

But to provide timely, actionable feedback in the interests of the communities the foundation seeks to benefit, NCRP decided to proceed. We shared our methodology and assessment tools with the foundation's then-interim CEO, Helen Davis Picher, invited her input and kept her informed of our progress. The foundation did not provide any information to NCRP during the research phase, nor did NCRP have the opportunity to interview current staff or board. The foundation was given a draft copy of the assessment report to review for accuracy. Senior William Penn staff provided extensive comments on the draft in a memo dated March 19, 2014, and NCRP's principal researcher received additional input during a phone meeting on that date with Peter Degnan, Laura Sparks, Helen Davis Picher and Josh Peskin. The foundation then provided additional documentation requested by NCRP. Where appropriate, NCRP incorporated the new information provided by William Penn in the final version of this report.

NCRP employed the following methods during the assessment process:

1. **Review of publicly available foundation materials** that could help answer the assessment questions, e.g., current strategic plan, 990-PFs, annual reports, grant-making guidelines, grant descriptions, application and reporting requirements, and news articles referencing the foundation from the prior 12-month period.
2. **Confidential survey of grantees** via Survey Monkey. NCRP sent the grantee survey to all grantees from 2011, 2012 and 2013 for which we could acquire accurate email contact information – 310 in total. This time frame allowed surveying of grantees under the prior and new grantmaking strategies. We received completed surveys from 142, which is a response rate of 46 percent. In general, responders were mid-size to large organizations, with 35 percent in the \$1–5 million range and none under \$100,000 in budget. All but five had been funded prior to 2013, and two-thirds were current grantees. Forty percent of respondents were arts and culture groups. Grantees engaged diverse stakeholder groups; the largest number was public officials/agencies/policymakers (71), followed by residents/families/neighborhood groups/underserved communities (53) and nonprofits (44).
3. **Interviews with selected grantees.** To delve more deeply into topics raised in the survey responses, NCRP conducted interviews with 14 current and former grantees selected based on the relevance of their survey responses to identified themes, their knowledge and expertise to fill in gaps in our data and their indicated willingness to be interviewed. For example, NCRP interviewed grantees that could address the extent to which the foundation's arts grantmaking engages underserved communities.

**4. Interviews with local, regional and national stakeholders.**

NCRP interviewed a cross-section of individuals in the sector who are very familiar with the foundation's work. These included local and national philanthropic leaders, journalists, academics, public officials, former foundation board and staff, and non-profit leaders. NCRP sought a diverse interview pool with a range of perspectives. NCRP contacted more than 60 stakeholders and conducted interviews with 24 of them; 18 declined to participate.

**5. Analysis of survey and interview data.**

NCRP analyzed the grantee survey data to discern if any correlations existed between the grantees that held certain characteristics (e.g., current/prior grant recipient, program area) and their responses about key topics such as foundation effectiveness and partnership with grantees. Researchers used an iterative process to do a content analysis of open-ended survey responses and interview transcripts. Two researchers read through all of this qualitative data, identified key themes, compared notes and further refined the codes. Some themes were then probed in the grantee interviews.

# KEY FINDINGS

## OUTCOMES AND IMPACT

NCRP asked grantees and stakeholders to comment on the foundation's impact over the last several years, spanning the period before and since the new strategic plan was created.

**Across the board, grantees and stakeholders see clear signs of impact from the William Penn Foundation's long-term investments in the arts, environment, neighborhoods and families.**

Overall, the William Penn Foundation is viewed as an essential institution in the region, whose impact can literally be seen everywhere – in the parks and on the waterfront, at performance venues and in neighborhoods and early education classrooms. More than three-quarters (78.1 percent) of grantees surveyed said the foundation's strategies had been "very effective" or "somewhat effective" in making progress toward the foundation's relevant program objectives.

Grantees and stakeholders offered numerous signs of impact and progress, summarized in Table 1.

The foundation's imprint on the arts is widely known. One arts grantee commented:

"The number and strength of nonprofit arts companies that are able to thrive due to the importance that William Penn has put on supporting infrastructure and healthy administrative and financial policies is incredible. They are our largest single supporter and one of the only ones who support general operations and not solely productions."

Even stakeholders more familiar with other program areas commented about the foundation's role in the arts. An education grantee noted that the foundation "has been critical to the stability of some of the biggest and smallest arts institutions."

The only frequently cited example of a William Penn-funded arts project that was not successful was a now-defunct equity-focused initiative, ArtsRising, which sought to increase arts education access for low-income children and youth by serving as a bridge between the arts and education communities.

As with the arts, the environment was a grantmaking area where even nonexperts often would reference William Penn's impact, which is visible across the landscape. Observed one local reporter:

"Speaking in a very nonexpert capacity, as a civilian, their work on watershed preservation and access to the waterfront has been impressive. That's one of the main things I'm familiar with, in addition to education. They have been a critical partner or supporter of a massive and complicated waterfront development plan that has been taking place over the last few years. All of the waterfront is becoming a much more pleasant place every day. They have combined supporting human access and also improving the rivers ecologically speaking."

Some stakeholders cited the foundation's investments in civic engagement as a critical aspect of the Environment and Communities portfolio, ensuring that the "communities" piece was taken seriously. Others framed William Penn's role as an important defender of public access to and preserva-

tion of natural resources within a political and economic system that may have different, or even opposing, goals.

A local journalist described the foundation’s role in relation to powerful forces countering public access to natural resources:

“I think the [William Penn funded] research that has been going on is really having an impact. ... At least under the current city administration, for the first time in years the people promoting public access [to the waterfront] seem to have the upper hand in the fight against developers. I think William Penn Foundation is behind that.”

**Table 1. Evidence of Impact and Signs of Progress from Grantees and Other Stakeholders**

ARTS AND CULTURE; CREATIVE COMMUNITIES	
<ul style="list-style-type: none"> <li>▪ Collaboration with Pew Charitable Trusts to move the Barnes Foundation’s museum collection into the city.</li> <li>▪ Provision of capital for major performing arts facilities such as the Mann Center and Kimmel Center.</li> <li>▪ Creative placemaking that links the arts to improving the built environment and enhancing access to public spaces. An example is FringeArts and its related festival,</li> </ul>	<ul style="list-style-type: none"> <li>▪ investing in its future home at an old water pumping station on the waterfront.</li> <li>▪ Supported the arts and culture sector to endure and recover from the 2008 recession.</li> <li>▪ Supported nonprofit arts service organizations and public agencies that help sustain the arts and culture infrastructure.</li> </ul>
ENVIRONMENT AND COMMUNITIES; WATERSHED PROTECTION	
<ul style="list-style-type: none"> <li>▪ Physical improvements to the Ben Franklin Parkway, as well as public programming, to increase its accessibility and use.</li> <li>▪ Progress in the long-term goal of completing The Circuit, 750 miles of bike/walk trails, of which 250 miles are connected so far.</li> <li>▪ Thousands of acres of land that have been preserved, restored and better stewarded.</li> <li>▪ Greater public access to the Delaware River and support of high quality waterfront development such as Race Street Pier.<sup>13</sup></li> <li>▪ Greater collaboration and more public awareness around watershed protection issues.</li> <li>▪ Partnership with the city, with strong resident input,</li> </ul>	<ul style="list-style-type: none"> <li>▪ to develop and implement Philadelphia’s GreenWorks sustainability plan.</li> <li>▪ Supplied grants to legal services providers and other nonprofits that strengthened coordination of foreclosure prevention services; engaged in local, state and national advocacy that restored and improved public foreclosure prevention programs and brought \$100 million to the state for foreclosure prevention, helping 3,000 homeowners.</li> <li>▪ Provided initial funding for a coalition of housing and community development advocates that recently won a city ordinance establishing a land bank to improve the disposition of 40,000 vacant properties.<sup>14</sup></li> </ul>
CHILDREN, YOUTH AND FAMILIES; CLOSING ACHIEVEMENT GAP	
<ul style="list-style-type: none"> <li>▪ Supported grantee organizations and coalitions that won a new state funding formula for public education, which resulted in \$827 million increase in first three years.</li> <li>▪ Piloted initiatives to improve early education and care programs that were then adopted as statewide practices, such as mentoring, tuition assistance to early education and care workers and quality rating systems.</li> <li>▪ Funded youth organizing grantees that brought local, state and national attention to the “school to prison</li> </ul>	<ul style="list-style-type: none"> <li>▪ pipeline” and need for alternative discipline policies away from zero tolerance.</li> <li>▪ Supported grantees that filed a lawsuit with the federal Department of Justice to challenge years of anti-Asian and anti-immigrant harassment that had gone unaddressed by the school district. The school district settled in 2010,<sup>15</sup> and advocates reported that anti-immigrant bullying and harassment are now central issues in the Department of Education; this case has become a model for other cities.</li> </ul>



One public official set these impacts in a broader environmental and social context:

“William Penn has protected thousands and thousands of acres of land, funded high-level stewardship work that advances the environmental integrity of the metro area and is a hedge against climate change and continues to promote some of the remaining democratic features of our capitalist system. . . . These investments are populist and democratizing in a way. The foundation has given these conservancies and other environmental organizations money to not just implement programs but influence policy.”

Grantees and stakeholders familiar with the foundation's work on early childhood education and care were very positive about the foundation's role and impact. One advocate commented:

“I have often reflected on how the world would be different if this foundation were not here. . . . They have probably been the most important funder for early childhood education in the region. Most of the progress we've achieved has been because of their support and leadership. Like George Bailey in 'It's a Wonderful Life,' it would be Pottersville here if not for the foundation.

The foundation also has a highly regarded record for funding advocacy and organizing on K–12 education, youth issues, poverty, neighborhood development and housing, but recent shifts in strategy were targets for concern. Past grantees funded for community-based advocacy and organizing under CYF and Environment and Communities, and some stakeholders familiar with their impact, were critical of the foundation's defunding of much of that work when the new strategic plan was first instituted.<sup>16</sup> One grantee commented, “Since the foundation changed its priorities, there is or will be an enormous gap in advocacy efforts that

in the past have led to major systemic change in governmental response to vulnerable families.”

Three local foundation leaders noted that the CYF portfolio had challenges. In particular, they argued that the youth development work, including after-school programs, did not show demonstrable outcomes. For one of these leaders, the foundation had an alternative to eliminating CYF – give it greater focus to try to improve impact:

“The foundation didn't have a strategy. These fields over-promised. They shouldn't have given up on it; they should have really said, 'Within Children, Youth and Families, here are three to four issues we are going to try to impact.' They didn't get close enough to the work and didn't really understand what 100 years of protracted poverty can do to it. They lacked an analysis of class and race.”

The foundation did indeed give greater focus to the pre-K and K–12 education work, and eliminated the youth development component altogether. Yet, some local stakeholders – not only former grantees – regret the loss of advocacy on behalf of other anti-poverty concerns that were supported in the CYF and Environment and Communities portfolios.

**The William Penn Foundation has a stated commitment to underserved communities and equity, yet the foundation has not communicated these intentions effectively, creating the perception that some current strategies no longer address these issues or do so less effectively than in prior years.**

The William Penn Foundation's values statement asserts:

“The Foundation belongs to the community at large. Members, directors and staff act as trustworthy and

responsible stewards of these funds, seeking to direct resources with wisdom and compassion. They strive to ensure that our grantmaking is not only relevant, effective and efficient, but also mindful of the opportunity gap between low-income residents and their more advantaged peers.”

Foundation Center data show that 32 percent of the foundation’s grant dollars benefitted underserved communities in 2011, a significant increase from a 17 percent average across 2008–10. For the most part, grantees and other stakeholders agree that the foundation does embody a commitment to equity. They perceive this value as most manifest in the program area Closing the Achievement Gap.

The Creative Communities program area includes one goal related to provision of arts education serving low-income children, a small portion of the whole portfolio. The Great Public Spaces (GPS) component of the Creative Communities grant center seeks to enhance parks, trails and public amenities in neighborhoods outside Center City. Although the grant guidelines do not explicitly target marginalized communities for benefit, the program’s strategic overview lists nine eligible criteria for funding, of which one is: “Increases access to green space in an underserved community.” Foundation staff noted that William Penn has made “more than a dozen grants toward projects designed to repurpose existing underperforming and underutilized community assets to create great public spaces in underserved areas.”<sup>17</sup> There is no explicit focus on arts by or for underserved communities in the rest of the Creative Communities program goals.

