Candid.

The foundation transparency challenge

Working transparently is a challenge for the majority of foundations. Despite the ways in which the Internet has opened up many industries, much of the field of philanthropy is sitting out the digital revolution. To help philanthropy tackle the transparency challenge, we shine the spotlight on transparency gaps and some sterling examples that may serve as inspiration to others.

What we know about the field

- Only 10% of foundations use a website to communicate the story of their work.*
- Only 14% of foundation evaluation staff prioritize externally sharing knowledge gained.**
- Fewer than 1 out of every 100 foundations report recent grants data to Candid.
- 2 out of every 3 foundations only accept applications by invitation.*

* Based on Candid’s tracking of all U.S. independent, corporate, community, and grantmaking operating foundations.
** Center for Evaluation Innovation: Benchmarking Foundation Evaluation Practices (2020)

GlassPockets: Trends in foundation transparency

Over the last twelve years, 112 foundations* have taken and publicly shared the results of their GlassPockets transparency self-assessments. The percentages below reflect transparency strengths and weaknesses among participating foundations along with the benefits to philanthropy of working more openly.
Transparency establishes credibility & increases public trust

Use your website to share what you do, who is in charge, and how you are doing it.

Where foundations are going strong

- Mission statement: 100%
- Board info: 87%
- Key staff bios: 87%
- Form 990/ Government annual return: 72%
- Audited financials: 74%
- Conflict of interest policies: 63%

Where foundations encounter pain points

- Demographic data: 22%
- Executive compensation process: 28%
- Committee charters: 37%
- Investment policies: 41%
- Bylaws: 45%
- Transparency policies: 46%
- DEI values and policies: 48%
- Whistleblower procedures: 50%
- Code of conduct: 48%

"I know that transparency is not a word many use to describe foundations. For most people, the work of philanthropy is a mystery. There is often confusion and uncertainty about how foundations work and what they fund. They are often disconnected and isolated from the communities they serve. Slowly, this may be changing."

Molly Talbot-Metz, President & CEO, Mary Black Foundation
# Transparency improves grantee relationships

Use your website to establish important grantee/grantmaker ground rules and as a means to invite and share feedback.

<table>
<thead>
<tr>
<th>Where foundations are going strong</th>
<th>Where foundations encounter pain points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grantmaking priorities</td>
<td>Applicant/grantee feedback</td>
</tr>
<tr>
<td>97%</td>
<td>31%</td>
</tr>
<tr>
<td>Grantmaking process</td>
<td>Grantee surveys</td>
</tr>
<tr>
<td>89%</td>
<td>35%</td>
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"Transparency helps organizations understand at a much deeper level what a foundation does, why it does it, and who it funds; and that helps people identify whether it’s a foundation they want to engage with."

Jim Canales, President, Barr Foundation

"Transparency makes our grantees more at ease because they understand better where we come from. They have a better understanding of our culture as a foundation, and what drives us in terms of our programmatic thinking."

Allison Magee, Executive Director, Zellerbach Family Foundation

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# Transparency lessens redundancy and increases collaboration

<table>
<thead>
<tr>
<th>Where foundations are going strong</th>
<th>Where foundations encounter pain points</th>
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<tbody>
<tr>
<td>Contact information</td>
<td>Open licensing policies</td>
</tr>
<tr>
<td>97%</td>
<td>18%</td>
</tr>
<tr>
<td>Key staff list</td>
<td>See examples</td>
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<tr>
<td>97%</td>
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<tr>
<td>Searchable Grants Database</td>
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<tr>
<td>69%</td>
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"Transparency is an essential part of increasing effective collaboration among foundations. We are better stewards of our charitable resources if we share what we learn—our successes as well as our failures—and are open to learning from each other."

Larry Kramer, President, The William and Flora Hewlett Foundation

Use your website to make it easy for peers and partners to find you, and to understand and build on your body of work.
Transparency builds a community of shared learning

Where foundations are going strong

- Knowledge center: 61%
- Strategic plan: 25%
- Assessment of overall foundation performance: 22%

Use your website to share strategies, lessons learned about successes and failures, and how you are measuring your progress.

Since 2016, the number of participating foundations actively curating a knowledge center on their websites has jumped from 40% to 61%.

Candid is here to help

Share your grants data via Candid

By sharing your demographics data with Candid, and encouraging your grantees to do so as well, this data can be leveraged across the field for greater efficiency and equity.

Funder Transparency seals

Candid’s Profiles now collect new fields specific to foundations, offering a 360-view of the field’s transparency practices. Claim or update your profile today.

Issue Lab

Help build the collective knowledge of the social sector by sharing your knowledge from reports, evaluations, and lessons learned in Issue Lab’s open collections.

Since 2016, the number of participating foundations actively curating a knowledge center on their websites has jumped from 40% to 61%.
Examples

To help you tackle the transparency challenge, click on the foundation logos below to view good examples of how these funders are being transparent by sharing content that often represents pain points in the field.

