

Donors to Community Funds Praise Their Leadership, Knowledge, and Integrity

By Maria Di Mento

Donors who support community foundations expect to keep giving to them, according to a study to be released this week.

Of 6,000 donors surveyed by the Center for Effective Philanthropy, about 90 percent gave high marks to the leadership, knowledge of local needs, and integrity of the community funds they support.

What's more, 83 percent of the donors said they were satisfied with their foundations' administrative fees or costs, and 82 percent praised the organizations' efforts to connect them to other donors.

Over all, on a scale of 1 to 7, with 7 the highest ranking, donors rated their level of satisfaction with community funds a 6.

In the best news of all for such foundations, 86 percent of those polled said they were likely to recommend their community grant makers to colleagues or friends.

Interaction a Priority

The report also showed that donors are happiest when their community foundations communicate regularly with them.

This is a point community funds would be wise to keep in mind as they find themselves competing for private donations, says Ellie Buteau, vice president of research at the Center for Effective Philanthropy and one of the report's authors.

Using data the center has been collecting since 2009, the organization produced the study this year to both commemorate the 100th anniversary of America's first community fund (the Cleveland Foundation) and find out whether such funds are doing a good job of interacting with donors.

"There have been so many discussions in the last couple of years about the viability of the business model of community foundations," says Ms. Buteau. "Are they engaging with their

donors the right way, especially given the competitive environment they're in? Donors have more options now."

Those options include giving to charities operated by large financial institutions like Schwab and Fidelity, which offer donor-advised funds similar to those available through community foundations. Although financial organizations may offer donors a high level of customer service, "they are not as uniquely positioned as are community foundations to really have an impact and a leadership role in the community, and it matters to donors that you are having an impact on the community," says Ms. Buteau.

Keys to Satisfaction

The study identified four main predictors of how satisfied a philanthropist is with his or her community foundation. Those factors are, in order of importance to donors from most to least:

- Responsiveness of a foundation's staff to a donor's questions.
- The impact the fund is making on the community.
- The foundation's leadership in the community it serves.
- The philanthropy's finances, including administration fees and investment performance.

The center based its results on data supplied by people who support 47 community foundations across the country.

Nearly 750 community funds now operate in the United States, and they control nearly \$58-billion in assets, according to the center.

A free copy of the report can be downloaded at effectivephilanthropy.org.