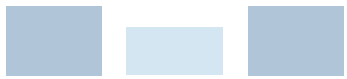


20
23

ANNUAL
REPORT



THE CENTER
FOR EFFECTIVE
PHILANTHROPY



CENTER FOR EFFECTIVE PHILANTHROPY



Institutional and individual donors can take on pressing challenges that have defied government and business solutions. But being effective in this work is uniquely challenging. To make every dollar count, donors need to continually assess their performance, learn from data and exemplars, and adapt their practices in ways that are consistent with effectiveness. That's where CEP comes in.

CEP'S MISSION

Founded in 2001, CEP is a nonprofit organization with a mission to provide 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.

For more information on CEP's work, including its research, assessments, advisory services, and programming, visit cep.org.

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INTRODUCTION LETTER



June 2024

Dear Colleague,

We are pleased to share a recap of our work in 2023, a year of significant growth, accomplishment, and change at CEP. You can read more about each of these achievements and our work in the pages of this report, but to offer a few highlights:

- ▶ We released **research** chronicling the changes in philanthropic practice, offering a snapshot of the state of nonprofits and examining the effects of MacKenzie Scott's large, unrestricted grants on recipient organizations.
- ▶ The **CEP Learning Institute** came into form, putting decades of CEP knowledge to work to help staff and leaders at grantmaking institutions improve their work through intensive learning cohorts.
- ▶ We hosted our **first conference** in four years in Boston, featuring speakers like artist and activist John Legend, Boston Mayor Michelle Wu, and U.S. Poet Laureate Ada Limón.
- ▶ Our **Assessment and Advisory Services** team provided crucial data to grantmakers through our feedback surveys and customized advisory services.
- ▶ Our **YouthTruth** team worked with education funders, schools, and districts, delivering vital feedback from students and other constituents — continuing to serve as a powerful example of how to learn from the perspectives of those we seek to help.

What's more, the CEP staff grew to its largest size yet and, following an exhaustive national search, we welcomed a key new leader, Elisha Smith Arrillaga, Ph.D., to CEP as our new vice president, Research.

We invite you to read more about these accomplishments and our other work in the pages that follow. Undergirding all our efforts is a belief that donors, working collaboratively and thoughtfully, can profoundly contribute to creating a better and more just world.

Let us know your thoughts and how you'd like to get involved.

Yours sincerely,

Phil Buchanan
President, CEP
philb@cep.org

Tiffany Cooper Gueye
Board Chair, CEP

RESEARCH

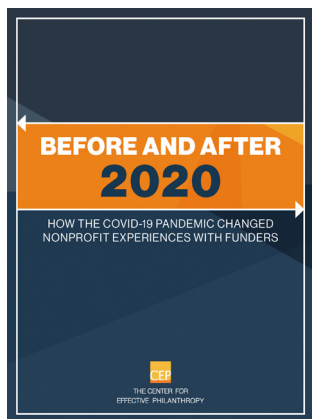
In 2023, CEP's research team continued to provide crucial data and insights to funders. The team released three reports in 2023.



State of Nonprofits 2023: What Funders Need to Know (June 2023)

Based on a nationally representative survey of nonprofit leaders, CEP's first annual report on the state of nonprofits reveals that nonprofit leaders in 2023 were experiencing an increase in trust from funders and positive changes in funder practice, while simultaneously noting that they are facing high levels of burnout in their staff and difficulty filling staff positions and retaining staff. Finally, nonprofits reported a more positive financial

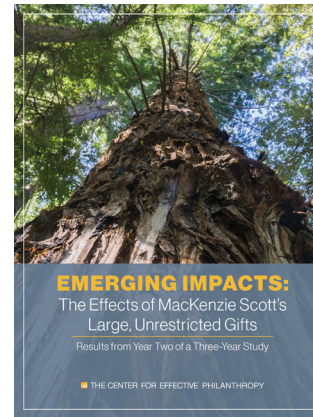
outlook than many feared given the recent challenging economic context.



Before and After 2020: How the COVID-19 Pandemic Changed Nonprofit Experiences with Funders (July 2023)

An analysis of data from CEP's Grantee Perception Report (GPR) dataset reveals that nonprofits were experiencing meaningful changes in the practices of funders since 2020. This brief report examines data from funders who solicited grantee feedback both before and after 2020, and reveals a greater degree of change than what was typical prior to the COVID-19

pandemic, suggesting that 2020 was a watershed year for grantmakers.