Demographic data:
See how these foundations visually display demographic data about staff and trustees or leverage their Candid Nonprofit Profile to share this information.

DEI values and policies
See how these foundations have explained their commitments to diversity, equity, and inclusion, including key details such as glossaries, progress reports, and new commitments.

Code of conduct
Many foundations have a Code of Conduct, but do they use it to explain the consequences of what happens if the Code is violated? These do:

Applicant/grantee feedback
While many foundations ask for general feedback via their websites, the Barr Foundation asks for this feedback in a way that invites both qualitative and quantitative information.

Open licensing policies
See how these foundations explain the details of open licensing by encouraging the reuse and redistribution of content they fund or produce.

Knowledge center
See how these foundations have centralized their knowledge, making it easy for website visitors to seek and find what they have learned from their body of work.

Assessment of overall foundation performance
See how these foundations are sharing both quantitative and qualitative information about their institutional progress toward overall goals.
Credits

Over the last twelve years, 112 foundations have taken and publicly shared the results of their GlassPockets transparency self-assessments. We are grateful to these foundations for their leadership and public commitment to working transparently:

- Allegany Franciscan Ministries
- Annenberg Foundation
- Archstone Foundation
- Arcus Foundation
- Arkansas Community Foundation
- Atkinson Foundation
- The Atlantic Philanthropies
- Barr Foundation
- Bella Vista Foundation
- Blandin Foundation
- Blue Shield of California Foundation
- Brazil Foundation
- Bush Foundation
- California Community Foundation
- The California Endowment
- California Health Care Foundation
- Carnegie Corporation of New York
- Samuel N. and Mary Castle Foundation
- Central Valley Community Foundation
- Cleveland Foundation
- Winifred Johnson Clive Foundation
- Colburn Foundation
- The Commonwealth Fund
- Community Foundation of the Eastern Shore
- Community Foundation of Napa Valley
- Community Foundation of Santa Cruz County
- Creative Capital Foundation
- Disability Rights Fund
- Dramatists Guild Fund
- Doris Duke Charitable Foundation
- The Durfee Foundation
- Lettie Pate Evans Foundation
- Max M. and Marjorie S. Fisher Foundation
- Florida Wildlife Corridor Foundation
- Ford Foundation
- Foundation for a Healthy Kentucky
- Bill & Melinda Gates Foundation
- J. Paul Getty Trust
- GHR Foundation
- Give2Asia
- Evelyn and Walter Haas, Jr. Fund
- Walter and Elise Haas Fund
- The John A. Hartford Foundation
- Headwaters Foundation
- The Heising-Simons Foundation
- The William and Flora Hewlett Foundation
- Conrad N. Hilton Foundation
- Humanity United
- Inter-American Foundation
- Internet Society Foundation
- Iowa West Foundation
- The James Irvine Foundation
- The Robert Wood Johnson Foundation
- JRS Biodiversity Foundation
- Mitchell Kapor Foundation
- Kavli Foundation
- KDK-Harman Foundation
- W.K. Kellogg Foundation
- F. M. Kirby Foundation
- The Kresge Foundation
- Laudes Foundation
- Lumina Foundation
- Luminant Foundation
- John D. and Catherine T. MacArthur Foundation
- Dan and Margaret Maddox Fund
- Marin Community Foundation
- McKnight Foundation
- MetroWest Health Foundation
- Meyer Memorial Trust
- Gordon and Betty Moore Foundation
- Charles Stewart Mott Foundation
- New York Foundation
- The New York State Health Foundation
- Omidyar Network Fund
- Open Road Alliance
- Open Society Foundations
- Ottumwa Regional Legacy Foundation
- The David and Lucile Packard Foundation
- Philanthropic Ventures Foundation
- The Ian Potter Foundation
- Public Welfare Foundation
- Kenneth Rainin Foundation
- Rancho Santa Fe Foundation
- Rasmuson Foundation
- The Reach Healthcare Foundation
- Rockefeller Brothers Fund
- The Rockefeller Foundation
- Russell Sage Foundation
- Salem Health and Wellness Foundation
- The San Diego Foundation
- San Francisco Foundation
- Sea Change Foundation
- Silicon Valley Community Foundation
- Alfred P. Sloan Foundation
- The Morris Stulsaft Foundation
- Sunlight Giving
- Surdna Foundation
- Tableau Foundation
- Te Muka Rau Charitable Trust
- Tinker Foundation
- TrustAfrica
- Visiting Nurse Association of Chicago (AKA) VNA Foundation
- Vodafone New Zealand Foundation
- The Wallace Foundation
- Walton Family Foundation
- Weingart Foundation
- Joseph B. Whitehead Foundation
- Lettie Pate Whitehead Foundation
- Robert W. Woodruff Foundation
- Woods Charitable Fund
- The Zellerbach Family Foundation