Neither is there is an explicit focus on access or benefit for underserved communities in the Watershed Protection program area. Foundation staff noted that while the primary focus is on water quality:

“The issues we are tackling are of significant importance to low-income people and communities, whether it’s managing urban stormwater, which can often result in residential floods that can destroy a low-income family’s entire asset base, or addressing significant water quality issues in low-income rural and agricultural areas.”

NCRP encountered a few environment and watershed stakeholders concerned about having more of an explicit equity dimension in that program area. One environmental leader said:

“I haven’t heard [equity] be a part of the William Penn Foundation conversation. In terms of promoting equity, I don’t see it as a priority for giving. Some of the projects they fund do have equity goals. I don’t think they challenge themselves to forge new partnerships to bring in new populations, new perspectives, to embrace diversity in all its meanings.”

Despite this perception, the foundation noted that in its Watershed Protection program, William Penn “works with more than 50 organizations representing a wide array of constituencies, from the Poconos to urban Philadelphia.” The foundation, and some watershed stakeholders, argued that seeking broad public access to the waterfront and watershed resources ultimately benefits underserved Philadelphians. According to one local planner:

“From my point of view, this is a tough one because you look at too many of the kinds of meetings ... I was calling back in the day, everyone was white. On that stuff that is labeled purely environment, it can be very hard to foster and engage. When you take it down to the neighborhood level, such as planning the edge interface between an urban neighborhood and the park,

you build in engagement that fosters more connection with communities of color. Because the park system is so big, with such a long boundary that goes through so many neighborhoods, it guarantees you will reach into those kinds of constituencies. But it is not the main part of their portfolio that you could make those connections to.”

The lack of diversity among mainstream environmental advocates cited above and absence of overt equity dimension in William Penn’s Watershed Protection grant center offer an opportunity for the foundation to use an explicit equity frame to ensure that it measures its success using this lens, and to challenge and educate the sector to be more aware of what these issues mean for communities of color.<sup>18</sup>

Several arts and culture stakeholders raised concerns about the foundation’s commitment to equity in arts access for underserved communities.<sup>19</sup> One grantee commented:

“It has not been a policy of the foundation to significantly commit to culture for underserved communities. The emphasis has been on the quality of the arts and culture experience, regardless of where it happens. If it is happening in the center city, that is okay. I think their sentiment might be: ‘Our job is to help support great art – we have other programs that support poorer communities.’ ... Look at racial and ethnic diversity, but also geographical diversity. Many other grantmakers have focused on this, but William Penn has historically focused on funding successful center city classical arts organizations.”

The foundation noted that it doesn’t only fund in Center City. According to its grant guidelines, William Penn gives arts and culture grants in six counties in the Greater Phila-

delphia region (Bucks, Chester, Delaware, Montgomery, Philadelphia and Camden [NJ] counties). A review of 2012 and 2013 grants indicates that the foundation recently has funded several arts and culture organizations with roots in communities of color, such as African American Museum in Philadelphia, Asian Arts Initiative, Kulu Mele African American Dance Ensemble, Philadelphia Mural Arts Advocates, Raices Culturales Latinoamericanas and Taller Puertorriqueno. It is difficult to discern the extent to which the more numerous mainstream arts and culture grantees intentionally connect to and nurture underserved audiences and artists.

Improving public school outcomes in underresourced districts with high concentrations of poverty is a complex endeavor, and many stakeholders appreciate William Penn for tackling such an important issue with focused attention and resources. Closing the Achievement Gap clearly targets low-income children and the grant guidelines prioritize grantees with a “clear commitment to equitable access.”

However, several local education stakeholders and national experts expressed concern that some of William Penn’s strategies may be doing more harm than good. On behalf of the school district, the foundation contributed more than \$1 million toward a study by the Boston Consulting Group that recommended closing dozens of low-performing public schools and advocated high quality charter school growth. The report noted that there were many poor-performing charters and some that contributed to inequity through high barriers to entry and low enrollment of English Language Learner (ELL) students.<sup>20</sup>

In mid-2012, William Penn then helped establish the Philadelphia School Partnership (PSP) with a three-year \$15 million grant. PSP provides competitive funds to create

more “high quality education seats,” whether those seats are in traditional district schools, charter schools or private schools. Some observers contend that the bulk of funds has gone to private and charter schools, and that almost all of the district-run schools that received funds have admissions requirements in place.<sup>21</sup> In legislative testimony, PSP leader Mark Gleason reported that \$10 million of \$29 million in grants, close to 35 percent, had gone to district schools.<sup>22</sup> News reports said that Gleason considered charters better positioned to apply for competitive grants.<sup>23</sup> One grantee agreed:

“The school district is not an entrepreneurial environment. So the school district didn’t apply for PSP money. You are asking bureaucratic organizations to act entrepreneurial overnight. For the first three years, not one public school applied for PSP money. PSP got defensive. You need to hire someone to navigate this with the schools, remove red tape, work with principals. So they [PSP] were seen as an enemy of the state because they were only funding charter growth. . . . It’s useful to think about how PSP could help navigate these tough issues so we have more internal harmony and less cognitive dissonance. Now, more [district] schools have applied and some have been given grants. Many more could apply.”

Several stakeholders expressed the opinion that this approach has been negative for low-income students. As described in more detail further below, the foundation has recently funded several programs in district schools focused on underserved students and families. Yet, these stakeholders identify the investment in PSP as the foundation’s key strategy, and see it as harmful because of the following:

- The rapid expansion of charter schools and related re-

direction of resources away from district schools, especially at a time when the education budget is already severely underfunded, has brought the city close to a tipping point at which the public system may no longer be viable.<sup>24</sup> Some school districts reportedly manage the proportion of charters carefully to avoid this effect. In New York City and nationally, one in 16 students attends a charter, but in Philadelphia the ratio has grown to more than one in four.<sup>25</sup> One national education equity funder described the situation as:

“A vicious cycle of arguing for charter schools to help public schools reform, then there are not enough seats in the traditional public schools, so they lose funding, then they are too under-resourced to succeed, then there’s a call for more charters. This played out in Philly as it did in New Orleans. The powers that be have created a self-fulfilling process, leading to the privatization of public education.”

- Closing low-performing schools does not save the district that much money, and the affected students are just as likely to end up in another low performing, under-resourced school as in a better one.<sup>26</sup>
- Recent data indicate that Pennsylvania’s charter schools overall have not improved academic performance. In fact, a 2013 report found that both reading and math learning gains are weaker in Pennsylvania charters than in traditional schools.<sup>27</sup> Students going from traditional publics to charters may not be getting a better education.
- Charter schools sometimes have implicit or explicit admissions and retention barriers.<sup>28</sup> A local education advocate observed:

“Jeremy Nowak said to me that he was agnostic on charters and cared about high quality seats. I don’t know if it’s true he was agnostic or not. We are

agnostic with worry. We speak up on how charter schools impact the school district, which is really badly, financially. And then there is the failure of charters on the whole to serve all children, including children with a high level disability and ELL students.”

- School closures disproportionately hurt low-income students and students of color. The Opportunity to Learn Campaign analyzed federal statistics for three cities, including Philadelphia. As their infographic shows,<sup>29</sup> among 23 schools closed, affected students were 81 percent black (58 percent of all Philly students are black), 93 percent low-income (81 percent of all Philly students are low-income) and 4 percent white (14 percent of all Philly students are non-Hispanic whites).

Some stakeholders also expressed frustration that the foundation discontinued funding for several organizing groups that engaged affected youth and parents on education issues while the state was cutting the district's budget. William Penn simultaneously exited Communities for Public Education Reform (CPER), a funder collaborative in Southeastern Pennsylvania that was part of a national network of grantmakers supporting parent- and youth-led efforts to achieve educational excellence and equity in public schools.<sup>30</sup> This double withdrawal of funding left some community groups under-resourced at a moment when parent and student voices were needed to inform rapidly-changing local and state policy and practice. One former grantee described this impact:

“William Penn funding was a critical piece for the work we have done on education. . . . They were an anchor group in the CPER work, which now is closing its doors, in part due to the William Penn Foundation loss there. In the education world they played a very important role in cultivating organizing and advocacy. I think it made

some significant strides and a real difference. The fact that they are not funding us right now is particularly problematic because of the sheer amount of money on the corporate education reform side. We are now applying for \$5,000 grants from four foundations to get a quarter of the money we used to get from Penn, now that it's most needed.”

Since William Penn made the grant to PSP in 2012, it has rounded out its education portfolio with evidence-based grants that indicate a strong commitment to supporting excellence in pre-K and the traditional public school system and to ensuring equitable outcomes for low-income and marginalized students. These include:<sup>31</sup>

- Significant investment to support eight organizations to plan, implement and collaborate with many others across Pennsylvania on a statewide campaign to vigorously advocate for universal access to high quality pre-K, including field organizing, in service to the 60 percent of low-income 3- and 4-year-old children in Philadelphia who are not currently served in high-quality early education settings (see sidebar on page 20).
- Expansion of the Children's Literacy Initiative to 36 schools in Philadelphia, reaching 432 teachers, 72 school leaders and thousands of families. The grant launched CLI's 10-year campaign to improve the literacy skills of more than 200,000 students and 2,000 teachers in 90 schools serving low-income children.
- Expansion of the Philadelphia Academies' career academy programs in eight district high schools, reaching 5,000 students. (Six of the schools serve 100 percent economically disadvantaged students; one is 75 percent economically disadvantaged; and one is 65 percent economically disadvantaged.)
- Expansion of the Philadelphia Education Fund's Early

# WILLIAM PENN FOUNDATION INVESTS IN PRE-K FOR PA ADVOCACY CAMPAIGN

The William Penn Foundation has made a significant investment in advocacy to increase the quality and availability of early care and education. A recent \$3.2 million grant to Pre-K for PA, funneled through the United Way of Greater Philadelphia and Southern New Jersey, supports “a statewide advocacy campaign to promote the value of and need for universal pre-kindergarten in Pennsylvania.”<sup>32</sup> Through this initiative, the foundation hopes to increase access for the 60 percent of low-income 3- and 4-year old children in Philadelphia who are not currently served in high-quality early education settings.

In addition to the United Way, other coalition leaders of Pre-K for PA include: Pennsylvania Partnerships for Children, Public Citizens for Children and Youth (PCCY), Pittsburgh Association for the Education of Young Children (PAEYC), Delaware Valley Association for the Education of Young Children (DVAEYC), Economy League of Greater Philadelphia, Mission: Readiness, PennAEYC, Fight Crime: Invest in Kids and Pennsylvania Head Start Association. Other foundations contributing to the campaign are: The Donley Foundation, The Heinz Endowments, The Lenfest Foundation, The Philadelphia Foundation and Samuel S. Fels Fund.

The campaign was launched in January 2014, and as of late March, more than 200 organizations had endorsed the campaign’s vision of universal pre-K. In February, Pennsylvania Partnerships for Children released “A Smart Choice for a Solid Start: The Case for Pre-K in PA,”<sup>33</sup> which argues that upfront investments in pre-K

save resources down the road because children require fewer intensive services once in public school and have better educational outcomes. An upcoming gubernatorial race provides a short-term focal point for educating Pennsylvanians and politicians about the importance of pre-K for the state. Next year the campaign will seek legislative solutions.

The William Penn Foundation has stressed its commitment to engaging affected constituencies in achieving its goals, and child care providers are a key stakeholder group in this campaign. One example of how stakeholders are involved in this campaign is Mary Jo Grieve, an early childhood educator who recently joined the staff of DVAEYC to work on Pre-K for PA. She was director of a preschool and a DVAEYC member who learned about the organization’s leadership program. A joint effort of DVAEYC and PennAEYC, the PA Early Childhood Fellowship program was launched in 2009 “to educate, connect and support emerging leaders working to effect positive change in the field of early childhood education.”<sup>34</sup>

Grieve described how the fellowship motivated her to get involved in advocacy:

“It was great team building and great networking. We learned about the background of what makes [early childhood education] run, and all the different systems that are involved. When you’re in the classroom or in a school day to day, you don’t really get that and don’t understand how all the pieces can come together. The cohort was great in teaching us about how all the systems come together, and figuring out where the holes are in the current system and how to make change. That was very empowering and a great experience, igniting my need to do more in terms of advocating for children and families.”

