

Key Findings and Recommendations from The Heinz Endowments 2024 Grantee Perception Report

Prepared by The Center for Effective Philanthropy

In October and November of 2024, the Center for Effective Philanthropy (CEP) surveyed The Heinz Endowments' ("Heinz" or "the Endowments") grantees. The memo below outlines CEP's summary of key strengths and future opportunities.

This memo accompanies the comprehensive survey results from 356 grantees (a 64 percent response rate) available in the Endowments' interactive online report, including respondents' written comments, analysis and methods.¹

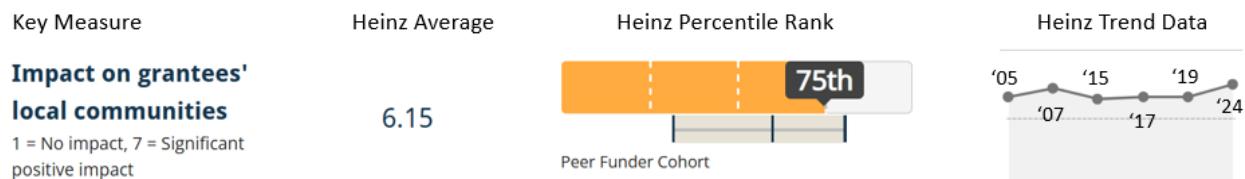
Context and Overview

- ▶ This Grantee Perception Report (GPR) is Heinz's first since 2019. In the months preceding this survey, which was fielded in late 2024, Heinz was experiencing a change of staff across the organization, including in communications and program staff and leadership. Heinz was also refreshing its strategies and approaches across its work. Grantees recognize that changes remained underway at the time of the survey. This context is important: CEP's work with other funders shows that times of major change often have some effect on grantees' perceptions, although even major shifts do not *necessarily* lead to wholesale changes in grantees' experiences.
- ▶ As Heinz emerges from this period, grantees look to the Endowments for clear communication about goals and approaches. And even as change continues, this grantee feedback illuminates practical, near-term opportunities for the Endowments to re-engage more deeply with grantees, manage change transparently, and support grantees effectively in their important efforts.
- ▶ In 2024, and across all past surveys, grantees celebrate the Endowment's significant impact: on grantees' local communities, on their fields of work, and on the strength of their organizations. In their comments, grantees frequently reference the ways the Endowment's long-term commitments to communities and issues have created impact and made it an indispensable leader in the region.
 - To build on this history of impact and leadership, grantees ask the Endowments to play even more of a connecting role for grantees, build collaboration with other funders and stakeholders, and continue serving as thought partners to grantees.

¹ The Endowments' ratings are defined as higher than typical when it is rated above the 65th percentile in CEP's overall dataset, lower than typical when it is rated below the 35th percentile, and typical when ratings fall in between those thresholds. Ratings described as "significantly" higher or lower reflect statistically significant differences at a P-value less than or equal to 0.1.

- ▶ Feedback in many areas of this survey is less positive than in 2019, with significant declines in areas related to perceptions of Heinz's understanding of grantees and their context as well as the quality of its relationships with grantees. Ratings vary across the Endowments' programs, suggesting an opportunity to improve consistency of grantee experience across lines of work, where appropriate.
 - For the Endowments to be as effective as possible, grantee ratings and comments suggest it should focus on increasing the clarity of its communication of goals and strategies, engaging more deeply with grantees to build understanding of their challenges and context, and increasing the length of its commitments.

The Endowments as a Community Leader



- ▶ Grantees' ratings of the Endowments' impact on their local communities are in the top quarter of CEP's comparative dataset and have been sustained over time and across program areas. Grantees point to long-term "innovative" approaches, "statewide systems change" commitments, and "critical resourcing... and amplification" of work in the region. Grantees see Heinz as an indispensable supporter for any major community impact effort.
 - On a question about the specific roles Heinz currently plays in philanthropy, grantees rate as particularly effective the Endowments' work with government and local leaders, its sharing of domain expertise, and its efforts to help groups align their efforts.
- ▶ In their comments, grantees often praise the longevity of Heinz's commitment to issues and organizations, though some wonder how changes they see or expect to see in the Endowments' strategies may change that support. One grantee shares, "due to the changing funding priorities at the Endowments, it is unclear to us if the work we do is of interest to the Endowments."
- ▶ The 61 percent of grantees who report receiving consistent funding from Heinz rate significantly higher than other grantees, particularly on questions related to perceptions of impact.