Emerging Impacts: The Effects of MacKenzie Scott's Large, Unrestricted Gifts (Nov. 2023)

In the second report in CEP's ongoing study of the impact of MacKenzie Scott's pathbreaking and much-discussed approach to giving, CEP found that her unrestricted gifts were having dramatically positive effects on recipient organizations and the communities they serve. The study also finds that her unusually large grants have so far rarely resulted in the

challenges or difficulties that many predicted.

Beyond fielding this research and sharing these crucial insights with the field through these three new reports, the team also presented and shared the findings of this research widely, presenting at two extremely well-attended CEP webinars, and at regional and national conferences, including CEP's conference.

The team welcomed four new members including Vice President, Research Elisha Smith Arrillaga, Ph.D.



**3 RESEARCH
PUBLICATIONS**



ASSESSMENT AND ADVISORY SERVICES



CEP's assessments and advisory services provide actionable insights and benchmarking for funders that help continually improve their efforts. Hundreds of funders of nearly every type and size have commissioned CEP's advisory services and assessments — including the Grantee and Applicant Perception Report, Donor Perception Report, Staff Perception Report and more customized engagements — to make the best choices about how to use their resources to create impact.

The Assessment and Advisory Services (AAS) team delivered 106 engagements throughout 2023: 57 Grantee Perception Reports; 18 advisory service projects; 14 Staff Perception Reports; and 12 Donor Perception Reports.

The story of 2023 for the AAS team goes far beyond these numbers. We undertook customized data collection to meet client specific needs, conducted focus groups and interviews to go deeper with funders in understanding specific aspects of their approaches or organizations, and continued our work supporting funders' use of demographic data. All of this is in service of making their work better and, ultimately, better serving people and communities.

The clients we served reflect the growing diversity and richness in approaches to philanthropy. We worked with an increased number of intermediaries, corporate funders, and non-traditional grantmakers. About a third of GPR users worked with CEP for the first time this year, and we continued to expand our work outside of the U.S.

Following intensive development and user-testing, we launched an updated interactive, online reporting system that is both more user-friendly and offers greater functionality. We also welcomed new staff, expanding our team in order to offer a greater number of survey rounds in 2024 to meet growing demand.

Finally, the AAS team played an important role at CEP's 2023 conference in Boston, running a pre-conference session for "tool users" — recent and current CEP clients — offering participants the chance to connect with peer grantmakers and engage in a lively discussion about seeking, understanding, and acting on feedback from grantees, donors, staff, and other stakeholders.



106 TOTAL
ENGAGEMENTS



WITH 87
PARTNERS



THE CEP LEARNING INSTITUTE



2023 saw the official launch of CEP's Learning Institute — an achievement that represents years of research, planning, and pilot programs. As shared on the CEP blog, the launch of the CEP Learning Institute is indeed, “good news for change champions.”

Drawing on CEP's unique store of knowledge and insight from decades of work with funders, as well as rigorous research, the Learning Institute supports foundation staff and leaders in improving philanthropic practice and maximizing their positive impact on partners, fields, and communities. It does so by hosting peer learning cohorts, trainings, and custom workshops where foundation staff and leaders can connect with peers in the field, engage in deep learning, set goals, and advance real changes.

The CEP Learning Institute hosted two sold out Trust-Based Philanthropy Peer Learning Cohorts, offering 63 philanthropic leaders a months-long, action-oriented grounding in the implementation of trust-based philanthropy as well as ongoing support and a peer network as they champion change at their respective organizations.

Expanding its offerings, the Learning Institute also launched registration for a Flexible Funding Leaders Cohort and a Program Officer Peer Learning Cohort to kick off in early 2024. The team also grew, welcoming a new staff member as a full-time, dedicated engagement lead for the Learning Institute, preparing the team to deepen its impact in 2024.



63
PARTICIPANTS

FROM **36**
ORGANIZATIONS

IN **2**
COHORTS

YouthTruth

— LISTEN. LEARN. IMPROVE. —

YouthTruth operates on the simple principle that student voice matters.

YouthTruth's research-backed surveys of the student experience invite young people to give candid feedback to adults, and they are designed to yield actionable insights that can be applied to drive real-world, real-school change. YouthTruth also gathers feedback data from families and school staff. Through coaching and workshops, YouthTruth supports school systems partners and education funders to learn from student perception data to create schools where all students have the opportunity to learn and thrive. Additionally, YouthTruth regularly conducts research into its aggregate data to yield insights on how young people think about issues related to education and beyond.

In 2023, YouthTruth surveyed 387,301 students, 95,862 family members, and 36,020 staff at 1,156 unique schools in 163 school districts across the country. The team also released two new research reports, and nearly doubled YouthTruth's earned media, receiving more than 500 mentions from the press. In other words, the team has a lot to be proud of in 2023.