DVAEYC staff saw an opportunity to put Grieve’s leadership skills and enthusiasm into action, and offered her a job as a field organizer with the campaign. Grieve does a lot of outreach to other child care providers and to parents as well. Grieve observed that many early education and care providers initially assume that everyone else knows how important affordable, quality pre-K is, especially for the low-income families the programs serve. Grieve explains to them that the message needs to get out to many more people in the state. She has found that pre-K providers are passionate and eager to spread the word:

“The William Penn Foundation has empowered the individuals that are working on the campaign, and to get out the message. It’s just incredible...the early childhood community has really rallied around this.” ■



Warning Indicators program to 12 middle schools serving economically disadvantaged students to help identify students at risk of falling off the path to graduation and offer specific interventions to get them back on track.

Summarizing its overall education portfolio today, William Penn staff noted that the foundation has 39 active grants totaling \$38 million that span early education, K–12 and arts education. These grants and a few in other program areas provide support in 181 schools, of which 121 are district schools (67 percent), 31 are charters (17 percent) and 29 are Catholic or other private schools (16 percent). Also, the foundation has continued to fund several advocacy grantees through the recent internal transitions, to support their work to seek greater government resources for public schools at the state and local levels.

## GOALS AND STRATEGY

**The foundation has a clear dedication to creating long-term systemic change under the new strategic plan, and stakeholders urge the foundation to break down the walls among its program silos to support a more holistic approach.**

The foundation's mission, vision and values statement, as well as the new strategic plan, indicate a commitment to making long-term systemic change that will improve educational outcomes for low-income children, protect the region's watershed for future generations and ensure that the arts thrive in ways that promote the economic health of the city.

Numerous stakeholders and grantees applauded the foundation for its long-term commitment to the region, its relatively consistent set of priorities, and its attempt to be more focused and to maximize its impact under the new strategic plan. And a number also acknowledged the

trade-offs inherent in such a decision. One local philanthropic stakeholder observed:

“They seem to have stepped out of the community-driven work. For a long time, they funded projects like an after-school provider network in Norristown or the West Philly community collaborative. They have pulled out of that kind of work and it has been debilitating for the small organizations. I don't know that I would have done it any differently if I were them; I don't know how a big foundation can operate in that space effectively. A big foundation focused on three issue areas isn't really able to also drive local community efforts. ... If they are really focused on their strategic plan and stay focused on those three big issue areas, they will be much more successful. In the past, they spread the peanut butter a mile wide and an inch deep.”

Other stakeholders and grantees expressed concern about the foundation's perceived abandonment of a broader anti-poverty agenda, with its elimination of the CYF grant center, in a city with such deep poverty and economic inequality. A local funder comment typified the tension between praise for the foundation's focus and concern about those left out:

“I think the new strategies, the areas they want to focus on, make tremendous sense for the region. And so I did not find fault with them when Jeremy was laying them out for us all, and I don't now. But I also think they have gotten a lot of new money in recently, and they are poised to get more money. I think there is a kind of underlying services for very poor people in this city and region that they are overlooking right now. I think a lot of foundations are buying the line of ‘You can't spend your money for change if you are just funding direct

services all the time,' and I absolutely understand that, as we struggle with it here. At the same time, it's lofty to say that. There are abused children, and trafficked immigrants, and people struggling through no fault of their own with a bad deal in life. When a foundation that is as central to a region as William Penn is turns away from that, it's not a good thing."

Further, many grantees indicated they want the foundation to take a more holistic, less siloed view of its work. When asked what they would do differently as CEO, 35 grantee comments (the second highest number) were related to implementing the new strategic plan in a wider scope. They urged the foundation to broaden each program area focus to increase impact and allow for innovative new ideas; allow for more kinds of organizations to apply, including smaller ones; and support more cross-silo grantmaking and networking of grantees within and across the three program areas.

Foundation staff noted that William Penn has taken several steps to support more cross-silo grantmaking and seed new ideas. At the end of 2012, the grantmaking team was organized internally to avoid having "three foundations under one roof" by having full-team meetings biweekly, assigning certain staff members to work on multiple program teams and encouraging opportunities for staff to cross-fertilize and bring ideas to each other across the three program areas. At the end of 2013, the foundation created pots of money specifically for (a) cross-programmatic funding; (b) to "push on the edges of strategies" to ensure flexibility while still making grants within program areas; and (c) capacity building for grantee organizations that are key to moving foundation goals and need extra capacity support. These funds represent more than 10 percent of the total grants budget allocation. At the beginning of

2013, William Penn also created an inquiry process on its website where potential applicants can submit an idea for funding. The grants management staff vets these and funnels eligible ideas to program officers, who must respond within 30 days.

Stakeholder suggestions specific to each program area are summarized in Table 2.

The foundation's new strategic plan indicates a commitment to evidence-based grantmaking. The grant guidelines for Closing the Achievement Gap stress data-driven solutions. One recent grant of \$1.4 million to Philadelphia Academies, Inc., to expand its career academy programs across several district high schools exemplifies this evidence-based approach.<sup>35</sup> The foundation's grant support for the Children's Literacy Initiative also is rooted in evidence, including randomized control studies verifying the effectiveness of CLI's approach.<sup>36</sup>

Yet, several stakeholders and grantees argued that to achieve greater pre-K-12 success for low-income students, a broader array of strategies is needed. They assert that the foundation's narrower approach puts most of the strategic focus on a singular outcome – academic achievement – without seeing it in the context of structural poverty and inequality.

Three different grantee comments capture some of the ideas summarized in Table 2:

"We recommend William Penn support advocacy efforts that will be needed to move public systems to improved performance for the neediest children. It is unrealistic to assume that 'supply-side-only' funding will improve the experience or achievement of poor



children with complex family backgrounds and complex needs.”

“Currently the foundation appears to be interpreting ‘closing the achievement gap’ narrowly. We would recommend a broader view – including recognizing that economic polarization underlies the growth of the achievement gap. So direct work on economic polarization is needed as well as work on schools.”

“It’s obviously good to concentrate. But they are zeroing out 0–3 [pre-K groups], which is crashing the infrastructure that they built over time. It’s great to have organizational priorities, so figure out certain 0–3 pieces that are most important to keep supporting. The effort to be strategic and focused is good, not ‘a thousand flowers should bloom,’ but there is some middle ground they haven’t found yet.”

**Table 2: Suggestions from Grantees and Other Stakeholders for Strengthening Strategic Plan**

CREATIVE COMMUNITIES	
<ul style="list-style-type: none"> <li>Clarify what the Arts and Cultural Organizations portfolio seeks to accomplish and how grant decisions are made. Consider a peer or panel review process.</li> <li>Take a less siloed approach. Integrate arts education more with the other arts program areas, and invite more collaboration between Creative Communities grantees and grantees in the other two major grant centers.</li> <li>Diversify the grantee pool. Seek more involvement of groups working with vulnerable communities and seek more demographic and geographic (neighborhood) diversity.</li> <li>Work more directly with community-based organizations and artists to bring arts education to low-income youth;</li> </ul>	<ul style="list-style-type: none"> <li>don’t invest only in school-based approaches.</li> <li>Allow more small and fledgling organizations to gain access to grants, perhaps through seed grant programs. The current restriction against organizations without at least three years of operations under their belt and one full-time paid staff person is viewed as a barrier to supporting exciting, innovative initiatives.</li> <li>Be more proactive about supporting important parts of the arts and culture infrastructure that might not otherwise survive, such as the web of African American cultural heritage sites.</li> </ul>
WATERSHED PROTECTION	
<ul style="list-style-type: none"> <li>Give more attention to state policy to complement research and data gathering, which are considered strengths of the portfolio.</li> <li>Renew commitment to facilitated resident (as distinct from nonprofit) input and civic engagement processes that were</li> </ul>	<ul style="list-style-type: none"> <li>a hallmark of the Environment and Communities portfolio.</li> <li>Exercise more leadership on the shale gas development issue, by funding more research, grassroots organizing and statewide advocacy.</li> </ul>
CLOSING ACHIEVEMENT GAP	
<ul style="list-style-type: none"> <li>Bring renewed focus on children ages 0–3 in the pre-K work.</li> <li>Fund more family-centered services to support learning.</li> <li>Support advocacy to increase public school resources and improve education systems. Pursue suburban stakeholder engagement to strengthen schools regionally and influence state decisions.</li> </ul>	<ul style="list-style-type: none"> <li>Fund youth and parent constituent organizing groups to advance community-led school reform efforts and address other barriers to educational success, such as harsh discipline policies.</li> <li>Fund advocacy to improve and increase funding for anti-poverty and family income support systems that can contribute to successful education outcomes.</li> </ul>

The foundation affirmed that one of its roles in the Philadelphia School Partnership is to ensure that the grants PSP makes to schools will benefit economically disadvantaged students and promote equity. Laura Sparks, who sits on the grantmaking committee, indicated that she has urged denial of some grant applications from schools that didn't adequately meet this benchmark.

Many stakeholders had the impression that William Penn discontinued support for the kinds of advocacy and organizing that had been funded under the prior program areas. A review of recent grants and interviews with current grantees, then confirmed by foundation staff, indicate that William Penn is now funding collective advocacy to achieve universal access to high-quality early education and giving planning grants for an advocacy campaign to pursue adequate and equitable state funding of public education. The foundation funded planning work for a significant advocacy initiative and is currently working with grantees and their partners to review the plan and develop a potential funding strategy. The foundation stated that constituency-led organizations representing affected communities are or will be part of these initiatives.

While most arts grantees are satisfied with the foundation's current strategies under Creative Communities, a core group of stakeholders urged funding of more diverse organizations and more transparent decision-making. There is a sense among several key leaders in the arts community that regardless of what the guidelines say, the program staff "funds what they want to fund." The blunt assertion of some is that decision-making authority has been heavily concentrated in one program officer who has been there for more than a decade, and this person wields enormous power in anointing successful arts organizations, not necessarily based on objective criteria but based on personal

preferences and relationships. A local arts leader noted:

"Arts are subjective, based on what you like, and also less outcome-oriented, not like job training. Even if you have a personality issue with a successful services organization, you can't ignore its success. Taste-driven philanthropy happens more in the arts. Especially when you are funding the pure art, which William Penn does a lot. How do you get around that situation, how do you come up with other means of making quality judgment? The Knight Foundation has created a panel process for their Knight Arts Challenge. Even though staff makes recommendations to the board, there is a group process. I really developed tremendous respect for that approach, especially when you are trying to source great ideas or find smaller groups that aren't on your radar. You're getting a broader perspective of people in the room. So you get that different perspective and that's healthy."

The foundation reported that it put an art review team in place at the end of 2012. The team is composed of William Penn board members and others, and it reviews all arts grantmaking decisions.

Another issue raised by several stakeholders was the precariousness of the arts infrastructure – the service organizations that are set up to help arts and culture groups in their particular field develop capacity and financial stability. Several of these organizations have been heavily dependent on William Penn for funding and also have undergone leadership changes. The foundation's policy of not funding an organization under leadership transition, until the new director has been in place for at least a year, means that even longstanding grantees may face 18 months or more of financial instability at a time when they may already have a temporarily diminished capacity to fundraise.

Finally, stakeholders concerned about arts education for low-income students want to better understand the current strategy and how the foundation is adapting its approach based on learning from ArtsRising. One grantee survey comment offered this advice:

"I would encourage the foundation to think more broadly about the Arts Education component within Creative Communities, in that community arts programs are limited in receiving funding only for programs that deliver instruction in LMI [low- and moderate-income] schools. A broader application of community arts can provide many avenues for different, and often more exciting, solutions to the needs of arts in communities."

William Penn staff indicated that the foundation remains committed to providing arts education through the schools, because that is the easiest way to ensure equitable access, avoiding potential barriers such as cost or transportation. Working directly with arts organizations to expand school-based access is proving less labor- and cost-intensive than ArtsRising, and it will ultimately serve more students. During spring 2014, the foundation convened arts education grantees to discuss what they are achieving and to develop shared outcome measures going forward.

Stakeholders and grantees generally agree with the Watershed Protection strategy. Several grantees urged William Penn to give more attention to state policy to complement research and data gathering, which are areas that are considered strengths of the portfolio. One knowledgeable stakeholder suggested that the foundation could be even more proactive in supporting collaboration:

"They have always been a pretty effective convener to bring environmental groups together to fund collabora-

tive efforts. Next is that the foundation needs to help these NGOs do projects together collectively. How can their different strengths be blended for a greater good? They are getting more coordination to avoid duplication, but now they need to figure out where are the synergies. And translate that into actual projects. NGOs just keep chugging along every year; we're not as effective as we could be."