"Heinz has a huge impact on everything that happens in Pittsburgh. Pittsburgh is a very foundation-oriented city. For many different types of projects and programs, Heinz is always the first stop. A yes or no from Heinz can make or break a project. Heinz is our biggest foundation funder, and these funds are critical to our organization from both budgetary and legitimacy perspectives."

Heinz Support for Grantees



Average Grant Length

1.7 years

Heinz 2024

2.5 years

Heinz 2019

2.2 years

Median Funder

- ▶ Through grant support and assistance beyond the grant, Heinz continues to strengthen its grantees. In 2024, grantees' ratings of the Endowments' impact on their organizations are similar to the typical foundation. However, ratings have fallen from the top quartile since 2017.

Monetary Support

- ▶ Heinz's median grant size of \$100K is smaller than most funders in its peer cohort, and *total* grant sizes have decreased slightly over time – a trend exacerbated when accounting for inflation.²
- ▶ The length of Endowments grants has also declined, even as the Endowments continues to support many of the same organizations over time. At an average length of 1.7 years, Heinz's grants are the shortest they've been since this survey was first fielded in 2005.
- ▶ Combining these two trends, grantees do receive slightly more grant dollars per month in 2024 than in 2019, though they also point out a sense of the instability caused by these shorter grants. As one writes, "the move from a multi-year to a single year grant is concerning at this moment when revenue generation is not back to pre-pandemic levels."

Assistance Beyond Grant Dollars

- ▶ About half of grantees, a lower than typical proportion, report receiving assistance beyond the grant from the Endowments – most often assistance related to fields (such as introductions and convenings) or assistance related to grantee programs (such as advice on approach, assessment, etc.) It's worth noting that a larger proportion, over seventy percent, of Sustainability grantees receive assistance beyond the grant.
- ▶ Grantees that receive any type of assistance beyond the grant rate more positively on nearly all measures in this survey, with particularly large differences on questions related to Heinz's understanding of grantees' goals and challenges, the quality of the Endowments' interactions with them, and the Endowments' clarity, openness, and transparency.
- ▶ In their written suggestions, nearly one in five grantees ask for more assistance beyond the grant – the second largest theme in suggestions. In particular, grantees request more introductions to other funders, grantee convenings, capacity-building assistance, and facilitation of grantee collaboration.

² Heinz Endowment's typical grant in 2024 was about \$100K. In 2015, the high point in size of grants awarded, the median grant awarded was just under \$200K in 2024 dollars, meaning that Heinz's current grants are about half that size in real terms. Over that same timeframe, the median grantee annual budget size has been stable in real terms at around \$1.5M.

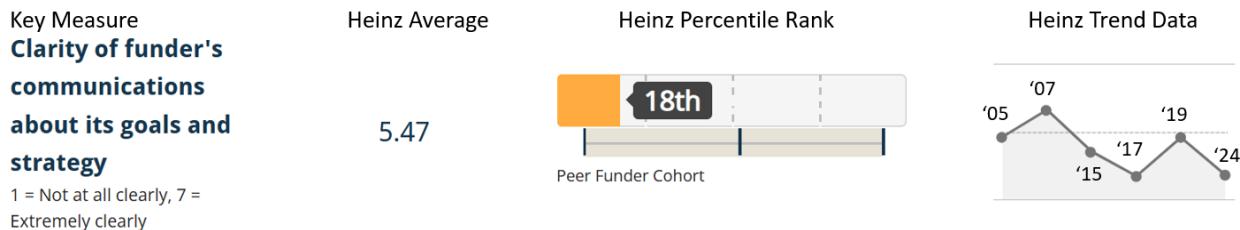
- ▶ These types of additional assistance are also reflected in the roles that grantees think the Endowments should prioritize in the future. Most frequently, grantees state that Heinz should collaborate with other funders on joint funding initiatives (60%), provide thought partnership for grantees (54%), and create collaboration with stakeholders across sectors (47%).