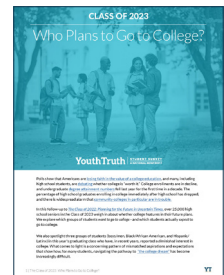
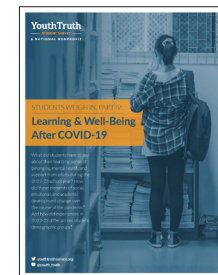
Members of the team presented at national education conferences and led workshops for school districts across the country throughout the year, in addition to presenting at CEP's conference. These activities highlighted YouthTruth's expertise in using student-focused data to catalyze school improvement.

YouthTruth also completed a new strategic plan in 2023. The plan includes increased focus on reaching a broader audience, including funders, with research and thought leadership on topics driving conversations about the well-being of youth, from safety at school and emotional and mental health to equity of access to postsecondary opportunities.

Finally, in 2023, YouthTruth completed research on a year-long project investigating student perceptions about learning math, and the team was selected to join a learning cohort convened by the Bill and Melinda Gates Foundation to explore the uses of generative AI in education.

Researchers on the YouthTruth team used this opportunity to pilot a next generation research technology to efficiently generate insights from more than 150,000 pieces of student feedback about their experiences as math learners.. Findings from the Math Project were collected in a report published in early 2024.

Research released in 2023 included *Learning & Well-Being After Covid-19* and *The Class of 2023: Who Plans to Go to College?*



2023 YOUTHTRUTH INSTITUTIONAL FUNDERS

BILL & MELINDA
GATES foundation

WILLIAM & FLORA
Hewlett
Foundation

Carnegie
CORPORATION
OF NEW YORK

Fund for
SharedInsight

WALTON FAMILY
FOUNDATION

Stuart Foundation

PROGRAMMING AND EXTERNAL RELATIONS

With the return of CEP's conference for the first time in four years, 2023 was a significant year for the Programming and External Relations (PER) team. In addition to planning the largest conference CEP has yet hosted, the team also executed the release and dissemination of three research reports, and hosted two popular webinars. The team engaged CEP's audience in new ways, and continued work to update and reimagine CEP's online presence.

THE CEP CONFERENCE RETURNS

CEP
2023

Held in Boston from Oct. 30 - Nov. 1, CEP's conference in 2023 featured speakers like artist and activist John Legend, Boston's Mayor Michelle Wu, and U.S. Poet Laureate Ada Limón. The conference was CEP's largest ever, with about 500 attendees. It featured eight main stage plenaries, 23 breakout sessions, a pre-conference program hosted by the Assessment and Advisory Services team, and an inspiring performance from virtuoso musician Sona Jobarteh and her band.

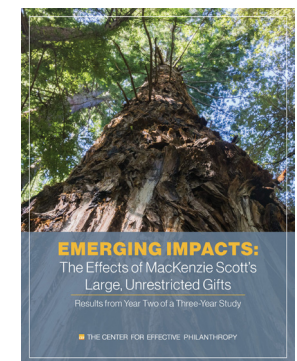
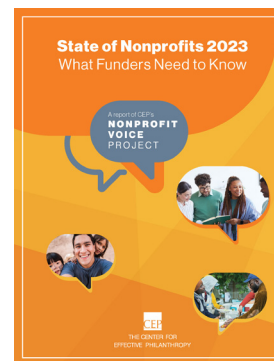
The team also worked to ensure that the conference had reach beyond those who were able to attend in person, sharing daily recap blog posts, enabling CEP's audience to follow along from afar via social media, and sharing recordings of key plenary sessions after the gathering.

The PER team supported the release of three research reports in 2023: *State of Nonprofits 2023: What Funders Need to Know*, *Before and After 2020: How the COVID-19 Pandemic Changed Nonprofit Experiences with Funders*, and *Emerging Impacts: The Effects of MacKenzie Scott's Large, Unrestricted Gifts*.

The team also hosted two virtual events, a webinar following the release of *State of Nonprofits 2023* and *Before and After 2020* that had more than 700 registrants and a webinar presenting the latest in CEP's study of

MacKenzie Scott's giving, *Emerging Impacts*. The latter was CEP's most well-attended webinar on record with more than 1,800 registrants.

Finally, the year saw steady progress in how we reach and engage our audience and measure our communications performance. As CEP's audience moved away from X (formerly Twitter), we responded by investing more time in other platforms, including LinkedIn, where we saw significant growth in our following, and a new Instagram account (@CEPdata) that offers us opportunities to engage with our audience in new ways. Throughout the year, the team also worked to reimagine and redesign our online presence in consultation with digital consultants Alloy (formerly Narwhal Digital). We look forward to continuing this work in 2024.