The topic of natural gas extraction from underground Marcellus shale, known as "fracking," is a hot issue in Pennsylvania. The foundation has navigated this controversial terrain carefully. Rather than fight fracking in the state, recent grants suggest that William Penn supports research on and mitigation of its negative environmental consequences, while also seeking to build a public constituency that will advocate for the watershed more broadly.<sup>37</sup>

The foundation also joined the Heinz Endowments in supporting, with a grant, the planning that led to the development of the Center for Sustainable Shale Development, a collaborative effort of several energy companies, environmental groups and foundations, which is "committed to safe, environmentally responsible shale resource development."<sup>38</sup> CSSD lists William Penn as a "strategic partner" on its website, but the foundation rejects that characterization. Some observers have questioned the integrity of CSSD, claiming it is a pro-gas industry organization. The Public Accountability Initiative published a lengthy report documenting the connections, including financial interests, of each collaborative partner to the energy industry. It reported that two William Penn board members had ties to the natural gas industry; one is no longer on the board.<sup>39</sup>

Two very knowledgeable stakeholders, both of whom were concerned about the potential harms of fracking but

not ideologically opposed to it, urged the foundation to exercise more leadership on this issue by funding more research, grassroots engagement and statewide advocacy.

William Penn Foundation has given funding to a statewide coalition, the Pennsylvania Campaign for Clean Water, which works on a range of issues, including gas development. Nevertheless, a local environmental organizer expressed frustration about Pennsylvania philanthropy’s general lack of willingness to fund direct organizing against fracking:

“The stance on fracking and natural gas operations in Pennsylvania is highly politicized. The funding community is by and large really nervous about that. They realize they need to have involvement in it, but it is activity that supports the basic right of the industry to operate and exist, and seeks to identify and deal with the worst problems concerning the natural gas industry. ... It makes it difficult to really get cutting edge organizing funded. For example, none of the statewide environ-

mental groups has an organizer that is actually placed and in residence in shale country. ...To what extent does that [lack of funding] really stop us occasionally from doing something? I observe at my organization and in other organizations I work with closely, that the [fracking related] work tends to be more organizationally on the side and very focused.”

**Under the prior program areas, the William Penn Foundation had a strong track record of engaging affected communities in problem solving, and community leaders urge a continuation and renewal of that commitment.**

Prior to the new strategic plan, the foundation supported advocacy, organizing and civic engagement among the very communities it sought to benefit, primarily through the Children, Youth and Families portfolio, but also in the Environment and Communities program area. According to the grantee survey, up to one-third of respondents reported using these strategies (see Table 3).

**Table 3: Grantee Survey Question: Which activities did your organization undertake in your program area?**

	Response Percent	Response Count
<b>Civic engagement</b> (encouraging people to get involved in the democratic process, e.g., conducting voter registration, education, get out the vote; promoting volunteerism; hosting community forums)	29%	41
<b>Community organizing</b> (bringing individuals together to develop their leadership and collective power to hold public agencies and businesses accountable for addressing a common problem such as crime, pollution or failing schools)	29%	41
<b>Policy advocacy</b> (promoting specific ideas or policies with policymakers, through activities such as meetings with legislators, research, public education, litigation and media outreach)	36%	51
<b>Research</b>	25%	35
<b>Social services</b>	6%	8
<b>Training/Technical assistance</b>	32%	46
<b>Other</b> (please specify) – mostly arts related programming	58%	82

Another source of data is the Foundation Center, which codes grants that support advocacy, organizing and civic engagement as “social justice” grants. From 2008–10, 8 percent of William Penn grant dollars were coded as social justice grants, and this increased to 13 percent in 2011. NCRP recommends that at least 25 percent of grant dollars support advocacy, organizing and other systemic change activities.

Also, grantees in all program areas gave the foundation good marks in helping underserved communities to lead, have a voice and access resources (see Table 4). However, one-third to one-half of grantees had no knowledge about these efforts, answering either “I don’t know” or “N/A” in response to this three-part survey question.

When the foundation shifted from Children Youth and Families to Closing the Achievement Gap under its new strategic plan, it ceased funding many organizations that directly engaged affected communities, especially through community organizing but also through services and programs. William Penn funded planning work for a significant advocacy initiative related to adequate and equitable school funding, and program staff are currently work-

ing with grantees and their partners to review the plan and develop a potential funding strategy. The foundation continued to fund some advocacy organizations through the strategic plan transition; its intent to fund community organizing once again through this campaign is a promising sign that it seeks to renew its commitment to constituent-led engagement to improve policies and grow public investments in education.

A stakeholder close to PSP described it as a vehicle for the foundation’s commitment to community engagement:

“The hallmark of a good school is a school that has a solid parental engagement aspect to it, the kind of schools that the PSP funds. [CPO] Laura Sparks serves on the grants committee and Laura has been quite vocal about the importance of that as a trigger to get money from PSP. So there is a total awareness of it and a desire to make it happen through their grantees.”

The foundation clarified that Sparks’ area of focus with respect to her involvement with PSP is to ensure equity. PSP’s board of directors has no low-income parents, youth or

**Table 4: Grantee Survey Question: How effective were the foundation’s strategies in supporting underserved communities?**

One of the things we are interested in learning is how the foundation’s work benefits and engages underserved communities. To the best of your knowledge, how effective were the foundation’s strategies in supporting underserved communities to:

	Very Effective	Somewhat Effective	Not Very Effective	Completely Ineffective	I Don’t Know	N/A
Determine and lead their own strategies for change?	21%	28%	4%	1%	29%	17%
Have a more powerful public voice?	19%	29%	6%	1%	28%	17%
Gain greater access to resources?	30%	28%	5%	1%	24%	12%

n = 142

other grassroots community representation from Philadelphia's affected neighborhoods.

One aspect of the foundation's past approach praised as a hallmark of its work under Environment and Communities, which some stakeholders wanted to make sure would continue, is the extent of resident engagement and community partnership, including with government. A local stakeholder observed:

"Most of the work I'm familiar with has continuity, [William Penn] standing back, supporting the commitment to community engagement, making sure there are venues for that engagement to happen for years. For example, through the work [PennPraxis/Penn Project for Civic Engagement] has done to get genuine community input, William Penn has conversations, it resources efforts and then it steps back. With this [program area], it can be done because there is so much third party capacity, among NGOs and others, to work with. There are great strong partners here."

The Watershed Protection program area does seek to engage relevant stakeholders, including researchers, practitioners, "partners on the ground" and the core constituency of watershed users. A local funder noted:

"They spend a lot of time engaging potential grantees to get input. From the standpoint of one who has had some involvement, it seems like a really thoughtful process."

The foundation reported that in the summer of 2013 "more than 40 leading conservation organizations developed plans to address specific threats to water quality in eight targeted and ecologically significant geographies of the Delaware

River watershed." There is only a little direct evidence that it is engaging low-income or residents of color specifically around broadening access to these resources, for example by engaging Camden youth in accessing bike trails.<sup>40</sup>

Input from many diverse stakeholders informed the new strategic plan. The foundation said, "We undertook an extensive planning process that incorporated input from our staff and board, the Haas family, and numerous thought leaders and practitioners." William Penn held focus groups on each of its program areas during the strategic planning process. An inside informant confirmed that the focus groups included "key thinkers, community groups, groups that they had funded and hadn't funded." The meetings were "wide ranging and ran three hours." Several stakeholders who attended these focus groups, and others, said that the foundation never reported back what it learned from these meetings. Yet, the foundation noted that all meeting discussions were summarized and the summaries were posted on the foundation's website. Participants received an email containing the summaries and directing them to the website.

Grantee survey questions asked whether the foundation solicits grantee feedback. Data showed that the foundation does not consistently solicit feedback from grantees across the board, nor convey what it does with that feedback.<sup>41</sup>

The foundation's strategic plan and grantmaking strategies include specific indicators of success and a commitment to outcome measurement. In some cases, as with arts education, metrics are still in development. The new managing director has been charged with enhancing evaluation and outcome measurement functions. William Penn noted that it has not publicly shared any data on outcomes since implementing the new strategic plan because it is too soon to have any reportable information.

Some former grantees and community leaders perceive that the foundation does not consult or engage knowledgeable stakeholders as thought partners or potential future collaborators. In part this may have been a staff capacity issue, as the foundation was functioning at less than full staffing levels during parts of the recent transition phase. Two leaders of community-based organizations raised this frustration:

“We work with low- and moderate-income mostly African American residents. For the last year and a half, we have been completely enmeshed in education work. You would think that a foundation so committed to education would at least want to meet with us and understand the entire broad spectrum of who’s doing work in the area they are funding, even if they don’t want to fund our organization.”

“On many occasions, I have met [the program officer], who everyone perceives as the decision-maker at William Penn. She is really wise, but I know that I can’t engage with her about really cool things going on, outside of a funding relationship. [I’d like] to just talk to her about how William Penn is thinking about art, etc. The fact is that we cannot have that conversation without a grant. I would like to really understand, I would like to talk about where they are going, where we are going and where there could be partnerships.”

The foundation reported that it gets a high volume of meeting requests and often has to “make hard choices.” William Penn has expanded its staff capacity in the last 18 months, adding several new members to the grantmaking team, which now totals 15. Some of the program staff, especially in Closing the Achievement Gap, have prioritized one-on-one meetings in the local community to address concerns like

those raised in this report. Also, the Watershed Protection team convened 250 stakeholders in 2013, including grantees but also others who could be potential grantees in the future.

**The William Penn Foundation is viewed as an effective collaborator and stakeholders urge the foundation to assert more leadership as a community convener.**

Grantees were asked how effectively the foundation collaborates with other sectors. Responses are reported in Graph 1. Among grantee respondents with knowledge of this topic (less than half), the foundation got highest marks for working with nonprofits and philanthropy, followed by educational institutions and government. Forty-four percent of grantees reported that William Penn invited them to funder convenings to share their work, and 89 percent of those said it was useful. In comments, 10 grantees expressed a desire for the foundation to do more to try to leverage funding from other foundations.

The foundation scored less highly for its work with media and businesses. Three of every 10 respondents (with knowledge) rated the foundation as not very effective/ completely ineffective working with the media. Except for its work with nonprofits, one-half to two-thirds of grantee respondents answered “I don’t know,” indicating that a majority of grantees are not aware of how William Penn related to other sectors of society to advance its mission.

Although grantees gave the foundation good marks for collaborating with philanthropy, some national education funders said the foundation’s reputation as a national leader in place-based education grantmaking was damaged by the foundation’s exit from CPER and defunding of education organizing by parents and youth. As described by a national education funder:

“The whole [CPER] group was able to learn a lot because [William Penn] was seen as a leadership funder, punching way above their weight. [The foundation was] a place-based funder that had national impact because they were careful, competent, evaluative... [Now there is a] focus on schools and teachers without related focus on poverty and its conditions. They used to be richer in strategy; education was not pulled out from work on poverty. ... Now there are three lines of work reflective of board decision. I don't know where the community is in there. [Now] the foundation is not part of the national conversation.”

government's role, and be mindful, as it should be toward its nonprofit partners, that it can leave a big vacuum if it changes its priorities or strategies, or withdraws its funds for other reasons, such as leadership turnover at an agency.