Future Opportunity – Increase Grant Length

- ▶ Calls for Heinz to increase grant lengths, flexibility, and size are the third most common theme in grantees' suggestions for improvement. Grantees ask for longer timeframes to "plan for and execute our work effectively" and larger grants, given that costs "far exceed the amount of funding we receive from the Endowments." Shorter grant lengths and smaller grant sizes in Heinz's 2024 results appear to be a continuation of a longer trend and not simply a result of the current moment of transition. As the Endowments exits this period of planning, ensure grant sizes and lengths increase to be commensurate with the ambition of its shared goals with grantees.

"I think the Endowments is an exemplary funder. My only wish is that we would have opportunities to come back to multi-year funding requests because we have plans/strategies that are multi-year and it is a lot of work to have to complete the full process for requests annually in addition to all of the other fundraising we do."

Decreases in Clarity of Communication and Depth in Grantee Relationships



- ▶ Across written responses and quantitative measures, grantees highlight a desire to better understand the Endowments' strategy, particularly in light of changes underway. Ratings are significantly lower than in 2019 for the clarity, transparency, and consistency of communication.
 - Ratings are also lower than typical and at the bottom of Heinz's peer funder cohort for how well grantees understand how their work fits into the Endowments' broader efforts.
 - In written comments, more than one in ten grantees ask for the Endowments to clarify either its current strategy or how its strategy is shifting.
 - Some grantees also ask Heinz to be more open to ideas from grantees when considering strategy shifts, with one grantee sharing they "would have welcomed an opportunity to provide feedback on the strategy before it was set in stone." Ratings are significantly lower than in 2019 for how open Heinz is to grantee ideas.
- ▶ These lower ratings of communication may not be surprising at this moment of change, but they are likely exacerbated by a significant decline in interaction between Heinz and its grantees. On almost every measure of *how* the Endowments interacts with grantees, grantees are reporting less engagement than previously. Grantees now interact less frequently with their main contact at Heinz,

and fewer grantees report receiving assistance beyond the grant, a site visit from the Endowments, or having an exchange of ideas about how they would assess their funded work.

- Grantees who have deeper relationships with Heinz, as measured by any of these metrics, rate significantly higher on most measures in the survey. The frequency of grantee interaction with Heinz is particularly strongly associated with higher ratings, and grantees suggest that more interaction with the Endowments would help create deeper understanding of Heinz and grantees, alignment, relationships, and openness.
- ▶ Overall, grantee ratings have decreased significantly across several interaction measures, including staff responsiveness, the extent to which the Endowments exhibit trust in grantee organizations, and candor about the Endowments' perspectives on grantee work.
- ▶ An important contextual, though not determinative, factor in grantee relationships is program staff load, which has increased compared to previous years. Program staff now manage 53 active grants and 50 applications, on average, compared to 36 active grants and 36 applications in 2019.

Future Opportunity – Explore Ways to Connect with Grantees

- ▶ Reflect on reasons – intentional and not – for changes in interaction patterns between Heinz and its grantees. Consider the more positive experiences of grantees who interact with the Endowments more frequently and deeply, and seek to replicate these experiences, where staff capacity allows.

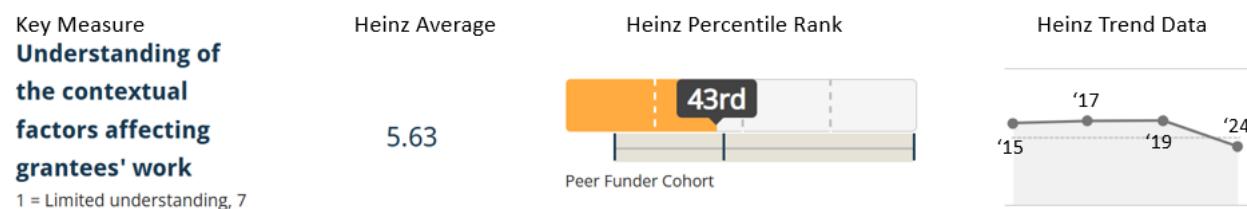


"I think improvements need to be made in communications with grantees, both in terms of frequency and transparency. Some sort of 'town hall' with grantees would be welcome, especially if there is an opportunity for grantees to ask questions and provide feedback on any potential changes."