PEOPLE AND CULTURE

The people and culture team strives to ensure that CEP is maintaining its people-first and mission-focused culture. The team also focuses on meeting high standards of diversity, equity, and inclusion both in our internal culture and external practices, including recruiting, hiring, and onboarding processes. More information on CEP's culture and DEI goals and plans can be found on CEP's website.

In 2023 the People and Culture team hired and onboarded 11 new CEP staff members, including an addition to the People and Culture team itself, overseeing CEP's growth to its largest staff size yet. While the organization has grown, the team has ensured that we remain focused on inclusion and equity.

To ensure that our culture grows with us and to maintain a high standard of how we work, the team fielded an annual staff engagement survey and collaborated across teams to ensure our hybrid workplace is as beneficial to productivity, collaboration, and culture-building as possible. With this goal in mind, we implemented regular all-staff days and cross-organization committees to plan in-person and virtual social events.

In addition, the team led discussions of DiSC workplace profiles at both an organization-wide and team level to better understand how we work as individuals, teams, and as a whole. Ongoing discussions about both the staff survey and DiSC results have been useful in informing our

understanding of how CEP's culture and workplace operate, and where there may be opportunities for improvement.

With the goal of continuous improvement in intercultural competency, the People and Culture team also continued to lead new CEP staff to engage in Intercultural Development Inventory sessions and led all staff in optional DEI discussions and learning opportunities.





FINANCE AND OPERATIONS



CEP remains committed to being a strong organization financially and operationally. We have a diversified revenue stream and grant support from more than 60 funders, including a mix of both general support and project funders. More than half our revenue is derived from fees-for-service, including our assessment and advisory services for foundations as well as our YouthTruth survey products. In addition, we maintain a robust Board Designated Reserve Fund and a Strategic Opportunities Fund that is used to pursue opportunities to advance CEP's mission in ways that would otherwise not be feasible.

In 2023 the Finance and Operations team worked to help settle Cambridge-based staff into a new office on the East Coast after a move in late 2022 and continued its work to support CEP's effectiveness.

A key achievement this year was the completion of the 2022 audit, conducted virtually, which resulted in a clean audit report. This underscores our commitment to rigorous financial management practices.

We also made significant strides in enhancing team efficiency through new software and system implementations. Notably, the introduction of the budget and projection application, Budgyt, initially deployed within the Finance team, is set for organization-wide launch in 2024. This tool is expected to significantly streamline our financial processes.

Additionally, our IT vendor has been proactive in addressing the recommendations from the latest vulnerability assessment conducted in November 2022, ensuring our data security and system integrity remain uncompromised. We have also developed guidelines for AI tool usage to further safeguard our technological resources.

CEP ended 2023 with a significant operational surplus of \$918,766. Favorable market performance, namely unrealized gains from our investments, is reflected in our net assets at year-end.

FINANCIAL INFORMATION

Statement of Financial Position for the year ended December 31, 2023 (dollars in thousands)

	Unrestricted	Temp Restricted	Total
Total Assets	15,768	2,541	18,309
Selected Balances			
Cash	1,317	3,147	4,464
Investments	12,933		12,933
P/R		1,976	1,976

Statement of Activities and Change in Net Assets for the year ended December 31, 2023 (dollars in thousands)

	Unrestricted		Temp Restricted	Total
	Operating	Strategic Opportunities Fund		
Operating Revenue & Support				
Grants & Contributions	6,189		-988	5,201
Earned Revenue	8,141		-32	8,109
<i>Total Revenue & Support</i>	14,331		-1,020	13,310
Operating Expenses				
Program Services	10,735	551		11,285
Supporting Services				
Management and General	2,493			2,493
Fundraising	184			184
<i>Total Supporting Services</i>	2,677			2,677
TOTAL EXPENSES	13,412	551	0	13,962
Change in Net Assets	919	-551	-1,020	-652
Investment Return, net	808	389		1,197
Net Assets at Beginning of Year	7,647	6,556	3,562	17,764
Net Assets at End of Year	9,374	6,394	2,541	18,309



2023 FUNDERS



\$500,000 or More

BILL & MELINDA
GATES *foundation*

 Robert Wood Johnson
Foundation

 WILLIAM + FLORA
Hewlett
Foundation

\$200,000 - \$499,999

Barr Foundation
Carnegie Corporation of New York
Conrad N. Hilton Foundation
Ford Foundation
Fund for Shared Insight
Raikes Foundation