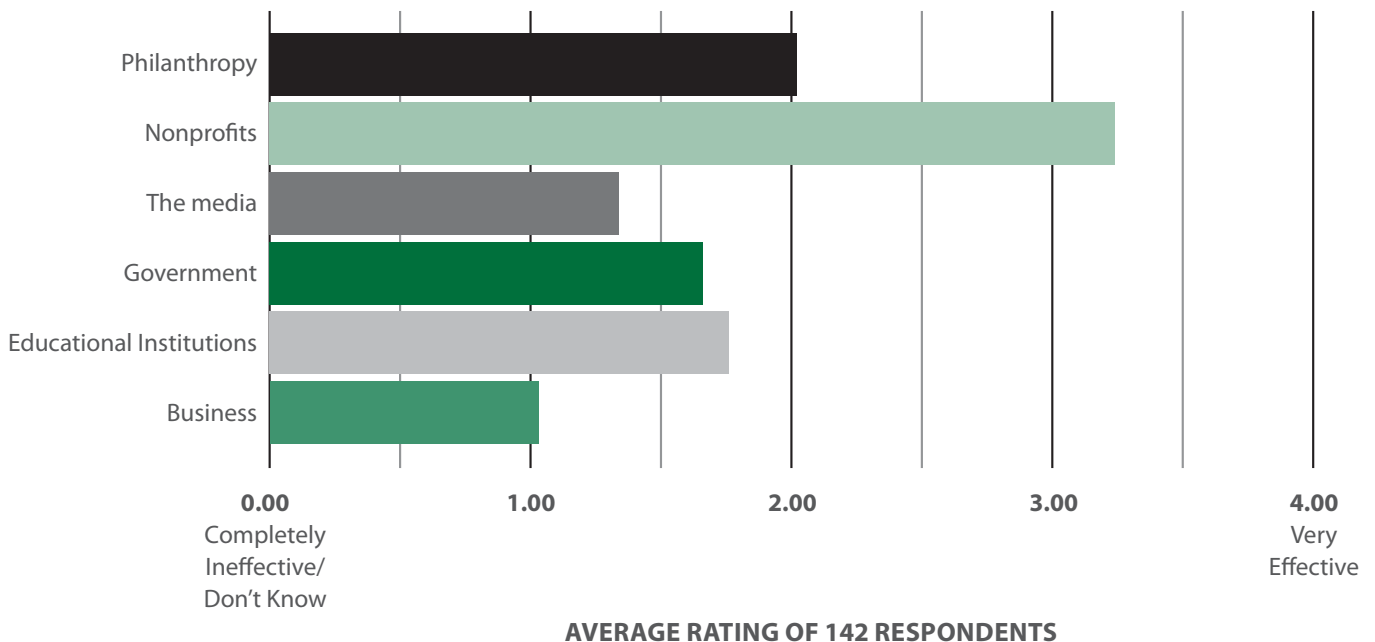
In the environment and watershed arenas, current and former officials were extremely positive about the foundation's role in supporting key government initiatives that helped advance a mutual agenda at local and state levels. One former city official observed:

“Certainly during this current administration, and it characterizes earlier ones, the foundation's willingness to partner and resource initiatives was absolutely critical. It was very high leverage, very timely, and appropriately not directive or prescriptive at all.”

Interviews with stakeholders brought to the fore the tricky path the foundation has to walk in its relationship with government. Philadelphia's city government varies in its capacity to be a partner, depending on the mayoral administration, agency leadership and budget. Such a large foundation in such an under-resourced city has to seek the right balance of leveraging its funds while not supplanting

The only complaint was related to the foundation's policy of not funding an agency undergoing leadership change.

**Graph 1: Grantee Survey Question: To the best of your knowledge, how effective has the foundation been in working with the following types of organizations to achieve the foundation's goals?**





In the arts and culture realm, the foundation has invested substantially in public initiatives with mixed success. The foundation helped create and provided operating support for a city agency devoted to the arts. Yet, William Penn was criticized for being too directive with regard to some of the agency's initiatives and defunding the agency when its director left, substantially diminishing its capacity to support arts organizations. For ArtsRising, William Penn laudably chose to work with the school system, through the Philadelphia Education Fund; yet, it turned out that that entity may not have had the capacity to follow through. Rather than continue to bear most of the weight of funding for arts and arts infrastructure, one leader suggested the foundation could use its funding to leverage other resources. A few observers bemoaned the lack of more collaborative leadership with and among the corporate philanthropy sector, and grantees did not rate William Penn as very effective in partnering with business:

"The city needs a public fund to support arts and culture. The responsibility has fallen on the foundation. The foundations could create a matching grants pool with the city. This would give the city an incentive to play ball. There needs to be a partnership between private philanthropy, corporate philanthropy and the city. Everyone is waiting for someone else to take the initiative. What if William Penn and Pew got together and said we are tired of carrying the entire load, but we will stay in if you match us."

A significant number of stakeholders, including local philanthropic leaders, want the foundation to do more convening and be a more visible voice for the change it seeks. They want to know which board or staff leaders will be speaking publicly on the foundation's behalf at a time when the city faces pressing issues. The change in strategic direction, abrupt staff changes, the long transitional lead-

ership phase, and the decision to hire a managing director rather than a president/CEO, have left many people confused and uncertain about where the foundation is headed and who will really be guiding it.

When asked about the effectiveness of the foundation's partnership with grantees, and which aspects of the partnership were least effective, the highest number of comments (54) related to some aspect of this transition period.

Grantees also were asked what they would do differently as foundation CEO. Communications, the new funding strategy and leadership were the three topics that garnered the most comments. A former grantee expressed confusion about the foundation leadership:

"It's really unclear to me who IS the foundation. Am I giving advice to the board, to the new managing director or the person managing philanthropy? There is a lack of transparency and lack of access, and a disconnect between what their words say, what their strategy says and what the community sees and experiences."

While the transition has magnified these questions of leadership, it is clear from the extensive comments that this strong desire by many different stakeholders for the foundation to have a more public presence transcends those shorter term staffing and strategic plan issues. It relates more to the diminished role of other foundations in the city as William Penn's assets and giving have grown, as well as the sense of urgency people have to build on what is working well in the city and find solutions to its more intractable problems.

Grantees and other stakeholders suggested several ways the foundation could exercise more leadership:

- **Communicate and interact more with the public.** “[As CEO] I would make myself more of a public presence and accept my role as the face and spokesperson of the foundation in the community.” Despite the controversy that accompanied some of Jeremy Nowak’s style and actions, many interviewees offered unsolicited praise for his leadership and accessibility. Several people recalled having conversations with him about what was going on in the sector, and missed the opportunity to have those after he left.

- **Beyond making grants, use the foundation’s bully pulpit to move an overarching agenda** that supports, unifies and goes beyond the three individual program areas, tackling thorny issues such as poverty and inequity. A stakeholder said, “Be a vocal thought leader for change.” “Own your power and influence to strengthen your good work in the world,” said another. “Given the size of the foundation’s endowment and mission it really has the ability to shape the local agenda, it can get anyone’s attention in town – including local political leadership.”

This is something that local philanthropic peers especially want to see the foundation do:

“I worry that many people think it’s the dollars that matter in philanthropy. Philanthropic dollars can never compete with government dollars. To me it’s less about the dollars they put in but the issues they choose and their bully pulpit. Dollars are about bringing the right people to the table. You’re not necessarily going to solve problems directly, just with money.”

“Being THE major funder in this area, they don’t use their influence as much as they could. They do

the funding, but not the influence. They have an opportunity to really influence the field, share their learning, and I don’t see them doing a lot of that. My advice is for them to step out and own it. Be a convener in those spaces, as well as a funder.”

- **Be more proactive in supporting key sectors, beyond grants and capacity building for individual organizations.** A grantee survey comment offered this observation:

“As Pew Charitable Trusts turns away from Philadelphia, it is critical that the William Penn Foundation’s leadership take on a similar role to Pew, in the way it cared for the arts and culture sector. Pew’s leadership in helping the arts and culture sector managers understand the big picture was invaluable in the 1990s and 2000s, from launching management initiatives to bringing in thought leaders, introducing policymakers to the community. ... William Penn Foundation’s role in the arts and culture has been less evident, with the exception of its leadership in capitalization and youth arts, but we hope as this vacuum is created, it will be able to take a role in this arena.”

- **Convene nonprofits and government,** as one stakeholder said, “To leverage limited resources to produce more organized and coherent and strategic practices.” For example, several individuals urged William Penn to exercise more leadership to bring education stakeholders together to overcome the conflicting agendas and resource challenges. A local advocate noted:

“Foundations are always in a tough world. To the extent they exercise leadership, they risk that it’s not

organic and then it risks falling apart. Convening is soft leadership. What are strategies for teaching kids in schools with 60 percent of the building in poverty? Let's get the high quality providers, school districts and advocates together to talk about what changes need to occur, not just money, but instructional, educational changes. It takes a lot of work, because there is a lot of bureaucracy. There are still 150,000 kids in district schools, so you have to figure out how to make it work better. I think [William Penn staff] understand this, they are very smart. I don't think their point of view is different, but they seem very busy, and may not have time to do that."

One education advocate suggested that the foundation could exercise leadership beyond its role on the PSP by urging the city to strengthen accountability mechanisms for all charter schools in Philadelphia, not just those that may receive PSP funds.

"William Penn can use its bully pulpit to make sure the whole charter sector is more accountable for good outcomes – not just the good charters. They can also help ensure that charters provide good R & D that can then be applied back in the district schools, so that they become better. Reflect what works back into the system and give it the resources to innovate, rather than expand competition in a way that undermines the district schools."

In the watershed protection area, an expert and former state official called on the foundation to convene stakeholders to address shale gas development:

"There is no research on the cumulative impacts on the watershed. We are almost at the point where

William Penn has to define, 'Here is how you tackle cumulative impacts.' Let's bring some really smart people together to explore how . . . we tackle cumulative impact. Then you have an approach, and you put out an RFP, be proactive, don't just set an agenda but define some strategies up front. William Penn has the ability to bring in some of the best minds in the country before checks are cut and proposals written."

## RELATIONSHIP WITH NONPROFITS AND GRANTEES

**The vast majority of grantees (93 percent) view their partnership with the William Penn Foundation as effective, but many also critiqued the foundation's handling of recent institutional shifts.**

The foundation enjoys a very positive reputation as a funding partner, with 69 percent of grantees rating the partnership "very effective." The three most effective characteristics were:

- **Staff** (119 comments) – Surveyed grantees appreciated the program officers for many reasons, including their dialogue and communication with grantees, their knowledge or expertise, ability to act as a thought partner or provide useful information and advice, and their willingness to ask hard questions. Some also mentioned the staff's support of grantees, exhibited by attending grantee events. Interviewed stakeholders also praised staff for being very smart and good thought partners.
- **Application process** (60 comments) – Grantees appreciated the process itself, setting goals, and aligning foundation and grantee objectives. Many grantees stated that the application, reporting requirements and outcomes measures helped grantees clarify their

thinking and make their programs stronger as a result. In a separate set of questions, the majority of grantees reported favorably on the utility and volume of the foundation's application, reporting and outcome measurement processes.<sup>42</sup> A related but separate attribute grantees liked (32 comments) was foundation understanding of and support for the grantee's mission and goals, and its willingness to fund grantee-defined objectives and needs.

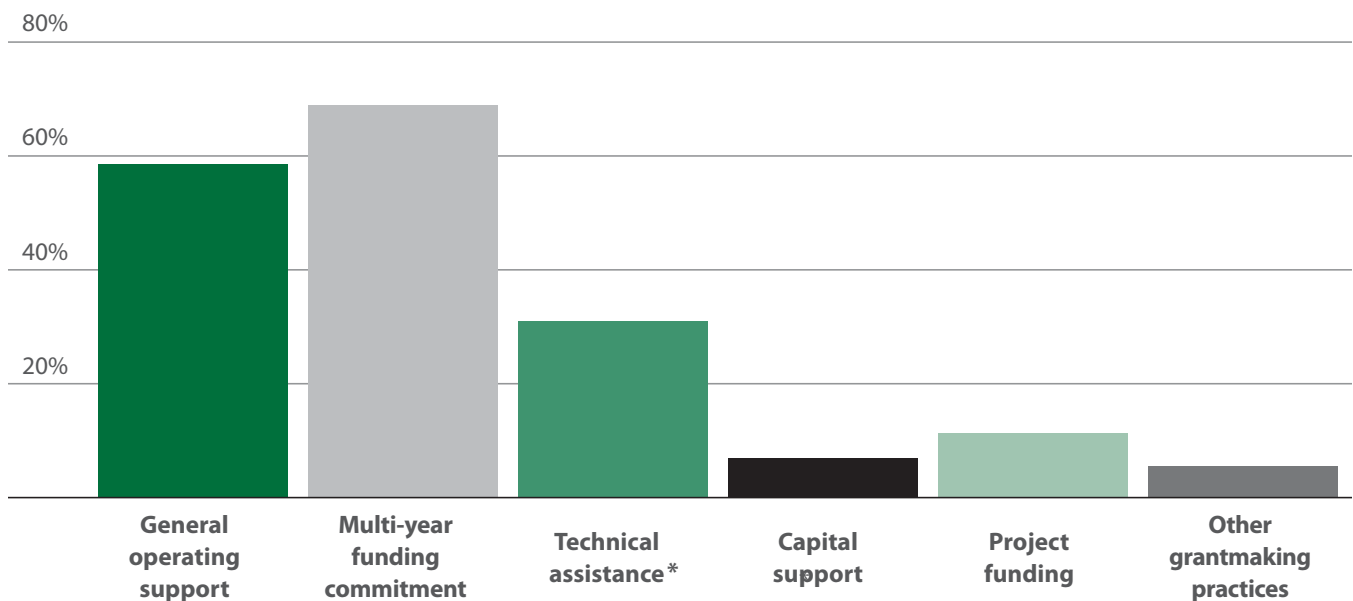
- Communications** (55 comments) — Grantees appreciated open, direct and honest communication. A separate theme that also received many mentions (28 comments) and speaks to the value of strong communication and dialogue, was appreciation for the foundation's flexibility in how grantees used their funds, and their ability to negotiate midcourse changes in their funded activities. When asked what they would maintain at the foundation if they were CEO, grantees again prioritized these areas:

staff (61 comments), communications (33), and application (29) and evaluation (27) processes.