"More in-person visits and direct interactions with staff at events could deepen the relationship between the Endowments and the communities it serves. Increased face-to-face engagement would provide invaluable opportunities for Endowment staff to witness projects firsthand, understand local needs more intimately, and foster stronger, more personal connections with grantees."

Key Opportunity to Increase Perceptions of Understanding



- ▶ Grantees' perceptions of a funder's understanding are key predictors of both perceptions of impact and of the quality of funder-grantee relationships. In 2024, across several related measures of Heinz's understanding, grantee perceptions have declined significantly. For example, grantee

perceptions of how well Heinz understands the challenges their organizations face are significantly less strong and are now in the bottom third of CEP's dataset.

Diversity, Equity, and Inclusion

- ▶ Ratings have declined for the extent to which grantees perceive Heinz to understand the social, cultural and socioeconomic factors affecting their work, and ratings are lower than typical for how well the Endowments understand the needs of the people and communities grantees serve. This feedback is particularly relevant because over two thirds of Heinz grantees report their funded work was meant primarily to benefit at least one historically disadvantaged group, particularly African American or Black individuals and communities.
- ▶ When asked about the Endowments' commitment to DEI, ratings are in line with the typical funder for the extent to which Heinz demonstrates an explicit commitment to DEI and lower than typical for the clarity with which Heinz communicates what DEI means for its work.
- ▶ As a part of understanding grantee experiences, CEP conducts analysis of any relationships between respondent demographics and their perceptions and experiences. There are only a few differences in ratings for respondents that identify as a person of color or as LGBTQ+. However, statistical differences are clear across gender identity: Women respondents' ratings are significantly lower than men's ratings across most measures in the survey.

Future Opportunity – Increase and Demonstrate Understanding

- ▶ To demonstrate the Endowments' existing understanding, ensure interactions, communications, and strategy seek to make explicit how Heinz's approaches and goals are rooted in its understanding of the fields, communities, and grantees it works with. To ensure continued growth of understanding, seek to create low-pressure opportunities for grantees to share their own understanding and ask questions about the Endowments' perspective on their work.



"I know in the past Heinz has been outspoken about DEI issues in our region. This is important to maintain as a result of the Supreme Court's decision and the region's commitment to inclusion and diversity. Heinz has been a leader for DEI in the region, however, today, I'm uncertain where their interests are focused."



"Get to know the people we serve and who we are doing the work for our organization. Listen and learn about the people we serve and about us. Person to person listening and learning, not just statistical numbers. There is a mistrust of the Endowments. The Endowments gives money/grants however does not seem to know who we are and what we are really doing."

Streamlined Grantmaking Processes



- ▶ Heinz's grantmaking processes have become more streamlined over time. Grantees now spend just 23 hours on Endowments' process requirements, fewer than in any previous survey year and fewer than at the median peer funder. One grantee writes, "each year that we receive support, we feel that the application/reporting process only gets easier."
 - These changes are particularly pronounced for Heinz's selection process where the median grantee now spends only 12 hours compared to 20 in previous years.

Future Opportunity – Clarify Selection Process Criteria, Timelines, and Requirements

- ▶ Grantee ratings of the clarity of the Endowments' selection process – of the timelines, requirements, and criteria used to decide whether a proposal will be funded – are lower than typical, a parallel to other clarity ratings in this survey. These ratings, along with written comments, suggest an opportunity to clarify the logistics of the Endowments' selection process.



"Heinz has an approachable and concise application and reporting system. It compares well with other funders and focuses on outcomes rather than burdensome process requirements."

About CEP

CEP provides data, feedback, programs, and insights to help individual and institutional donors improve their effectiveness. We do this work because we believe effective donors, working collaboratively and thoughtfully, can profoundly contribute to creating a better and more just world.

This mission is based on a vision of a world in which pressing social needs are more effectively addressed. It stems from a belief that improved effectiveness of philanthropic funders can have a profoundly positive impact on nonprofit organizations and the people and communities they serve.

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