

James E. Canales: On the James Irvine Foundation's Annual Comprehensive Performance Assessment

One of the ways that foundations can proactively exercise accountability is through constant self-reflection on its operations and grantmaking. NCRP interviewed by email the James Irvine Foundation's president and CEO, James Canales, about the foundation's efforts to track progress towards meeting its goals.



James E. Canales

NCRP: Why did the James Irvine Foundation institute its foundation-wide assessment process (known internally as the Performance Assessment Framework)?

James E. Canales: In 2003–2004, the Foundation engaged in a strategic planning process guided by data and our institutional values that resulted in a decision to focus our work in three program areas: Arts, California Democracy and Youth. We had ambitious goals in each of these programs and it became clear to the staff and board that we needed a mechanism to assess our overall progress and impact as an institution.

The result of our board discussions was the development of the “Performance Assessment Framework,” which tracks the progress across various dimensions of the foundation’s work: programmatic, communications-related, operational and financial. It allows us to demonstrate accountability and helps Irvine’s board fulfill its oversight responsibility. It also informs our ongoing programmatic decisions and strategic choices.

NCRP: Among the different aspects of the foundation-wide assessment, which one proved to be the most difficult to design and implement, and why? How did you overcome these challenges?

JC: In some respects, developing the entire framework proved challenging. There were not too many models in philanthropy from which we could draw; we were fortunate that a handful of foundations, such as the Rockefeller Brothers Fund and the Robert Wood Johnson Foundation, had done some very good work in this regard, so we could follow in the footsteps of others.

NCRP: How has the foundation-wide assessment evolved since it began in 2005?

JC: In recent years, we have added sections that help to contextualize our work and that give our board a richer sense of how our efforts connect a larger picture. Two specific examples in this regard: first, our board had asked us to collect data that looks at Irvine’s grantmaking compared to other funders in the same areas of work. For example, in our Youth program, we

now are collecting data on other funders supporting education work within California. A second contextual section we added a few years ago responded to board interest in looking at broader indicators in the fields we fund. Thus, we provide data on dropout rates in California, not necessarily to suggest that our goal is to change these indicators ourselves but to help the board see how our work fits into a broader external environment and how that environment shifts over time.

NCRP: In what way has foundation-wide assessment affected the way the foundation works internally and externally?

JC: I think it deepens our institution’s commitment to accountability and impact. The practice of reporting each year explicitly on these various facets of our work, to our board and then to the public, places an emphasis on accountability and results. At the same time, fortunately, this commitment to foundation-wide assessment has not led us to become too oriented toward the short term. While these are annual reports, and we hope to report progress each year, we also realize that our programmatic goals will not be reached in one year. Accordingly, we need to be cautious that we don’t become overly focused on the near term at the expense of our longer-term objectives. I think we have managed this balance well, but it remains one to be attentive to.

NCRP: How has the foundation-wide assessment impacted your relationship with your grantees?

JC: I should be clear that we view the primary audience for this assessment work to be Irvine's board, although we have published these annual performance reports on our Web site each year. To the extent our grantees (and others) are able to discern how Irvine thinks about and reports on assessment and impact, I

would presume that doing so helps us build the collaborative, trusting and mutually supportive relationship we seek with our grantees. I also should note that one section of the report discusses constituent feedback, which ensures that we remain responsible each year for finding ways to learn from our partners, including our grantees. To that end, we once again will participate in the Center for Effective Philanthropy's Grantee Perception Report in 2010,

as one way to learn from our grantees how we can be more effective in our work with them.

NCRP: Why do you think there aren't more private foundations adopting their own comprehensive assessment programs?

JC: I am not certain this is the case. I certainly have seen more foundations taking interest in this subject and grappling with questions of evaluation and assessment. When I participated with other colleagues on a panel at the Center for Effective Philanthropy conference in March 2009, we had a terrific turnout that suggests that this is a growing area of interest, and we certainly have had numerous foundations contact us for more information about this aspect of our work. Ultimately, each foundation will determine what works best in its context in terms of assessing its work.

NCRP: Spending significant time on foundation-wide assessment has real opportunity costs. What did the foundation give up in order to spend time and resources on foundation-wide assessment? Is it worth it?

JC: This work does indeed take time, but in many ways we view any time devoted to this project as a natural extension of Irvine's obligation to engaging the board, demonstrating accountability and reporting results. We are able to devote part of a staff member's time to compiling the report each year, and all of us across the foundation contribute in some way during that process. We have determined this is time well spent, and the process of preparing the report forces us to distill the lessons learned from our work in a given year and to consider how we can learn from those as we plan for the future. ■

Program Impact

GRANTMAKING

We believe it is important to track our grantmaking along a range of indicators in order to have an informed understanding of the range of institutions we are supporting and to ensure that our grantmaking reflects our strategic priorities and our values. This section of the Annual Performance Report provides analysis of grantmaking across our program areas and priorities, how it changes over time, and the geographic distribution of grants across California's regions.

The chart below displays the total amount of grants approved each year over the past 10 years.

TOTAL GRANTMAKING, 1999-2008

Year	Total Grantmaking (Millions)
1999	48.9
2000	70.0
2001	71.5
2002	62.5
2003	50.5
2004	53.7
2005	60.0
2006	69.2
2007	74.6
2008	78.8

As in past years, 85 percent of our grants were devoted to work in our core programs of Arts, California Perspectives and Youth. Cross-Program grantmaking was somewhat higher in 2008 due to renewal grants for the Community Foundations Initiative II, which totaled \$4.75 million. Special Opportunities grantmaking made up \$3.5 million as the result of a major capital grant and a significant investment in a neighborhood change initiative in Los Angeles.

The chart below illustrates trends in grantmaking levels among our three core program areas over the past four years.

GRANTMAKING BY CORE PROGRAM

Total grantmaking reached \$78.8 million in 2008, the largest amount the Foundation granted in a single year in its history. Levels of grantmaking over time are based on the size of the endowment in a given year. Changes in grantmaking usually lag overall market conditions. With this in mind, while our grantmaking is projected to be flat in 2009, it is likely to decline in future years as we experience the effect of a significant economic downturn.

TOTAL GRANTMAKING BY PROGRAM AREA

Program Area	2008 Grant Dollars	Percentage
Arts	\$24,061,168	30.5%
California Perspectives	18,717,180	23.8%
Youth	23,530,618	29.9%
Special Opportunities	3,550,000	4.5%
Cross-Program	7,629,628	9.7%
Board and Staff Discretionary Grants	811,500	1.0%
Memberships/Sponsorships	488,500	0.6%
Total Grantmaking	\$78,788,594	100%

Note: Chart excludes Youth grants for the CORAL initiative (2005-07), which preceded our current program strategies.

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From the James Irvine Foundation 2008 Annual Performance Report.