The way grant funding was provided was an important partnership characteristic to grantees. Dozens of positive comments related to the multi-year nature of funding, the size of the grant, the flexibility of the funding and the importance of general or overhead support. Self-reporting in the grantee survey (see Graph 2) shows very high rates of general support and multi-year funding.

The Foundation Center recorded William Penn general support funding between 6–8 percent of grant dollars (and number of grants) over the last decade. Foundation Center records indicated at least 70 percent of grant dollars (and 44–55 percent of grants) as multi-year for the last decade. NCRP recommends that 50 percent of grant dollars be core support and 50 percent be multi-year grants.

**Graph 2: Grantee Survey Question: Which of the following types of support did you receive from the foundation to help your organization achieve its mission?**



\*Includes capacity building and strategic planning from Other category

There appears to be a shift away from operating support in some cases. Instead of providing general support grants to a number of organizations that would then collaborate on campaigns, as it used to do, the foundation is funding specific campaigns within which a set of predetermined groups must work together and divide up the overall grant or receive individual project grants. Grantees expressed concern that this approach may not build their organizations' overall capacity to be effective advocates and coalition partners.

Several grantees also expressed concern about the effect of a foundation policy to not fund groups while they are undergoing a leadership change and for a year after new leadership is in place. This can cause even well-run organizations with an executive director transition to lose funding for 18 months or more. If the William Penn Foundation were itself a grantee, it would have become ineligible to apply for a grant from the date of the last CEO's departure

in November 2012 through March 3, 2015, a year after the start date of the new managing director.

Much of the foundation's support beyond the grant also has been useful for grantees. The supports with the highest reception rate (63 percent) also were rated as most useful: bringing together grantees with other stakeholders to work on common issues and technical assistance/capacity building support. Also, 54 percent of grantees were provided opportunities to learn from peers and 89 percent found it very or somewhat useful.

Grantees were asked if they received William Penn funding for collaboration and, if so, how useful that support was. Almost two-thirds (63 percent) of grantees reported receiving funding for collaboration or used their grant to further collaboration. Eighty-eight percent were positive about the utility of that funding, many using words such as

**Table 5: Grantee Survey Question: Has the foundation provided your organization any support, either monetary or nonmonetary, for the following? If so, please rate its usefulness.**

	Very Useful	Somewhat Useful	Not Very Useful	Not at All Useful	Rating Average
Brought us together with other stakeholders to work on a common issue	63%	32%	2%	3%	3.54
Invited us to funder convenings to share and discuss our work	49%	40%	6%	5%	3.33
Provided opportunities for us to learn from our peers	47%	42%	5%	7%	3.29
Provided us with access to other donors	29%	39%	18%	14%	2.84
Provided us with access to policymakers	31%	38%	17%	14%	2.86
Provided us with technical assistance/capacity building	70%	21%	5%	3%	3.57

“critical,” “central,” “very helpful” and “extremely useful.” One surveyed grantee noted:

“It has been the heartbeat of the collaboration. So few funders see the value of process and William Penn helped us create and sustain a very powerful and effective process out of which has grown an enormous body of work, strengthened by the power of so many community partners.”

Several expressed disappointment that their collaborative efforts, despite being successful, were no longer receiving foundation funds because of the change in grant strategies. Often grantees appreciated the opportunity to build relationships, even if ultimately synergies did not form or were not long-lasting. The foundation sometimes was praised for “forcing” collaboration between nonprofits, but also critiqued for it.

The foundation’s values statement embraces clarity and communication to advance its mission. This value has been tested by the recent period of tumult, as evidenced in the question about William Penn’s partnership with grantees. The three “least effective” partnership characteristics, which often were interrelated, were:

- **Leadership/strategic plan transition** (54 comments) – These related to the change in funding priorities/ program areas, the abrupt transition/cut-off of some grantees’ funding, funding delays, lack of clarity about their status or funding prospects under new strategic plan, lack of understanding about new funding guidelines or whether they are still in effect, staff changes and gaps in communication during the transition.
- **Communications** (34 comments) – Often related to the transition but not always, this included: perception

of a “closed bunker” mentality, lack of opportunity to meet with the foundation if no longer a grantee to talk about possibilities for future partnership, lack of communication or interest coming from program officer, staff viewed as inaccessible and not open to transparent dialogue.

- **Staff** (26 comments) – These included unpleasant or difficult interactions with a program officer, busy and “overloaded” program staff that can’t make time to meet or attend grantee events, staff turnover and loss of institutional relationship or knowledge of grantee’s past work, and inconsistency in how staff treats different grantees (some get more access to program officer than others). In stakeholder interviews, some people expressed concern that new foundation staff, although very talented and smart, were not as “close to the ground” as their predecessors and did not have as much direct experience in the nonprofit world.

These three topics, along with calls for William Penn to exercise more public leadership and broaden the scope of the strategic plan, were the most frequently raised in response to the question about what grantees would do differently if they were foundation CEO. (See Appendix B.)

## OTHER EFFECTIVE PRACTICES AND INTERNAL OPERATIONS

**As an outsize private, family foundation with community-oriented aims, William Penn has struggled to find the right balance in governance and leadership style that is true to the Haas legacy and effectively supports mission implementation.**

The foundation is described as having a preference for understated, quiet philanthropy that focuses on the grantees, not the foundation itself. Yet, increasingly complex and

challenging issues call for more visible public leadership and greater transparency.

In addition to responding to calls for greater clarity on the foundation's current priorities under the new strategic plan and more sharing of learning about its progress to date, William Penn can share other information about its practices, as modeled in the Foundation Center's GlassPockets initiative.

For example, little public information is available about how the foundation's investments relate to its mission. A 2006 article noted that William Penn screened for alcohol, tobacco and gambling.<sup>43</sup> It is unclear whether those screens and/or others are in use today. According to the 2011 990-PF, the foundation has made program-related investment loans valued at \$3.5 million to two nonprofit organizations: The Reinvestment Fund, which is a community development financial institution (CDFI), and The Open Space Institute, which preserves natural lands and is a grantee. Explaining the rationale for when and why certain PRIs were made would help stakeholders understand the foundation's strategy in this area of investing.

Foundation leaders reported that the foundation does not currently have any investment screens or mission-related investment goals that drive its practice. As noted elsewhere in this report, the Public Accountability Initiative has identified gas interests among one current William Penn board member. Given the foundation's central focus on the watershed and its grants related to the shale gas development issue, it would be a good transparency practice for the foundation to share information about its investment holdings related to gas and oil extraction and production and any forthcoming mission-related investing policies and practices.

Although the foundation has no publicly available information about its governance policies, upon request, William Penn provided NCRP with its executive compensation policy and procedure, code of conduct, whistleblower policy, integrity policy (which includes conflicts of interest), a policy governing employees' external activities, and board and staff compensation policies. The directors of the board serve without compensation. These policies conform to best practice in ethical standards. Greater transparency about governance policies, as advocated by GlassPockets, could help the foundation avoid charges of ethical impropriety.<sup>44</sup>

The foundation has undergone major board and staff leadership changes. The board has opted for a managing director instead of a chief executive officer at the helm, and it has undergone a change in board composition that brings the next generation of the Haas family into the philanthropy, a laudable move. In addition to the foundation board, William Penn is governed by a corporation that consists of six Haas family members, several of whom serve on both the corporate and foundation boards.

William Penn's values statement reads: "Respect for others: Members, directors and staff value and respect all persons, recognizing that persons of disparate gender, race, age, religion, economic level, sexual orientation and capacity contribute meaningfully to our world. All persons are treated with honesty, integrity and fairness."

However, recent governance changes leave the board with less diversity in terms of race, gender and experience related to the low-income, racially diverse communities it seeks to serve. At least 10 of 11 board members are white and seven of 11 are male. At least seven board members are Haas family members, at least four of whom joined the board in 2013. In a city that is majority minority with 28

percent of residents living in poverty, the foundation has few if any board members who can speak to the challenges and experience of these residents.

Several stakeholders were concerned that William Penn is perceived as a white, elitist institution that doesn't have enough sensitivity to poverty and equity issues. Yet, the staff exhibits significantly greater diversity than the board. The foundation reported that half of the four-person senior leadership team is female and half come from "diverse" backgrounds (African American, Asian Pacific, American Indian or Hispanic). Among the seven senior grantmakers, 44 percent are from diverse backgrounds and 57 percent are female. Among the foundation's total staff, 36 percent are from diverse backgrounds and 57 percent are female. In addition to racial and ethnic diversity, the foundation considers diversity in terms of the individual's socioeconomic background, life experiences and professional experience.

Finally, a number of local stakeholders urged the foundation to exhibit stable leadership at the board level that is consistent in its priorities and approaches, enabling and empowering staff to follow through on those priorities. Several individuals identified volatility among the family leadership as a key challenge for the foundation. For the foundation to prosper, the Haas board leaders need to maintain fidelity of commitment and allow professional staff to implement well. A local nonprofit leader observed:

"I think it's a family foundation, so they can do whatever they want. But having someone at the helm who can mediate family volatility and not be subservient would be better for everybody. They are such a big kahuna. In the [old] days, all those [CEOs] were around forever; it was a stable, blue blood institution. It has been becoming less stable, more volatile, with more turnover. It created more instability once Pew left town. Their volatility has more of an impact because they are such a big player."



# RECOMMENDATIONS

## 1. **Continue the effective practices that have made William Penn an impactful and valued partner.**

These include the foundation's steadfast dedication to Philadelphia, long-term commitment to the three grantmaking priorities, strong relationships with grantees, support for collaboration and helpful application and outcome measurement processes. Maintain a strong commitment to core support and multi-year funding, using a flexible approach that continues to enable grantees to achieve their intended outcomes through a variety of means.

## 2. **Be flexible in strategic plan implementation and create opportunities for more cross-silo grantmaking and convening across the three grant centers.**

As the foundation has honed its strategies and sought more measurable outcomes, potential trade-offs include less focus on broader, systemic issues that effect seeding of innovative ideas in each program area or cross-fertilization within and between program areas that could result in new solutions and greater impact. To realize William Penn's vision of a vibrant, thriving city, stakeholders believe it will be important to weave together the three strands of arts, environment and education more intentionally and holistically. William Penn can build on the recent steps it reportedly has taken to incentivize innovative ideas and support cross-silo collaboration and grantmaking. A higher payout rate, of at least 6 percent in grants, can support these new operational and grantmaking strategies.

## 3. **As a highly respected voice in the city, maximize impact by exercising more public leadership on**

## **the foundation's key priorities and other pressing issues facing the city.**

William Penn has a reputation of quiet, behind-the-scenes leadership, and history suggests that CEOs with a highly visible presence don't last long in that environment. Yet, grantees and stakeholders are urging the foundation to step out more and "own" its influence. As a major institution with a strong web of relationships, William Penn is uniquely poised to utilize those assets to advance its mission by using its bully pulpit and bringing diverse and sometimes divergent stakeholders together to tackle challenging issues.

## 4. **Strengthen the foundation's impact by funding organizing and civic engagement among affected communities.**

William Penn clearly has the intent to support underserved Philadelphia residents. The foundation can take a number of steps to better articulate and realize that intent: (a) develop deliberate and focused strategies that can have an impact on child poverty in the city, which directly affects student learning and outcomes; (b) share learning from Closing the Achievement Gap and exercise leadership to help ensure that all low-income and marginalized students have access to a good education, including by promoting strong accountability across all K-12 education providers in the city; (c) bring a more explicit equity lens to the other two program areas, Watershed Protection and Creative Communities; and (d) fund advocacy and organizing by (not just on behalf of) low-income communities of color and other marginalized groups.