\$100,000 - \$199,999

Lumina Foundation
Rockefeller Foundation
The David and Lucile Packard
Foundation
The Wallace Foundation
Walton Family Foundation

\$50,000 - \$99,999

Anonymous
Goldman Sachs Philanthropy Fund
Margaret A. Cargill Philanthropies
Rita Allen Foundation

Skoll Foundation
Surdna Foundation
The Arthur M. Blank Family Foundation
The Heinz Endowments
The Klarman Family Foundation
The Kresge Foundation
The Leona M. and Harry B. Helmsley
Trust
The McKnight Foundation
William Penn Foundation

\$20,000 - \$49,999

Blue Shield of California Foundation
Hartford Foundation for Public Giving
Heising-Simons Foundation
Houston Endowment
Johnson Scholarship Foundation
Nellie Mae Education Foundation
Rockefeller Brothers Fund
Stuart Foundation
The Duke Endowment
The Gordon and Betty Moore
Foundation
Unbound Philanthropy
Wagner Foundation
Walter and Elise Haas Fund
Wilburforce Foundation

Up to \$19,999

Archstone Foundation
California Health Care Foundation
Colorado Health Foundation

Columbus Foundation
Delaware Community Foundation
Doris Duke Charitable Foundation
Dyson Foundation
Eugene and Agnes E. Meyer
Foundation
Evelyn and Walter Haas, Jr. Fund
George Gund Foundation
GHR Foundation
Health Forward Foundation
Henry Luce Foundation
Imago Dei Fund
Internet Society Foundation
Jacob and Valeria Langeloth
Foundation
Jessie Ball duPont Fund
New Hampshire Charitable Foundation
Schmidt Futures
The Assisi Foundation of Memphis
The Boston Foundation
The Nord Family Foundation
The Patterson Foundation
William J. and Dorothy K. O'Neill
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Kelvin Taketa
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2023 ASSESSMENT AND ADVISORY SERVICES SUBSCRIBERS



Advancing a Healthier Wisconsin Endowment
Arizona Community Foundation
Arnold Ventures
Ascendium Education Philanthropy
Bader Philanthropies, Inc.
Bainum Family Foundation
Blue Cross Blue Shield of Massachusetts Foundation
Co-Impact
Comic Relief UK
Community Foundation for Southeast Michigan
Community Foundation of Middle Tennessee, Inc.
Community Foundation of Sarasota County
Craig H. Neilsen Foundation
Democracy Fund
ECMC Foundation
Edmonton Community Foundation
Energy Foundation
Evelyn and Walter Haas, Jr. Fund
Ford Foundation
Gaylord and Dorothy Donnelley Foundation
Glick Philanthropies
Gordon and Betty Moore Foundation
Greater Rochester Health Foundation
Greater Washington Community Foundation
Greater Worcester Community Foundation
Helios Education Foundation
High Foundation
Houston Endowment
Howard Gilman Foundation
Humanity United

Inter-American Foundation
Kate B. Reynolds Charitable Trust
Kendeda Fund
Kronkosky Charitable Foundation
Luminate Group
Malala Fund
Max M. & Marjorie S. Fisher Foundation
McConnell Foundation
Melville Charitable Trust
Methodist Healthcare Ministries of South Texas, Inc
Minderoo Foundation
Mission Investors Exchange
Missouri Foundation for Health
National Geographic Society
Omidyar Network Fund, Inc.
one8 Foundation
Overdeck Family Foundation, Inc.
Paul Ramsay Foundation
Raskob Foundation for Catholic Activities, Inc
Rockefeller Brothers Fund
Saint Paul & Minnesota Foundation
Skoll Foundation
Skyline Foundation
The Allstate Foundation
The Arthur M. Blank Family Foundation
The Arthur Vining Davis Foundations
The Blandin Foundation
The California Wellness Foundation
The Colorado Health Foundation
The Columbus Foundation

The Commonwealth Fund
The David and Lucile Packard Foundation
The George Gund Foundation
The Harvest Foundation
The Heinz Endowments
The James Irvine Foundation
The JPMorgan Chase Foundation
The Liberty Mutual Foundation
The Prudential Foundation
The Ralph M. Parsons Foundation
The Robert Wood Johnson Foundation
The Rockefeller Foundation
The San Diego Foundation
The San Francisco Foundation
The Seattle Foundation
The William and Flora Hewlett Foundation
Tiger Foundation
Tipping Point Community
Toronto Foundation
Tull Charitable Foundation
Van Leer Foundation
Walmart.org
Walton Family Foundation
William Penn Foundation
Woodward Hines Education Foundation
Yad Hanadiv



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