**5. Develop board and staff capacity to more effectively govern and implement a very ambitious agenda.**

Build off of the foundation's mostly positive staff relationships with grantees by ensuring an adequate number of program staff, including some with nonprofit and advocacy experience in underserved communities. Also, carefully adding individuals with diverse backgrounds and experience to the board will lead to better grantmaking by ensuring that some "on the ground" perspectives, especially related to marginalized communities and inequity, inform the foundation's strategies and practices. Clarify governance roles and inform stakeholders about who the public face of leadership is and who makes decisions about strategy and implementation.

**6. Practice greater transparency related to all facets of the foundation's work.**

According to William Penn's values statement: "Communications advance the foundation's mission by enhancing the impact of our grantmaking and the effective use of our resources. Members, directors and staff value clarity, coherence and simplicity in communications. They listen and seek to learn from others in order to function with maximum efficacy." Survey and interview data indicate that the foundation has not consistently held itself to this value. Sharing data annually on the progress the foundation is making toward its goals, and sharing how ongoing learning is informing strategy, will help the foundation maintain trust and buy-in from grantees and other stakeholders. Providing public information about the foundation's investment strategies will help stakeholders understand whether and how the foundation is using its assets to advance its mission.

# CONCLUSION

The William Penn Foundation has played and continues to play a central role as a philanthropic and civic leader in the Philadelphia region. National and local stakeholders greatly value the foundation's commitment to helping Philadelphia be a vibrant, equitable, economically thriving city. Changes in the philanthropic landscape, with the declining role of other major foundations, leave William Penn as the "800-pound gorilla" in Philadelphia philanthropy. Local stakeholders urge the foundation to adapt to this new reality by expanding its public leadership role; fostering cross-silo activity; strengthening its commitment to engaging low-income, people of color and other marginalized communities; and increasing transparency.

The foundation is moving beyond the bumps in the road it experienced as it sought to implement an ambitious new strategic plan while going through changes in board and staff governance. Local philanthropic peers are eager to see the foundation use its bully pulpit and convening capacity to rally all the city's sectors to tackle major issues facing Philadelphia. Today, the William Penn Foundation appears well equipped to do so, if it can strike a balance between its quest for modesty and stakeholder requests for proactive public communication and civic leadership.

# APPENDIX A

## CURRENT AND PRIOR WILLIAM PENN FOUNDATION FUNDING PRIORITIES

PRE-2013 PROGRAM AREAS AND OBJECTIVES	NEW PROGRAM AREAS AND STRATEGIES
<p style="text-align: center;"><b>Arts and Culture</b></p> <ul style="list-style-type: none"> <li>▪ Arts education in schools/public policy</li> <li>▪ Create new cultural opportunities</li> <li>▪ Create/present</li> <li>▪ High quality work</li> <li>▪ Participate in cultural life</li> <li>▪ Preserve/promote assets</li> <li>▪ Support for artists</li> <li>▪ Strengthen core programs/administration</li> <li>▪ Regional advancement</li> </ul>	<p style="text-align: center;"><b>Creative Communities</b></p> <ul style="list-style-type: none"> <li>▪ Advancing the artistic, planning, management, financial and programming capacities of arts and cultural organizations so that they can sustain, grow and diversify audiences.</li> <li>▪ Increasing arts education, primarily in music and theater, for low-income children.</li> <li>▪ Investing in great public spaces to serve the cultural, open space and recreation needs of the city's expanding urban core.</li> </ul>
<p style="text-align: center;"><b>Children, Youth and Families</b></p> <ul style="list-style-type: none"> <li>▪ Early care and education system building</li> <li>▪ High school dropouts</li> <li>▪ Neighborhood service delivery</li> <li>▪ Other education initiatives</li> <li>▪ Public investment</li> <li>▪ Public systems and investments</li> <li>▪ Strong sector</li> <li>▪ Urban school reform</li> <li>▪ Youth development opportunities</li> <li>▪ Youth development system</li> </ul>	<p style="text-align: center;"><b>Closing the Achievement Gap</b></p> <ul style="list-style-type: none"> <li>▪ Increasing the number of low-income children in high-quality early care and education.</li> <li>▪ Investing in the development of a workforce that provides high-quality care.</li> <li>▪ Increasing the number of low-income students who receive a high-quality education.</li> <li>▪ Increasing the number of talented and skilled teachers, principals and other school leaders.</li> </ul>
<p style="text-align: center;"><b>Environment and Communities</b></p> <ul style="list-style-type: none"> <li>▪ City policies/practices</li> <li>▪ Drinking water</li> <li>▪ Field institution building</li> <li>▪ Regional initiatives</li> <li>▪ Responses to identified needs</li> <li>▪ Signature landscapes</li> <li>▪ State policies</li> <li>▪ Stormwater management</li> <li>▪ Transformative development</li> </ul>	<p style="text-align: center;"><b>Watershed Protection</b></p> <ul style="list-style-type: none"> <li>▪ Funding scientific research and analysis to provide information on water quality.</li> <li>▪ Advancing policies that accelerate and expand public and private watershed protection.</li> <li>▪ Developing and implementing conservation and restoration models.</li> <li>▪ Providing capital for land acquisition to promote conservation.</li> <li>▪ Securing funds to complete "The Circuit," greater Philadelphia's regional trail network.</li> <li>▪ Strengthening existing and emerging environmental education and outdoor recreation centers by encouraging shared programming and coordinated outreach.</li> <li>▪ Enhancing the capacity of the region's hunters, anglers, birders and other outdoor enthusiasts to support watershed preservation and restoration.</li> </ul>

## APPENDIX B

### "IF YOU WERE CEO OF THE WILLIAM PENN FOUNDATION ..."

#### Top Issues Raised and Illustrative Comments

Which approaches would you continue to use?	What would you do differently to increase the foundation's impact?
<b>STAFF</b>	
<ul style="list-style-type: none"> <li>▪ "Hiring and empowering knowledgeable, accessible program officers."</li> <li>▪ "I have always felt the foundation had a very personal touch in the way the foundation staff worked with applying organizations. I would continue to build on this style."</li> </ul>	<ul style="list-style-type: none"> <li>▪ "Hire diverse staff who are from the target communities. Get to know the grantees and their target communities better."</li> <li>▪ "Too often the foundation and its staff seem to see themselves as the source of ideas and strategy when a better role might be as listeners and distillers of the best ideas and strategies from grantees and the broader research and policy community."</li> </ul>
<b>COMMUNICATIONS</b>	
<ul style="list-style-type: none"> <li>▪ "Keeping direct and hands-on communication with grant applicants and program directors."</li> <li>▪ "The openness and transparency that characterizes the relationship between the foundation and its grantees, current or potential."</li> </ul>	<ul style="list-style-type: none"> <li>▪ "Of course we want money, but it helps to have a funder advocating for you beyond that – through social media, word of mouth, emails, by attending your events; [it] helps to add value, to increase your visibility. I think that is a place where William Penn should go."</li> <li>▪ "William Penn has always been shy about its communication, keeping with the classic quiet Quaker way. I respect that but communication is an important tool; if you do research and no one finds out about it, if doesn't come to the light, then it doesn't put pressure on local groups."</li> </ul>
<b>STRATEGY</b>	
<ul style="list-style-type: none"> <li>▪ "The three focus areas – continue to connect improvement in the environment with improvement in community, keep the focus on the Delaware River Basin (that's large enough) ... and keep the small geographic area for the other two focus areas."</li> <li>▪ "Utilizing research and communication to share and advance innovation are essential in investing in early childhood care, advancing the planning and management of arts organizations, and investing in great public spaces. So is being open to initiatives that are transformational to organizations' futures and that may advance innovation. Strong values and emphasis on ongoing learning is key."</li> </ul>	<ul style="list-style-type: none"> <li>▪ "I really applaud their interest and their efforts in wanting to be very focused. ... The danger in being really focused is that you become really narrow, aren't as open to ideas and proposed solutions in the field. ... There are new ideas that come up all the time that you need to listen to. You have to have a way to test and hear those new ideas and solutions, otherwise you become really insular."</li> <li>▪ "I would broaden the areas of support to include helping deal with problems of poverty, which find Philadelphia leading the nation in abject poverty."</li> <li>▪ "I would bring together grantees in each of the program areas to foster synergy; I would also bring together organizations across the three program areas where synergies may be possible. These convenings would be semi-structured around a series of questions that can uncover collaborative possibilities."</li> </ul>

**"IF YOU WERE CEO OF THE WILLIAM PENN FOUNDATION ..."**

**Top Issues Raised and Illustrative Comments**

Which approaches would you continue to use?	What would you do differently to increase the foundation's impact?
<b>LEADERSHIP</b>	
<ul style="list-style-type: none"> <li>▪ "The most important practice any CEO of the foundation can do is to embrace the Haas family philosophy. ... They are generous, humble, smart, thoughtful, strategic and they recognize the importance of their place in our community. It's a great burden, and they accept it with grace. ... I would strive to maintain that spirit through the work of the foundation."</li> <li>▪ "Listen, innovate, be bold!"</li> </ul>	<ul style="list-style-type: none"> <li>▪ "Host more discussion groups to increase the public dialogue on the issues critical to the foundation."</li> <li>▪ "Real opportunity to be a philanthropic leader, leading others, bringing along business and other communities."</li> <li>▪ "Modify your board to be much more representative of the region and community – in terms of, particularly, its class composition."</li> </ul>
<b>APPLICATION AND REPORTING</b>	
<ul style="list-style-type: none"> <li>▪ "Sitting down one-on-one with the foundation and discussing the vision for your organization. The conversation and site visits offer a much more effective means of communicating goals as opposed to a standard grant request letter. The foundation has greatly helped our organization to identify paths to success that would never have been identified had we only submitted a grant request letter."</li> <li>▪ "Establishing realistic objectives and measuring outcomes in concert with the objectives serve to ensure foundation resources are well spent and helps grantees stay focused and productive."</li> </ul>	<ul style="list-style-type: none"> <li>▪ "Annual in-person evaluation with the leadership of the grantees to discuss the outcomes of the grants and how the support could potentially make an even greater impact."</li> <li>▪ "More explicit communication around macrogoals and what microcontributions of each grant are expected to be."</li> </ul>

# NOTES

1. Bob Fernandez, "Wharton's Peter Degnan to lead William Penn Foundation," *Philadelphia Inquirer*, February 6, 2014; written communication from William Penn Foundation, March, 19, 2014.
2. The history in this paragraph was conveyed in the William Penn Foundation's 2012 Annual Report: Opportunity, Sustainability, Creativity (pp. 18–19).
3. John F. Morrison, "Chemical heir John C. Haas, who gave away millions to charities, dies at 92," *Philly.com*, April 5, 2011, [http://articles.philly.com/2011-04-05/news/29384784\\_1\\_rohm-haas-haas-family-wyncote-foundation](http://articles.philly.com/2011-04-05/news/29384784_1_rohm-haas-haas-family-wyncote-foundation); and Ally A. Downey, "John C. Haas, 92, retired Rohm and Haas chairman and philanthropist, dies," *philly.com*, April 3, 2011, [http://articles.philly.com/2011-04-03/news/29377428\\_1\\_rohm-haas-otto-haas-charitable-foundation](http://articles.philly.com/2011-04-03/news/29377428_1_rohm-haas-otto-haas-charitable-foundation).
4. <http://www.wyncotefoundation.org/id1.html>. According to David Haas, son of John C. Haas, Wyncote is "a typical family foundation where it's more driven by particular interests of the trustees. The William Penn Foundation has a fairly significant strategy process where also obviously the family is involved, but it's a different approach." Peter Dobrin, "For Phila. arts, a shifting donor base," *Philadelphia Inquirer*, September 30, 2013.
5. "The Board and Corporation will be responsible for assessing how well the CPO aligned the funding recommendations to the funding strategies, and for assessing the overall funding decisions based on outcomes, data and metrics. A decision to terminate the CPO will have unanimous support from the Managing Director, Chair and Vice Chair. Any future hire of a CPO will need unanimous agreement from the Managing Director, Chair and Vice Chair." Sourced from the William Penn Foundation website, October 2, 2013, <http://www.williampennfoundation.org/Employment.aspx?id=62>.
6. Alfred Lubrano, "Of big cities, Phila. worst for people in deep poverty," *Philadelphia Inquirer*, March 20, 2013. President Obama recently designated Philly a "promise zone" to try to tackle this problem. Roberta Rampton, "Obama targets poverty in San Antonio, Philadelphia and other U.S. 'zones,'" *Reuters*, January 8, 2014.
7. See U.S. Census Bureau, State & County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, County Business Patterns, Economic Census, Survey of Business Owners, Building Permits, Census of Governments. Last Revised: Thursday, 27-Mar-2014 09:57:34 EDT, <http://quickfacts.census.gov/qfd/states/42/4260000.html>.
8. The Pew Charitable Trusts. *Philadelphia 2013: The State of the City*, 2013.
9. Public Interest Law Center of Philadelphia, *New Study Shows State Cuts to Education Highly Discriminatory*, 2014, <http://www.pilcop.org/new-study-shows-state-cuts-to-education-highly-discriminatory/>.
10. Rick Lyman and Mary Williams Walsh, "Philadelphia Borrows So Its Schools Open on Time," *New York Times*, August 15, 2013.
11. Natural Resources Defense Council, *Philadelphia, Pennsylvania: A case study of how green infrastructure is helping manage urban stormwater*, [http://www.nrdc.org/water/pollution/rooftopsii/files/RooftopstoRivers\\_Philadelphia.pdf](http://www.nrdc.org/water/pollution/rooftopsii/files/RooftopstoRivers_Philadelphia.pdf); Paul McRandle, "Philadelphia Cleans Up Stormwater With Innovative Program," *National Geographic*, June 6, 2012, <http://news.nationalgeographic.com/news/2012/06/120606/philadelphia-storm-water-runoff/>.
12. Dobrin, op cit.

13. Jad Sleiman, "Delaware river waterfront to get face-lift thanks to William Penn Foundation," *Philly.com*, October 4, 2013, [http://articles.philly.com/2013-10-04/news/42721639\\_1\\_william-penn-foundation-delaware-river-race-street-pier](http://articles.philly.com/2013-10-04/news/42721639_1_william-penn-foundation-delaware-river-race-street-pier). These changes grew out of the Master Plan for the Central Delaware developed by a William Penn grantee, the Delaware River Waterfront Corporation.
14. Karen Black, "Philadelphia Achieves Land Bank Through Compromise," *ShelterForce*, January 22, 2014, [http://www.shelterforce.org/article/3575/philadelphia\\_achieves\\_land\\_bank\\_through\\_compromise/](http://www.shelterforce.org/article/3575/philadelphia_achieves_land_bank_through_compromise/). Black writes: "A land bank is a nonprofit or government agency whose sole function is to efficiently maintain, clear title to, assemble and market vacant property in order to transfer it to responsible new owners for productive reuse."
15. Asian American Legal Defense and Education Fund, *Justice Department Reaches Settlement with Philadelphia School District on Anti-Asian Harassment*, December 15, 2013, <http://aaldef.org/press-releases/press-release/justice-department-reaches-settlement-with-philadelphia-school-district-on-anti-asian-harassment.html>.
16. When asked an open-ended question about whether the foundation was having an impact in their program area, 10 percent of grantee respondents said that it had shown impact under its previous strategy, but not anymore.
17. Foundation memo to NCRP.
18. See Sarah Hansen, *Cultivating the Grassroots: A Winning Approach for Environment and Climate Funders* (Washington, DC: National Committee for Responsive Philanthropy, 2012), [http://www.ncrp.org/files/publications/Cultivating\\_the\\_grassroots\\_final\\_lowres.pdf](http://www.ncrp.org/files/publications/Cultivating_the_grassroots_final_lowres.pdf).
19. See Jack Grauer, "Not Just Sour Grapes Over Philadelphia Cultural Fund's 2013 Appropriations," *Inside Philanthropy*, October 10, 2013, in which local arts leader critiques elitism of William Penn and Pew in arts grantmaking. The William Penn 2012 annual report highlighted a grant increasing the visibility of women artists in Philadelphia.
20. Dale Mezzacappa, "Report detailing Boston Consulting Group findings and recommendations released," *The Notebook*, August 2 2012, <http://thenotebook.org/blog/125045/report-detailing-boston-consulting-group%E2%80%99s-findings-and-recommendations-released-district>.
21. Jack Grauer, *Philly Public School Proponents Swat an Olive Branch from PSP*, *Inside Philanthropy*, October 15, 2013, <http://www.insidephilanthropy.com/philadelphia/2013/10/15/philly-public-school-proponents-swat-an-olive-branch-from-ps.html>.
22. Mark Gleason, Executive Director of the Philadelphia School Partnership PA, in testimony to the Democratic Policy Committee Hearing on Public Education, September 10, 2013, [http://www.legis.state.pa.us/cfdocs/legis/TR/transcripts/2013\\_0167\\_0004\\_TSTMNY.pdf](http://www.legis.state.pa.us/cfdocs/legis/TR/transcripts/2013_0167_0004_TSTMNY.pdf).
23. Amy Seasholtz, "What Does Philly Schools Funder Mark Gleason Want?" *Philanthropy Network Greater Philadelphia*, December 2013, <http://www.philanthropynetwork.org/news/151416/What-does-Philly-schools-funder-Mark-Gleason-want.htm>.
24. Moody's Investor Services released a report in October 2013, which found that districts cannot reduce their costs as rapidly as they lose revenue to charters. Cuts in school services required to deal with the shortfall cause more families to seek alternatives, further weakening the system's financial viability. See Michael D'Arcy and Tiphany Lee-Allen, "Charter Schools Pose Growing Risks for Urban Public Schools." *Moody's Investor Services*, October 15, 2013, [https://www.moody.com/research/Moodys-Charter-schools-pose-greatest-credit-challenge-to-school-districts-PR\\_284505](https://www.moody.com/research/Moodys-Charter-schools-pose-greatest-credit-challenge-to-school-districts-PR_284505).
25. Reported by national education grantmaker in an interview. Numbers of students in charter schools in Phila-



delphia and New York verified at the National Alliance for Public Charter Schools website,

<http://dashboard.publiccharters.org/dashboard/students/page/overview/district/PA-39/year/2013> and the New York City Charter School Center, <http://www.nyc-charterschools.org/content/record-number-students>.

26. Research for Action did a comparison of schools projected for closing with relocation schools. The analysis found that only 29 percent of transfer options had better math scores, 16 percent had better reading scores, and 38 percent had better Adequate Yearly Progress (AYP). Twenty-eight percent actually had *worse* AYP. Research for Action, "School District of Philadelphia School Closings: An Analysis of Student Achievement," February 27, 2013.
27. Center for Research on Education Outcomes (CREDO), *National Charter School Study*, 2013, Stanford University.
28. In February 2013, a Reuters investigation of charter school admissions nationally reported, "When Philadelphia officials examined 25 charter schools last spring, they found 18 imposed 'significant barriers,' including a requirement from one school that students produce a character reference from a religious or community leader." Stephanie Simon, "Special Report: Class Struggle-How charter schools get students they want," *Reuters*, February 15, 2013, <http://www.reuters.com/article/2013/02/15/us-usa-charters-admissions-idUSBRE91E0HF20130215>. Also see: Emma Brown, "D.C. charter schools expel students at much higher rates than traditional public schools," *The Washington Post*, January 5, 2013, [http://www.washingtonpost.com/local/education/dc-charter-schools-expel-students-at-far-higher-rates-than-traditional-public-schools/2013/01/05/e155e4bc-44a9-11e2-8061-253bccfc7532\\_story.html?hpid=z2](http://www.washingtonpost.com/local/education/dc-charter-schools-expel-students-at-far-higher-rates-than-traditional-public-schools/2013/01/05/e155e4bc-44a9-11e2-8061-253bccfc7532_story.html?hpid=z2); Addison Wiggin, "Charter School Gravy Train Runs Express to Fat City," *Forbes*, September 10, 2013, <http://www.forbes.com/sites/greatspeculations/2013/09/10/charter-school-gravy-train-runs-express-to-fat-city/>.
29. Opportunity to Learn Campaign, *The Color of School Closures*, Infographic, 2013, <http://www.otlcampaign.org/blog/2013/04/05/color-school-closures>.
30. CPER announced on September 19, 2013 that it would be closing at the end of 2014. The letter announcing the closure cited the downturn in the economy as one factor, as well as the fact that: "Several long-term donors reoriented their grantmaking, each focusing its lens on a specific education reform issue or restricting its geographic priorities. Others redirected their resources toward other change strategies, for example, advocacy, litigation, district-led efforts or charter reforms." CPER members expressed differing opinions about whether William Penn's withdrawal was a factor in its closure.
31. Foundation memo to NCRP.
32. William Penn Foundation grant description, shared with NCRP.
33. <http://www.prekforpa.org/wp-content/uploads/2014/02/The-Case-for-Pre-k-in-PA-Feb.-2014.pdf>.
34. <http://www.dvaeyc.org/public-policy/leadership-training-leap>.
35. William Penn Foundation, *Philadelphia Academies, Inc. Expands Home-Grown Nationally Proven College and Career Academy Program*, October 13, 2014, <http://www.williampennfoundation.org/PhiladelphiaAcademiesIncExpandsHome-GrownNationallyProvenCollegeAndCareerAcademyProgram.aspx>.
36. The foundation's memo to NCRP dated March 19, 2014 offered several examples of evidence-based and data-driven grants, including CLI as well as Families and Students Together (FAST), Philadelphia Education Fund's Early Warning Indicators, and the Childcare Expansion Fund.

37. For example, the foundation's 2012 annual report notes: "Unlike the Marcellus Shale region in the Susquehanna and Ohio watersheds, where natural gas drilling is underway, there is a moratorium on drilling in the Delaware River Basin. Should this moratorium be lifted, the Delaware River Basin Commission wants to ensure that drilling is carefully managed. To prepare, the Commission is developing an innovative GIS-based tool and planning process designed to identify and direct development away from the most critical watershed lands. While primarily being developed to address natural gas drilling, this tool and process have the potential to be used by other agencies and organizations to address a range of water-quality issues."
38. See <https://www.sustainablehale.org/strategic-partners/>.
39. Kevin Connor, "Big Green Fracking Machine," Public Accountability Initiative, 2013. It reported that two William Penn board members had ties to the gas industry. One, James Gately, is no longer on the board. In particular, it noted: "The William Penn Foundation, the other foundation acting as a strategic partner of CSSD, has some notable ties to the gas industry, particularly through board member Howard L. Meyers. Meyers is a senior partner at Morgan, Lewis and Bockius, a law firm that belongs to the Marcellus Shale Coalition. Meyers has represented numerous companies and partnerships in natural gas transactions, including UGI in its acquisition of PPL Gas Utilities, Buckeye Partners in its acquisition and sale of Farm and Home Oil Company, and Penn Virginia Resource Partners in its revolving credit agreement."
40. William Penn Foundation Annual Report, 2012.
41. Only 39 percent said the foundation had asked for feedback. Of those grantees, only 13 percent said the foundation had made changes based on that feedback; 6 percent said it had not made changes, and 82 percent said they didn't know.
42. 86 percent of respondents said outcomes measures were relevant and useful. 59 percent said the foundation consulted with them about outcome measures. 94 percent said paperwork requirements were appropriate to the size of the grant. 93 percent said the paperwork requirements were appropriate to the size and capacity of their organization. 18 percent received additional support for outcome measurement. But several who said they did not also noted that they never asked for additional resources. Negative comments stated that the "outputs and outcomes" rubric was confusing; or that the measures were not a good fit for their work or too simplistic or complicated.
43. *Chronicle of Philanthropy*, "Stock-Investment Policies at the 50 Wealthiest Private Foundations," May 4, 2006, <http://philanthropy.com/article/Stock-Investment-Policies-at/58820/>.
44. Lack of transparency about public roles and relationships caused some community leaders to file an ethics complaint with the city related to the foundation's relationship to the school district and Boston Consulting Group. The foundation was cleared and the Ethics Board found no evidence that its actions constituted lobbying.

## ABOUT PHILAMPLIFY

Philamplify is an initiative of the National Committee for Responsive Philanthropy that aims to maximize the impact of our country's grantmakers. At the center of Philamplify is a series of comprehensive reports conducted by highly regarded researchers assessing foundation grantmaking and operations. Assessments include key findings and recommendations, along with in-depth analysis of foundations' funding strategies and feedback from peer funders, nonprofit leaders, issue experts, community members and more. By making these assessments public, Philamplify seeks to build a culture of transparency, mutual accountability and knowledge sharing.

[www.philamplify.org](http://www.philamplify.org)



**Address** 1331 H Street NW, Suite 200  
Washington, D.C. 20005

**Phone** (202) 387-9177

**Fax** (202) 332-5084

**Web** [www.ncrp.org](http://www.ncrp.org)